# STRATEGY IMPLEMENTATION AND PERFORMANCE OF ENERGY AND PETROLEUM SECTOR STATE CORPORATIONS IN KISUMU COUNTY, KENYA

**BY**

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# DECLARATION

**Declaration by the Candidate:**

I hereby declare that this research report is my original work and has not been presented by any other party to any institution in its present form and manner for the fulfilment of the requirement for the award of any degree qualification.

**Sign**……………………………. **Date**: …………………………….

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**Declaration by the Supervisor:**

This research report has been submitted with my approval as the University Supervisor.

**Sign……………………… Date:** …………………………..

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I am greatly indebted to my supervisor Dr. Fredrick Aila for steadfast support, guidance and patience. My wife Dorine Kadu and sons Sam, Nyagowa and David for their encouragement and support.

## DEDICATION

This work is dedicated to my late mother, Mama Zilpah Odak who was a pillar in my education journey.

## ABSTRACT

Strategy implementation is an interactive process of implementing strategies, policies, programs, and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment. The energy and petroleum sector plays an important role in the economy of Kenya and is pivotal in the achievement of the country's Vision 2030. Available statistics show that strategic objectives of Kenya Vision 2030 for the Second Medium Term Plan (2013-2017), have not been achieved. The studies done in Kenya on implementation have not focused on performance of energy and petroleum sector state corporations. The purpose of this study was to analyse effect of strategy implementation on organizational performance of energy and petroleum sector state corporations in Kenya. Specific objectives were to establish effect of resource availability; organizational culture; organizational structure; and organizational leadership on performance of energy and petroleum sector state corporations in Kenya. The study was anchored on Resource-Based Theory, Contingency Theory, and Systems Model using explanatory research design. The target population was 99 senior managers from 11 energy and petroleum sector state corporations in Kisumu County. The Study used both primary and secondary data, where primary data were quantitatively constituted, while secondary data comprised financial reports. Data was collected using structured questionnaire and secondary data schedule. Quantitative data were analysed using both descriptive and inferential statistics. In descriptive statistics data were analysed using percentages, mean and standard deviation while in inferential statistics, Pearson's product moment correlation ( r ) and multiple regression analysis were used to test the hypothesis at 95% confidence interval. Cronbach's alpha coefficient was used to test reliability. Mean and standard deviation were used to analyse objectives, whereas regression analysis was used to analyse the effect of strategy implementation and organizational performance among energy and petroleum sector state corporations in Kisumu County. All the IVs had a statistically significant impact on efficiency. Organization culture ($p=0.12$), Organization Structure ($p=0.001$), Organization Leadership ($p=0.000$), and Resource Availability ($p=0.004$). Organization culture, structure, leadership and resource availability had statistically significant influence on efficiency and all the null hypothesis rejected. It was evident that strategy implementation had statistically significant influence on the performance of energy and petroleum sector state corporations in Kenya. The management of energy and petroleum sector state corporations in Kenya should therefore leverage all the aspects of strategy implementation both internal and external in order to exponentially improve the performance of these corporations.

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## ABBREVIATION AND ACRONYMS

| | |
|---|---|
| **SWOT** | Strength, Weakness, Opportunity, and Threats |
| **MEs** | Micro Enterprises |
| **RBV** | Resource Based View |
| **ROA** | Return on Assets |
| **ROE** | Return on Equity |
| **ROI** | Return on Investment |
| **SMEs** | Small and Medium Enterprises |
| **BSC** | Balanced Score Card |
| **ICT** | Information Communication Technology |
| **KPC** | Kenya Pipeline Corporation |
| **MCS** | Management Control System |
| **GOEs** | Government Owned Enterprises |
| **SOEs** | State Owned Enterprises |
| **SMART** | Specific Measurable Actionable Relevant Timely. |
| **KEPSA** | Kenya Private Sector Alliance |
| **SMP** | Strategic Management Practice |

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# CHAPTER ONE
# INTRODUCTION
## 1.1. Background of the Study
Strategy implementation is an interactive process of implementing strategies, policies, programs, and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment(Harrington, 2006).According to Mbaka and Mugambi (2014), strategy implementation is more important for the organization than strategy formulation because if the strategy is not successfully implemented by the staff and management, its cost and damages grow more than the failure of strategy formulation. Pearce and Robinson (2007) categorize components of strategy implementation that managers must take into consideration during implementation as: the structure, systems, shared values and leadership. The stronger the fits created between these components, the greater the chances of successful strategy implementation.

In strategy implementation, the various perspectives which must be taken into consideration for successful execution includes building an organization capable of carrying out the strategy successfully; developing budgets that steer resources into those internal activities critical to strategic success; establishing strategy-supportive policies and operating procedures. Other perspectives are motivating people in ways that induce them pursue the target objective energetically and, if need be, modify their duties and job behaviour to better fit the job requirements of successful strategy execution and, tying the reward structure in the achievement of target results.

In Kenya, according to Maxwell, Kepha and Joseph (2013), policy regulations, management competencies and resource allocations have a direct bearing on the implementation of which invariably affects the attainment of the organizational goals. According to Franken, Edwards, and Lambert (2009), organizations fail to implement about 70 percent of their new strategies. It has been reported that, in most cases, companies' strategies deliver only 63% of their promised financial value (Mankins and Steel, 2005), a shortfall that again can be attributed to weak implementation. Even more shockingly, Kaplan and Norton (2006) argued that 95% of a company's employees are not aware of or do not understand their company's strategy.

In a study that involved consultations with practicing managers, Verweire (2014) uncovered five fundamental causes for unsuccessful strategy implementation as: undue focus on financials in strategy discussions; lopsided emphasis on functional strategies at the expense of sound business strategy; fragmented implementation; failure to translate strategy into action; and poor leadership.

State corporations in Kenya are also known as parastatals. These are organizations and companies owned by the government (the government controls majority of the shares). They are established under Section 3 of the State corporations Act, CAP 446, or an Act of Parliament, or under the Companies Act, Cap 486. They are formed by the Kenyan government to meet both social and commercial needs while some exist to correct market failures. These entities are critical for promoting and acceleration national growth and development through creation of employment opportunities as well as socio-economic transformation in the form of delivery of public service (Akaranga, 2008; Republic of Kenya, 2012). Performance of state corporations of Kenya, therefore, is of great concern to the government, general public, and other stakeholders.

These concerns have led to a concerted effort by the Kenya government's efforts in seeking to establish factors that influence performance. The Government of Kenya in the spirit of New Public Management (NPM) introduced performance contracting as a management tool for measuring negotiated performance targets (Republic of Kenya, 2005). It was expected that NPM would service delivery, efficiency in resource utilization, elimination of reliance on public agencies on exchequer funding, instilling accountability thus enhancing performance across the organization (Akaranga, 2008). Evidence shows that, while some State corporations have achieved all these, others have perennially underperformed. Resource availability, allocation, and utilization have been on the forefront as major contributors to performance of State corporations in Kenya (Republic of Kenya, 2005; Kobia and Mohamed, 2006). While some State corporations in Kenya have been doing well, others have been underperforming, over rely on exchequer and lose viability. Less resources, excess in others, poor utilization, poor capabilities have been blamed for underperformance and great performance in the same measure. According to Republic of Kenya (2013), weak human resources and institutional capacity to attract and retain the skills needed to drive performance, has characterized some State corporations.

Energy and Petroleum Sector is one of the eight groups of these corporations categorized as such because they have common objective. Energy is identified as one of the infrastructural enablers of the three pillars of Kenya Vision 2030. The level and intensity of commercial energy use in a country is a major indicator of the degree of economic growth and development. Kenya is therefore expected to use more energy in the commercial sector on the road to 2030. As income increases and urbanization intensifies, household demand for energy will also rise. Preparations have been made to meet this growth in demand for energy under the Vision. Commercial energy in Kenya is dominated by petroleum and electricity as the prime movers of the modern sector of the economy, while wood fuel provides energy needs of the traditional sector including the rural communities and the urban poor. Development projects recommended under Vision 2030 and overall economic growth will increase demand on Kenya’s energy supply (Republic of Kenya, 2012).

There is need to establish whether strategy implementation levels have contributed to the performance of energy and petroleum sector State corporation in Kenya. This study will provide a unique perspective to the existing literature by highlighting the effect and extent of strategy implementation adoption and how it has affected performance of state corporations in the energy and petroleum sector.

### 1.1.1 Strategy Implementation

Implementing a strategy entails converting the organization’s strategic plan into actions and then into results. The implementation process impacts every part of the organizational structure, from the biggest organizational unit to the smallest frontline workgroup. The organization’s chief executive officer, heads of business divisions, departments and key operating units are all ultimately responsible for seeing that the strategy is implemented successfully. Hence, all managers become strategy implementers in their areas of authority and responsibility, and all employees are participants.

The strategy-making and implementing process consists of five interrelated managerial tasks. The first is forming a strategic vision of what the company’s future business make-up will be and where the business is headed. This is to provide long-term direction, delineate what can of enterprise a company a company is trying to become, and infuse the organization with a sense of purposeful action. The second is setting objectives, that is, converting the strategic vision into specific performance outcomes for the company to achieve. The third task in strategy-making and implementation is crafting a strategy to achieve the desired outcomes. The fourth is implementing and executing the chosen strategy efficiently and effectively.

Finally, the fifth task involves evaluating performance and initiating corrective adjustments in vision, long-term direction, objectives, strategy, or implementation in light of actual experience, changing conditions, new ideas and new opportunities (Thompson &Strickland, 1998). The basic activities in strategy implementation involve the following: establishment of policies for execution of strategies; allocation of resources; actual performance of tasks and activities; and leading and controlling the performance of activities or tactics in various levels of the process.

### 1.1.2. Organizational Performance

The concept of organizational performance has been based upon the idea that an organization is a voluntary association of productive assets, including human, physical, technological, and capital resources to achieve a common purpose (Berney, 2002). Organizational performance consists of three specific areas of the organization outcome, according to Richard *et al.* (2008). These are: financial performance, market performance and shareholder return. Performance is defined as accumulated end results of all the organization's work processes and activities (Stephen and Mary, 2002). According to Griffins (2006), organizational performance is described as an organization's ability to acquire and utilize scarce resources and valuables as expeditiously as possible in pursuit of its operational goals. The performance of a corporation is measured by how effective it transforms inputs into outputs (Thursby, 2000). Thus, strategy management can be defined as a process through which a combination of measures is used to evaluate a company.

Kaplan &Norton (1992) suggest that multiple performance measures should be multidimensional in nature covering financial and non – financial measures. Strategy management is a widely used method to diagnose and improve organizational performance. Developed in 1992, strategy management methodology is a comprehensive approach that analyses an organization's overall performance from four perspectives namely: financial, customer, internal processes, and innovations. Kaplan and Norton (1993, 2001) argue that one of the most important strengths of the strategy management is that each unit in the organization develops its own specific or unique measures that capture the unit's strategy, besides common measures that are employed for all units. The strategy management measures organizational performance across four different but linked perspectives that are derived from the organization's vision, strategy, and objectives (Atkinson, Kiopan and

Young, 2007). Financial perspective focus on desired financial results (Kaplan and Norton, 1993, 2001).

The measures chosen for this perspective include many ratios of financial items, such as return on investment (ROI), operating income, residual income, inventory turnover and revenue growth (Kaplan and Norton, 1993, 2001). This perspective emphasizes the stakeholders concern about how efficient and effective the unit is at using its resources. Performance is defined as accumulated end results of all the organization's work processes and activities (Stephen and Mary, 2002). The performance of a corporation is measured by its effectiveness in transforming inputs into outputs (Thursby, 2000). Strategy management is referred to as the use of a combination of measures for assessing company performance (Kaplan & Norton, 1992). Kaplan and Norton (1992) suggest that multiple performance measures should be multidimensional in nature covering both financial and non-financial measures. Strategic management is a widely used technique to diagnose and improve organizational performance.

Miller (2007) outlines seven areas of performance being used by manufacturing firms. These he says are effectiveness, productivity, quality, customer and stakeholder satisfaction, efficiency, and innovation. Low *et al*. (2008) studied performance measures, the study aimed to declare the importance of performance measurement in the public sector in terms of efficiency, effectiveness, and impact. Cross and Lynch (1992) developed a performance pyramid model to measure performance of public corporations. They point out two primary performance dimensions as service delivery and management, arguing that the two are intricately linked to organization goals. The two main dimensions are divided into four sub-dimensions which are research and development (R&D); sales and marketing; finance and human resource. Chang and Chow (1999) stated that rather than focusing on financial measures, organizations have historically focused on financial aspect. Due to the distinction on the nature of industry and mode of profit, it is difficult to set a general indicator to measure organizational performance. Measurement of performance should be based on different purposes and use different performance indicators. Anderson (2004) insisted that the measurement of performance depends on the environment, strategies, and objectives. Therefore, from the studies above we can say that strategic management practices and processes are related to performance of organizations and this can apply to State Corporations in Kenya in the Energy and Petroleum sector.

### 1.1.3. State Corporations in Kenya

The Kenya government forms state corporations to meet both commercial and social goals. They exist for reasons including corrections in market failure, exploiting social and political objectives, providing education, health services, redistributing income or developing marginal areas. Other goals of establishments of state corporations include an element of reducing cost, increase of government revenue, product access and creation of employment opportunities.

The State Corporation Act (Cap 446 of the Laws of Kenya) was enacted to provide a legal framework for the establishment, control, and regulation of state corporations. According to this Act, a state corporation is defined as a corporate body established by or under an Act of Parliament or other written law. It is a local authority established under the local treasury (incorporation Act); a building society established in accordance with the Building Societies Act; A company incorporated under companies Act which is not wholly owned or controlled by the government or by a state corporation. The president by order establishes a state corporation of a body corporate to perform the function specified in the order.

### 1.1.4. Performance Trends for State Corporations

The number of state-owned enterprises among largest world companies increased from 9.8% in 2005 to 22.8% in 2014 (Kmartkowski & Augustynowicz, 2014). The importance of SOEs in the global economy in recent years is increasing and driven by the growth of China and other emerging economies. Analysis of the fortune 500 list indicates that the number of state-owned enterprises on the list in the period 2005 – 2014 more than doubled (from merely 10% to almost 23%). State owned enterprises employs about one third of employees of companies from the list proportions of SOEs in developing countries on the list is as expected, substantially, higher than in developed countries. Another important factor that contributed to the increase in the SOEs share on the list is the increase in the number of companies in the natural resources sector. As described by Bremmer (2010) and Victor et al. (2014), governments in many countries especially in developing countries hold control of these key resources by ownership of companies. Emergency nationalizations after the crisis are also noticeable, particularly in the financial sector. Therefore, State Corporations worldwide have been increasing in numbers over the years. Kenyan State corporations have also increased over the last two decades due to demand for their services.

State corporations were retooled in Kenya by Sessional Paper No. 10 of 1965 into vehicles for indigenization of the economy right after independence. Therefore, most of the state corporations that exist today were established in the 1960s and 1970s by 1995. A total of 240 parastatals were established at independence. The main economic activities of parastatals are as follows: manufacturing and mining 60%, distribution finance 18%, transport, electricity, and other services 7% (State Corporations Act Cap 446 of the Laws of Kenya). The poor performance of most Parastatals over the years is due to corruption and mismanagement; expectations remain high and remain a challenge (Mati, 2006). Against the background of mismanagement, international organizations such as the International Monetary Fund (IMF) and the World Bank proposed the privatization of Kenyan Parastatals in 1994.

The state initiated structural adjustment programs (SAPs), 1996 - 1998, aimed at reducing Government participation in the economic sector and to increase productivity of the state corporations. Since then, this intervention has led to the popularization of privatization as a solution to the problems of Parastatals (Kenya: Economic Reforms for 1996-1998: The Policy Framework Paper, Prepared by the Government of Kenya in collaboration with the IMF and the World Bank, February 16, 1996.). According to the Report of the Presidential Taskforce on Parastatals Reforms (2013), the available data suggests that the output of state corporations to GDP in nominal terms has been increasing from 9.54% in 2008 /2009 to 11.64% in 2010/2011 based on internally generated income in terms of employment and wage earnings, rate of employment in state corporations has been declining in both absolute numbers as well as its share of formal wage employment. This is, according to the Report, a reflection of the withdrawal for the state from the sector through privatization efforts. On the other hand, data on average per capita arrival wage earnings is rising faster than in the wider public sector or private sector, suggesting that the state corporation sector pays more than even the private sector or overall public sector. This is anecdotal evidence as to why apart from the clear efficiency and effectiveness arguments, there is demand for establishment of more state corporations.

The novel coronavirus (COVID 19) has been a major topic of discussion since the beginning of the decade. The first case of the virus was reported on 31 December 2019 in Wuhan, China. It has affected major world economies and Kenya has not been spared. The first case of this virus was reported in Kenya on 13 March 2020. The Word Health Organization (WHO) declared the outbreak a pandemic. A pandemic status is given to a disease epidemic that has spread across a large region across the globe and community spread is inevitable. China and the United States are the two largest economies in the world. The two economies are global manufacturing hubs and while they are in a lockdown, a majority of developed and developing economies are beginning to experience the negative effects of the virus due to the disruption of the global supply chain. The global economic growth for 2020 is likely to come in at a slower pace due to the spread of the coronavirus.

According to a report by KEPSA, most businesses expect to be disrupted in these various ways: most companies foresee a situation where they will have to ask employees to work from home thus negatively affecting businesses in the service sector; stock-outs and delayed deliveries due to the lockdown; reduced demand for export products; increased cost of goods which will consequently increase the overall cost of production; reduced capital flows, restrictions on travel, and reduced staff time; and slowed investment appetite from foreign and local investors.

According to KEPSA's report, the coronavirus may have a 10.0% to 25.0% impact on GDP growth for the year 2020. As such, the coronavirus could reduce Kenya's GDP growth to a range of 4.3 to 5.2% for the year 2020 depending on the severity of the outbreak and economic implications for Kenya. The state corporations will thus be affected in the context of the national economy as portrayed by KEPSA in that production will slow down due to reduced works hours and disruption of the supply chain.

### 1.2. Research Problem

The performance of organizations has been the focus of intensive research efforts in recent times. How well an organization implements its policies and programs and accomplishes its strategic intent in terms of its mission and vision is of paramount concern. State corporations have not been doing well despite the application of strategic management practices. Once strategies are developed, they must be implemented and without successful implementation, an organization will not achieve the results that it intended. Kenya has Vision 2030 Strategic Program whose implementation has recorded a poor outcome as indicated by its Second Mid Term Plan (2013-2017) Report. In this report, the energy sector is still experiencing challenges such as high energy costs, over-dependence on hydropower with its vulnerability to variations in hydrology and climate, high cost of rural electrification projects, out-dated refinery and pipeline system, inadequate storage infrastructure for strategic reserves of the petroleum products, and weak legal and regulatory framework for energy resources exploration, exploitation and development. The Government of Kenya has invested enormous resources invested in strategy implementation, but the energy and petroleum sector state corporations have faced challenges in the implementation of strategic plans. Studies on strategy implementation and performance are scarce and therefore this study will add more knowledge into the gap on how strategy implementation affects firm's performance. The study attempted to answer the following research question: what is the effect of strategy implementation on the performance of energy and petroleum sector state corporations in Kenya?

### 1.3. Objectives of the Study

The main objective of the study was to establish the effect of strategy implementation on the organizational performance of energy and petroleum sector state corporations in Kenya. The specific objectives were to:

i. Examine the effect of organizational culture on the performance of energy and petroleum sector state corporations in Kenya.
ii. Determine effect of organizational structure on the performance of energy and petroleum sector state corporations in Kenya.
iii. Analyse effect of organizational leadership on performance of energy and petroleum sector state corporations in Kenya.
iv. Establish effect of resource availability on the performance of energy and petroleum sector state corporations in Kenya.

### 1.4. Research Hypothesis of the Study

The study sought to test the following hypotheses.

$H_{01}$ Organizational culture has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya.

$H_{02}$ Organizational structure has no significant effect on the organizational performance of energy and petroleum sector state corporations in Kenya.

$H_{03}$ Organizational leadership style has no significant effect on the organizational performance of energy and petroleum sector state corporations in Kenya.

$H_{04}$ Resource availability has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya.

## 1.5. Scope of the Study

According to the records available at the Ministry of Petroleum and Energy, there are eleven (11) State corporations under this sector with an estimated work force of 3,600 persons in 2018.The study focused on effect of strategy implementation on organizational performance of energy and petroleum sector state corporations in Kenya. The Study was carried out in Kisumu County in a period of four months: November& December 2020 and January & February 2021. Kisumu County covers a total of 2,085 km² and 567 km²is covered by water. It borders Homa Bay and Kisii counties to the South, Nandi County to the North East, Kericho County to the East, Vihiga County to the North West and Siaya County to the West.

## 1.6 Justification of the Study

Review of available literature suggests a dearth of research on the effect of strategy implementation on performance of energy and petroleum sector state corporations in Kenya. The execution of a strategy is a key factor in accomplishing business objectives as it gives organizations a competitive advantage. The findings of this study will assist in assessment of the effect of strategy implementation on performance of energy and petroleum-based state corporations in Kenya.

Available literature indicates that most energy and petroleum sector State corporations in Kenya continue to report poor performance. The study will help determine whether there exists a link between performance of these firms and strategy implementation as a performance measurement metric. The study will contribute to the existing knowledge by providing an alternative perspective of analysing performance of state corporations. The study will provide literature on the strategy implementation process adoption rate among state corporations in the energy and petroleum sector and how the degree of its implementation or lack of it affects performance. The study will act as a source of reference for future researchers on other related topics. Besides, the study will highlight other significant literature gaps that require further research; particularly demystifying the link between successful strategy implementation and organizational performance. Future researchers can use the study as a benchmark or guide to explore the effect of strategy implementation on the other state corporations in other sectors of the Kenyan economy like agriculture, finance and education.

## 1.7. Conceptual Framework

Conceptual framework is a model of presentation where a researcher represents the relationship between variables in the study and shows the relationship graphically or diagrammatically (Orodho, 2006). The framework depicts the relationship between strategy implementation processes (independent variables) and the performance of State corporations (the dependent variables). The independent variables are resource availability, organizational culture, organizational structure, and organizational leadership. Dependent variable is efficiency. This interplay is shown in Figure 1.1.

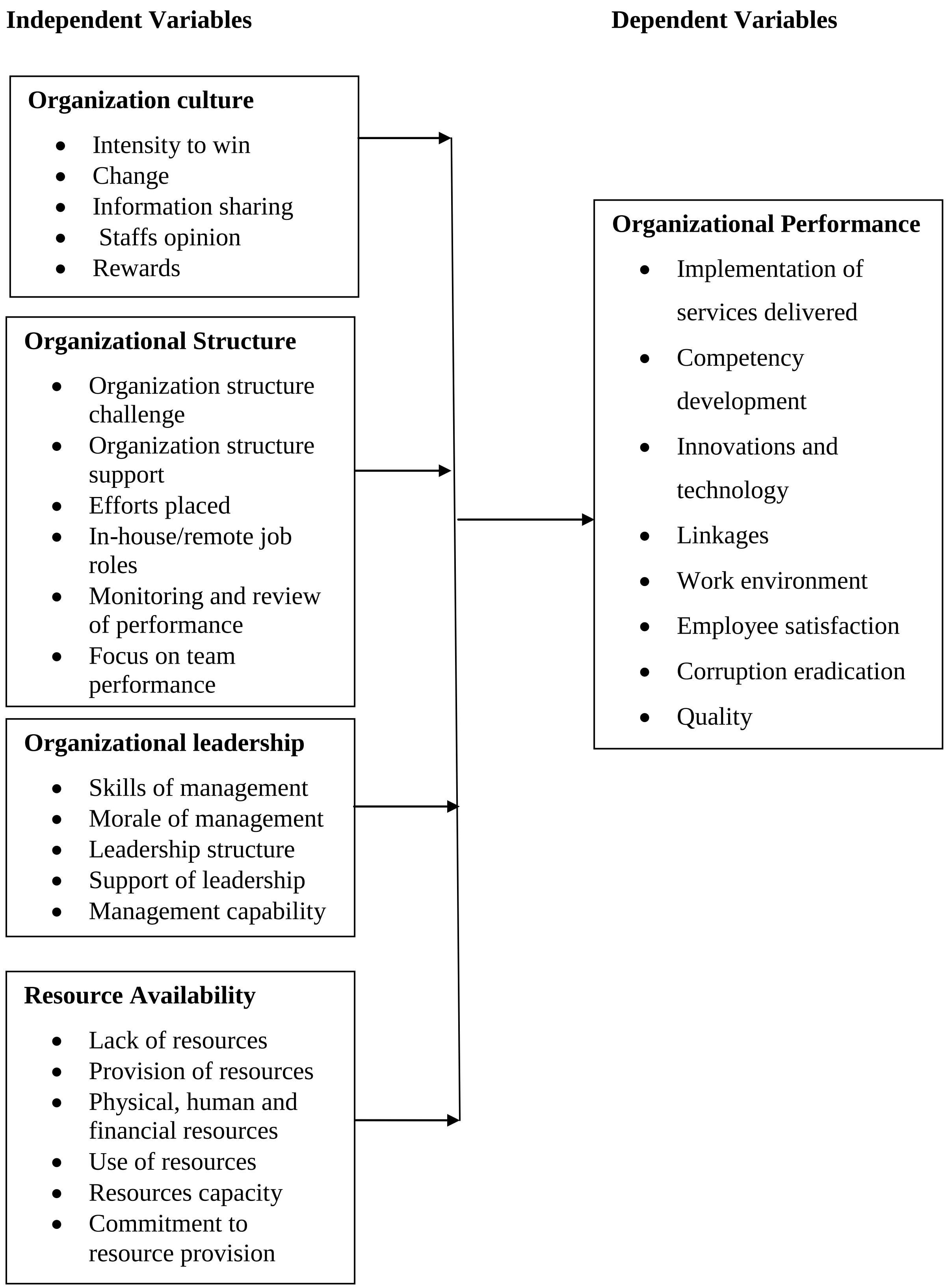


**Figure 1. 1: Conceptual Framework showing the relationship between strategy implementation and efficiency of energy and petroleum state corporations in Kenya.**

**Source: Hill & Jones (2008).**

Independent variables identified in this study are: Resource Availability, $X_1$; Organizational Culture, $X_2$; Organizational Structure, $X_3$; and Organizational Leadership, $X_4$. Any corporation or organization that has a good implementation strategy has a higher probability of reporting improved efficiency when compared to one that has a poor strategy implementation program or none. Resource Availability, ($X_1$) has a direct effect on efficiency, so is Organizational Culture, ($X_2$), Organizational Structure, ($X_3$) and Organizational Leadership ($X_4$).

Dependent variable in this study is Efficiency. A well implemented business strategy will lead to improved efficiency. The dependent variable, namely efficiency invariably changed relative to any slight adjustment in any of the independent variables. Therefore, management has a responsibility of balancing the variable interplay to effect optimal performance outcome.

# CHAPTER TWO

# LITERATURE REVIEW

This chapter reviews the literature aspect of the study, it's the secondary data of the research and it is carried out to give the theoretical account of the study. It focuses on the review of past studies on the topic of the research study from a global and Kenyan perspective. The section will deal with theoretical literature and empirical literature.

## 2.1 Theoretical Literature Review

A good study should be grounded on theory (Buchanan and Bryman, 2009). A theory is a systematically organized knowledge applicable in a relatively wide variety of circumstances, especially a system of assumptions, accepted principles and rules of procedure devised to analyze, predict, or otherwise explain the nature or behavior of a specified set of phenomena (American Heritage Dictionary, 2012). Theories are analytical tools for understanding, explaining, and making predictions about a given subject matter (Zima, 2007) .In this theoretical framework, the researcher intends to relate the philosophical basis of the link between order processing, operational performance, and firm performance in order to come up with the methods that could be utilized in the research project and the justification of the choice.This study was guided by three theories namely: resource-based theory (RBT); contingency based theory (CBT); and systems model.

### 2.1.1 Resource-Based Theory

The resource-based theory emanates from the principle that the source of firm's competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. This theory is simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based approach of the firm predicts that certain types of resources owned and controlled by firms have the potential to generate competitive advantage as well as superior firm performance.

The resource-based approach stipulates that in strategic management the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Peteraf and Bergen, 2003). Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness (Barney, 1995).

King (2007) predicted that resources possessed and managed by organizations are able to create a competitive advantage resulting in premium performance. The resources can be tangible such as raw materials, finances, real estate, and computers; or intangible such as staff morale, reputation and patents (Mayer & Solomon, 2006). An organization's capacity is the ability of combining resources, people and processes to transform inputs to outputs. Makadok (2001) defines capabilities as special types of resources such as innovations and augmented customer service, specifically embedded and non-transferable, whose function is to improve the output of the other resources owned by the firm.

RBV explains the role played by resources possessed by an organization in differentiating it from other organizations in the industry through superior performance giving it competitive advantage (Baumol, Litan & Schramm, 2009). These different resources and capacities have positive implications on the performance of an organization. Organizations which allocate adequate resources to assets such as machinery, plant and equipment have a higher chance of premium performance than those that overlook such allocation (Ainuddin, Beamish, Hulland, & Rouse, 2007). Similarly, organizations that allocate resources to development of their personnel improve the human resources' skills and competencies. This in turn influences how decisions are made and implemented affecting the overall performance of organizations (Rose & Kumar, 2007).

Allocation of financial resources such as money in hand and bank, stocks and other derivatives affects how a firm invests and even takes advantage of the new opportunities (Morgan, Kaleka, & Katsikeas, 2004). Intangible resources such as reputation of the products/services of the organization, its brand name and experience have significant implications on organization's activities. Capacities significantly affect an organization's performance and competitive ability (King, 2007). The organization must aim at allocating its resources at a cost-efficient and differentiated manner than its rivals for increased performance and eventually competitive advantage. The RBV views organizational performance as the key component in gaining competitive advantage. The theory focuses on the following when determining the value of resources allocated in an organization: Firstly, competitive superiority which states that any resource that helps fulfil the customers' needs better than those of the competitor should be strategically allocated to customer-centred activities for synergy of performance (Mahoney and Pandian, 1992). Secondly, resource scarcity that states that any scarce resource should be sparingly allocated so that it can be sustained over time for continued organizational performance over the competitors who may not have access to the resource (Dierickx & Cool, 1989).

Thirdly, for long term competitive advantage, differentiating strategies can be implemented, when producing services such as programmes, so that competitors are not able to easily replicate; fourthly, inimitability that states that resources are allocated to ensure that unique aspects such as advanced practical's are inbuilt in the courses for better performance over competitors; resources should be allocated to research for the appropriateness of the institution's activities in the industry. Lastly, for rare, potentially value-creating and imperfectly imitable, an equally important aspect is non-substitutability (Dierickx & Cool, 1989). If competing organizations can counteract the value-creating strategies with a substitute, prices are lowered to the point of loss of competitive advantage causing overall poor organizational performance. The implementation of strategies should be based on the combination that uses organization resources more efficiently and accumulate them in way to improve the firms' overall performance. The theory suggests that care and protection during allocation of the resources can improve the organization's performance (Crook, Ketchen, Combs & Todd, 2008).

This theory is relevant to this study since it emphasizes internal resources such as assets, organizational processes, knowledge, and information as key components that will give a firm competitive advantage and create an environment that will lead to efficiency and effectiveness.

### 2.1.2 Contingency Theory of Leadership

Contingency Theory of Leadership emphasizes that the effectiveness of leadership is dependent or contingent on matching its leadership style to right situations (Fielder, 1972). Fielder originally developed this theory in 1964 after studying various leaders in different contexts. Initial model of contingency model focused on a contingency model of leadership in organizations. This model contains the relationship between leadership style and the favourableness of the situation. Situational favourableness was described by Fielder in terms of three empirically derived dimensions: leadership-member relationship, is high if the leader generally accepted and respected followers; degree of task structure, high if the leader is very structured; leader's position/ powers, high if a great deal of authority and power are formerly attributed to the leader's position. Situations are favourable to the leader if all the three dimensions are high. Scott (2010) describes contingency theory in the following manner: the best way to organize depends on the nature of the environment to which the organization must relate.

The development of contingency approach was stimulated by managers, researchers and consultants who tried to apply the concepts of the major schools of management to real-life situations. They often found that methods that were highly effective in one situation would not work in other situations. They discovered that a technique that works in one case may not necessarily work in all cases because of differences in their respective situations. They then sought an explanation for these experiences which brought about the contingency-based theory (McWilliams *et al.*, 2002).

The contingency theory draws the idea that there is no one or single best way or approach to manage organizations. Organizations should then develop managerial strategy based on the situation and condition they are experiencing. Contingency theory tries to identify and measure the conditions under which things will likely occur. Since human service practice varies substantially, contingency theory offers a useful approach to model and predict contingency approach practice. Contingency theory allows one to analyse a situation and determine what variables influence the decision with which you are concerned. This theory is relevant to this study since strategy implementation processes strives to accomplish the goal of organizational performance. The idea that there is no single or best approach gives the management flexibility to make choices based on the availability of resources before a decision is made.

### 2.1.3 Systems Model

The system model emphasizes the means needed for the achievement of specific ends in terms of inputs, acquisition of resources, leadership, structures, and processes (Henri, 2003). The model explains the effectiveness and the ability to obtain necessary resources from the environments outside the organization (Schermerhorn, Davidson and Woods, 2004). The application of system resource can be effective if a vivid relation exists between the resources which an organization receives and the goods and services it produces. This model invites managers to consider the organization not only as a whole but as a part of a larger group as well.

Resource-Based Theory is relevant to this study since it emphasizes internal resources such as assets, organizational processes, knowledge, and information as key components that will give a firm competitive advantage and create an environment that will lead to efficiency and effectiveness. Contingency Theory is a stark reminder that there is no single way or approach in managing organizations. The energy and petroleum state corporations should be free to manage their organizations in ways relevant to their circumstances. The Systems Model is relevant to this study since it emphasizes the internal factors like leadership, resources, structures, and cultures that are essential to enhancing service delivery. This model does not focus on the independent components only, but also the dependent variables in the study. The Systems Model is the theory that principally guides this study.

### 2.1.4 Resource availability

Abok (2015) investigated the factors affecting organizational performance with reference to resource allocation. Her study revealed that strategic resource allocation measures were slowly being adopted by organizations, inhibiting optimum performance of these organizations. The study focused on the financial factors affecting effective implementation of strategies. The effect of non-financial factors on resource allocation during strategy implementation on organization performance were not highlighted in this study. Ouma and Kilonzo (2013) investigated how resource allocation planning influences performance in public financial institutions in Kenya. The study focused on the procurement departments of these institutions revealing that resource allocation significantly affects performance in the financial institutions. It did not show how the balance of overall resource allocation and allocation of funds to specific departments can improve the overall performance from low level to corporate-wide unit. Gaya (2013) in his assessment of the determinants of strategy implementation at the Kenya Sugar Board found out that lack of proper strategy planning affected resource allocation at the Board. This was manifested by planning several strategies at once, which caused a strain in allocated resources leading to poor implementation of strategies. The study also revealed that the Board focused much on allocation of financial resources at the strategy planning stage, neglecting the role of non-financial resources such as human resources in strategy implementation resulting to under performance of the organization.

### 2.1.5 Organizational culture

Culture and behaviours of an organization is a challenge to strategy implementation. This includes meager combination of activities and dwindled feelings of ownership and devotion (Aaltonen and Ikåvalko, 2012). Meanwhile, Corboy and O'Corrbui (2014) point out the adverse sins of strategy implementation. These include: failing to understand how strategy should be executed; lack of strategy appreciation from customers and staff; failure to recognize challenges and obstacles and looking down on the day-to-day business imperatives. Marginson (2012) agrees that strategy implementation begins from gaining the commitment of a group by way of coalitional process of decision-making, or from full coalitional contribution of implementation staff through a tough corporate culture. When we speak of Organizational culture, we are talking of managers' leadership styles inclusive of how they use their time, what they give attention to, what and how they question their employees, their way of making decisions and organizational culture. Organizational culture involves beliefs, values, norms and leaders' actions (codes of dressing, corporate jets, meeting with employees informally).

Firms usually have stiff cultures and inherent traditions which are necessary for a collaborative model of implementing strategies. Inability to cultivate stiff cultural values necessary for obtaining and changing organizational needs poses a threat to the success of implementing strategies (Marginson, 2012). Differences between those who only think and those who act fades but does not completely go away. Firms that adopt a culture that stresses lower levels of employee participation in formulating strategies and executing them separates thinkers from actors. It seeks to execute strategy by infusing corporate culture in the whole firm (Teece et al., 2010). The cultural model negates and tasks the basic aims from the economic perception of a firm (Marginson, 2012). A "clan-like" (Ouchi, 2015) organization is projected to succeed, in which a strong culture causes employees to reconcile their personal goals with those of the firm (Aaltonen and Ikåvalko, 2012). An elevated level of organizational slack is necessary for instilling and maintaining a cultural model. Such a model has a number of disadvantages in that it presumes versed and clever participants, loss of focus by companies with this sort of model, expensive prices when there is need to shift culture, loss of diversity due to high homogeneity and lack of creativity (Marginson, 2012).

### 2.1.6 Organizational structure

Typically, an organisation sets goals and adopts an appropriate strategy to attain those goals. The organisational structure, in turn, should support strategy implementation. An effective strategy implementation is one which fits the envisaged organisational structure. A strategy-structure fit has implications for strategy implementation and subsequent organisational performance (Child, 2015; Donaldson, 2012; Zakrzewska-Bielawska 2016). Strategy determines the range of resources and levels of geographical diversity and therefore the structure required (Donaldson, 2012). For instance, if a multinational organisation wishes to penetrate its target market with high-quality standardised products with little localisation, a higher level of centralised coordination would suit such strategy (Child, 2015).

On the contrary, a decentralised organisational structure is more suitable for the innovation centred exploration stage (Zakrzewska-Bielawska 2016) and start-up phase (Child, 2015), allowing a greater level of creativity and interdependence between different functional departments. Unlike centralised decision-making, where decisions are made at the top-level and passed down to lower levels, decision-making is decentralised in a flat organisational structure. In this way, regional units would be in a better position to react quickly to emerging operational issues. Although strategies are often formulated in isolation from the factual structure, organisations would benefit from cohesive modelling, where strategies at every level of the organisation are supported by the relevant structural elements. Multinational corporations often adopt a combination of centralised operations with a varying degree of localisation, depending on organisational goals (Donaldson, 2012). For instance, Japanese corporations like Sony and Toyota, according to Child (2015), can gain competitive advantage by producing high-quality standardised products in low-cost locations, which are then marketed globally at highly competitive prices. To achieve such position a high-level of centralised coordination with limited local customisation is required.

By contrast, numerous dispersed, specialised, and decentralised regional units combined with centrally coordinated worldwide operations would allow for product differentiation resulting in competitive advantage for multinational corporations; such a transnational strategy would require a relatively flat, global matrix structure (Child, 2015). Unlike consumer goods, there are little opportunities for product differentiation for commodities deriving from oil and gas. Teece (2000) argued that industry players compete through political influence or new ways of exploring, transporting, refining and distributing oil. Hence, strategy formulation and implementation in the petroleum industry is more about efficiency and less about differentiation. Constrained by global oil depletion, competition in oil and gas discovery is intensified and consequently leads to political conflicts around allocating rights for oil production and distribution. In this context, executive decisions with regards to oil discovery and distribution would certainly affect strategy implementation. Executive and/or top-level management sets the direction for organisational members to follow, and they decide what actions to take and also how to proceed.

A tall hierarchy, centralized, and with top-down decision-making is often associated with a bureaucratic model of organisational culture, with a high level of formalization and low autonomy, and unequal and authoritarian distribution of power (Janićijević, 2017). Such a bureaucratic organisational culture restricts the ability to respond quickly in a rapidly changing global business environment (Zakrzewska-Bielawska 2016). The fall of Enron has demonstrated the influence of toxic organisational culture on strategy implementation, where 15% of employees who under-performed were fired each year (Gibney, 2005). The Enron also indicated how organisational culture affects strategy structure relations because the management team managed units in a top-down, hierarchical fashion that favoured of greed rather than ethics. Hierarchy reflects the levels of seniority and formal structure of the organisation. Child (2015) argued that having too many levels in the organisational hierarchy would create overlapping responsibilities and unnecessary interference between organisational levels. Hence, excess levels of hierarchy generally give rise to communication problems, such as withholding information within different sub hierarchies or even reinterpreting instructions coming down from the upper levels in order to carve out decision-making autonomy (Child, 2015).

Using Daewoo as an example, Kim (2007) shows that one-way, top-down communication creates confusion among expatriates and mid-level managers, which eventually fails to accomplish its strategic intent in transforming the organisation and expanding it overseas. Due to lack of information regarding the strategic intent of expanding overseas and relocating key personnel in foreign markets, employees felt insecure and considered overseas assignment as a sign of early retirement. Local operations began to collect information about overseas assignments through informal channels due to the lack of transparent communication. A sense of fear and job insecurity grew among managers, which led to low morale among the employees. The Daewoo case shows the importance of communication for strategy implementation and adequate organizational transformation. Child (2015) gives an example of a restructured petroleum firm which reduced from nine to four levels of management and by doing so simplified the management structure and communication paths. As a result, flows of information and decision-making processes became more efficient leading to the greater levels of competitiveness.

### 2.1.7 Organizational leadership

In a survey carried out on the factors influencing the implementation of strategies in Nairobi Water and Sewerage Company by Ndichu (2009), it was noted that all organizations where top management did not exhibit confidence in the personnel occupying pivotal administrative positions when delegating assignments to them had poor performance, while all those that confidently delegated duties to these individuals had optimal performance. The study focused on the achievement of principal's and some agent's (top management)'s interests while neglecting the personal interest of the other staff in the organization. This study therefore explored the effect of strategic leadership on the organizational performance through achievement of common interests of the principal and agents. Chege (2015) conducted research on the challenges of strategic implementation on the performance of Zetech University and found out that leaders do not engage employees in formulation of strategic plans leading to reluctant implementation resulting to poor performance. This study therefore established how strategic leadership affects the implementation of strategies and overall performance of an organization.

### 2.1.8 Organizational performance

Company configuration entails four elements of organizational culture. The elements are centralizing, formalizing, span control as well as departmentalization. According to Colombo and Delmastro (2012), breadth and depth are the most essential elements of the most necessary elements of portraying an organization's shape. The number of managerial levels in between the top management and operational employees is defined by depth. On the other hand, breadth portrays the total of supervisor's direct reports/reports (control span). The span of control is calculated at every managerial level as well as an average across an organization's levels (Teece *et al.,* 2010). As such, depth is inversely associated with breath in relation to the size of an organization. With regards to the type of structure selected, the choice relies on how big an organization is, (Wang, 2014).

The structures of smaller organizations cannot be the same as those of bigger ones. Moreover, an increase in the number of employees leads to increase in work specialization as a result of greater labour division. This is why big companies/organizations organize job activities by making more use of standardization and therefore building an administrative hierarchy and increased formalization. The other thing to look at while coming up with an organization structure is technology. Technology is the means used by firms/organizations to make products and or services. Defining the most efficient structure for an organization can be very difficult because the process is constrained by variables that include size, technology, external environment and strategies employed. The most favourable structure could be determined by the complexity, stability, diversity or hostility of an environment (John and Meier, 2011).

Strategic management scholars, in their mission for establishing performance associations of the strategic behavior of businesses, continue to measure performance of the business using a broad range of operationalizing schemes (Mugambi and K'Obonyo, 2017). However, there is no any research informed systematic deliberation among researchers as to what constitutes a valid set of criteria. Most of the strategic management studies have measured performance using traditional financial measures (Walsh and Margolis, 2013). The main issue associated with traditional performance measurement is the failure to embrace non-financial and less tangible aspects such as employee morale, quality, client satisfaction and (Kaplan and Norton, 2012). Nowadays, there is a belief that the traditional financial methods are still effective and relevant (Taylor, 2017). However, these need to be balanced with more modern, intangible and externally adapted measures. The increasing significance of sustaining shareholder requirements has seen the development of the Sustainable Balanced Score Card (SBSC) as a contemporary stakeholder-centric measure (Heath, 2013). The SBSC encompasses six perspectives of financial, customer, internal business, learning, social and environmental. This is in line with the emerging stakeholder theory, which calls for the assessment of organizations' performance measured against the expectations of various stakeholder groups that have particular interests in the effects of the organizations' activities (Lufthans, 2012). The customer standpoint indicates an organization performing based on its clients' view. Internal processes are those critical micro actions that enable organizations to satisfy customers' needs (Karimi and Kadir, 2012). Global competition is such that organizations need to have the ability to innovate and hence learning key. Social perspective measures the impact a firm has on communities in which it works (Kerzner, 2011). Many firms are struggling to implement their corporate strategy. Raps and Kauffman (2015) expounds that the problem is shown by the indecisive low level performance which is approximately 10% to 30% of envisioned strategies. Bititci et al (2015) additionally argued that most organizations are stained before expected advantages are understood as the strategy moves into execution stage. Fruitful implementation is a challenge that requires the managers to have patience, determinations and energy. The implementation process integrative view is essential for success (Raps and Kauffman, 2015). The process strategy formulation and implementation should be successful in the survival of pharmaceutical industry companies since the industry plays a significant part in our economy (Awino, 2017).

## 2.2 Empirical Literature Review

This section looks at studies on strategy implementation components (resource availability, organization culture, organisation structure and organization leadership style) and their relationship to organization performance as they relate to the specific objectives of the study.

### 2.2.1 Resource Availability and Organizational Performance

Jabar *et al.* (2011) did a study that examined the relationship between organization's resource availability and absorptive capacity as well as type of alliances with organizational performance. A total of 2,500 Malaysian manufacturers were surveyed resulting in 325 of usable responses which were then analysed using Structural Equation Modelling (SEM). The result established those Malaysian employees need to increase efforts in increasing internal resources that are the source of competitive advantage in order to achieve a more superior manufacturing performance.

Njihia & Mwirigi (2012) did a study that discussed the issues of introducing Enterprise Resource Planning (ERP) Systems into small and medium enterprises with the aim of finding ways to manage the change process to get a competitive advantage over its rivals. The study found that financial resource availability, organizational complexities, employee perception, regulatory requirements and having a top support all affect the effective implementation of an EPR system which in turn will affect a firm's performance.

According to Wang and Mahoney (2009), learning through training and development practices in the firm makes human resource to be more specific and potentially not of much use to the competitor thus making it inimitable and hence leading to higher market shareholding than the rival’s. Human resource is in form of knowledge, experience, ability and skills rooted among employees of the organization. Tactical knowledge acquired by a firm cannot be easily duplicated by rivals, since it is implanted in the human skills and experience of a firm which leads to profitability (Lazear, 2009). Baker and Sinkula (2009) indicated that for a long time, technology has been identified as the key for commencing novel activities through risk-taking and firm proactivity which results in a firm’s higher performance than competitors. Firms that focus on technological advancement through innovation research and development generate above average performance (Paladino, 2009; Merlo & Auh, 2009, & Tajeddini, 2010). Firms that employ technology are known for superior performance because they believe in acquisition of new technologies for product innovation, research and development which enables the firm to produce unique products which are hard to copy (Altindag, Zehir & Acar, 2010). The study recommended that firms should give attention to development of technologies and capabilities so as to succeed in sustainability and firm profitability. Wernerfelt (2011) concluded that resources such as human capital and technology are a foundation for generating superior performance.

The entire human resources have a constructive correlation with superior performance of a firm since they are directly involved in the production of products and services. Superior performance of a firm’s employees is developed by social intricacy that makes it complicated for opponents to duplicate (Jiang, Lepak, Hu & Baer, 2012).

Basile (2012) noted that technology deserves consideration since it pursues opportunities and renewal of new market from the areas of operation that are existing to match with the changing needs of the customers in the market. Human capital generates superior performance if it is definite to the original firm and changing cost to new environment avert immediate impound by rivals (Nyberg, Moliterno, Halo & Lepak, 2014). According to Srivastava and Frankwikk (2011), environmental factors are unstoppable in relation to the influence of a firm’s performance in an industry. In Kenya, mobile phone industry is under the policy governing the operations of such business activities. The policies that govern the business operations in the mobile phone industry take the form of industry definite regulations and by laws. Communication Commission of Kenya is mandated by the government to control the mobile phone service providers. The regulations can be formulated in such a way that a firm can be favoured, hence remaining competitive in the industry. In the same way, the regulations can be formulated to disfavour a firm's operations, thus affecting its performance (GOK, 2013).

The studies both agreed that resource availability affect the performance of organizations, but they differ in approach and overall outcome. The studies have not discussed how resource availability affect performance of energy and petroleum sector state corporations. This is a gap that this study intends to fill.

### 2.2.2 Organizational Culture and Organizational Performance

Omuoso (2013) did a study on the challenges affecting implementation of corporate strategies in the electricity sector in Kenya with a focus on Kenya Electricity Generating Company Limited (KenGen). The study was carried out in five KenGen operation areas in Kenya. The target population were 22 managers and 96 chief officers across the organization. The study found out that half of the respondents viewed corporate strategy as essential to business growth and half of the respondents viewed KenGen's business strategy as critical to business growth. The study also found that KenGen had good leadership. Whereas the study did not tell the specific challenges that were affecting implementation of corporate strategies at Ken Gen, the focus was on one of the 11 Energy and Petroleum Sector State Corporations in Kenya. My study is seeking to find out how the entire strategy implementation processes affect performance. This is a gap that this research hopes to fill.

Kamaamia (2017) postulates that all constituent components of organizational culture including goal-oriented measures, work oriented measures, employee-oriented measures, open culture system, and professional work culture enhance organizational performance. Ahmed and Shafiq (2014) further finds in their study that all the dimensions of the culture influence the different perspective of organizational performance. Oduol (2015), did a study of the effects of organizational culture on performance of subsidiaries of selected regional banks headquartered in Kenya. The study found that for performance of firms to improve, present organization culture should be supportive and compatible with intended strategies and day to day running of activities of employees.

Thomson (2007) noted that long standing attitudes, vested interests, inertia and ingrained organizational practices do not melt away when managers decide on a new strategy.

According to Schermerhon (1999) poor analysis of organizational culture results in lack of participation and support of key persons. He further explains that this lack of commitment to the process may severely hurt the implementation process as the individuals opposed to the strategy process may sabotage or simply not perform the tasks required.

A key aspect of the implementation process is institutionalization of that strategy so that it permeates daily decisions and actions in a manner consistent with long term strategic success. The existing organizational culture may promote or impede successful implementation of the new strategy. Sixty-eight percent of organizations identify that their organizational structure impedes implementation of strategy (Manganelli and Hagen, 2003). Organizational culture develops from interaction of four factors, the personal and professional characteristics of people within the organization, organizational ethics, the property rights the organization gives to the employees and structure of the organization (Jones, 2008). Human resource practices such as selection, performance appraisal, training, and career are some of the tools that develop and reinforce the organization's culture. Understanding the existing culture in an organization enables one identify the aspects that will aid the strategy implementation while also predicting the effects that these cultural components will have on the execution process (Salamzadeh, 2012). None of these studies focused on organization culture as a component of strategy implementation and performance of energy-based state corporations in Kenya. That is the gap this study intends to fill.

### 2.2.3 Organizational Structure and Organizational Performance

Birkinshaw (1995) did a study on strategy structure relationship for subsidiaries of multinational companies. The study sought to establish influence of the differences in structure layout between subsidiaries, and the parent company in a strategy implementation. The study sought to answer the question whether dissimilarities in structure and work arrangements between the subsidiary and mother company affected strategy implementation and performance. The research established that similarity of the structures positively influences the performance of the subsidiary. This study confirms a positive relationship between organization structure and strategy implementation and is confined to multinational companies. How this scenario can play out in a state corporation is the focus of this study. This is the gap that this study seeks to fill.

John (2017) postulates that organizational structure is seen as the hierarchy through which a group, business or organization of people collaborate to achieve a set of objectives and common goals. The study shows that organizational structures that are inorganic and less versatile tend to cause miscommunication in the overall strategy of the organization while open, fluid organizational structures have exemplary performance measurements.

Moinkett (2015) did a study on the organizational structure and strategy implementation at Geothermal Development Company in Kenya (GDC). The study established that strategy implementation process was teamwork that cut across all the levels of GDC hierarchies. Organization structure was found to play an important role in strategy implementation.

Hassan (2014) highlights that centralization and formalization strongly and negatively influences the creativity management at workplace whereas work specialization has a less significant negative influence on employees' creativity as compared to the other two elements of organizational structure.

Ruffini (2000) did a study on organizational design and efficiency of operations in an organization. The study sought to establish the influence of organizational structure which was derived from organizational design to the operational performance and hence strategy implementation. The study was production organization-based, but it applied technology and new forms of organizational design such as matrix, teamwork, and networks to determine the influence of organizational structures to production-based strategies in an organization. The study established that, the structures were critical in influencing the performance of an organization in implementing production-based strategies. None of these studies has focused on organizational structure and how it affects energy and petroleum sector state corporations. This study seeks to find how organizational structure as a component of strategy implementation affects organizational performance. This is the gap this study seeks to fill.

### 2.2.4 Organizational Leadership and Organizational Performance

Semuel, Siagan and Octavia (2017), examined the effect of leadership and innovation on differentiation strategy and company performance on hotels in Surabaya, Indonesia. The study found that leadership (indicated by human capital and ethical practices) directly affect the company's performance (demonstrated by the growth rate and return on sales) and that leadership also affects company's performance indirectly through innovation.

Nthini (2013) did a study on the effect of strategic leadership on performance of commercial and financial State Corporations (SCs) in Kenya. Descriptive survey design was used. The target population was all the forty-eight (48) commercial and financial SCs in Kenya. The study found that there was a strong positive link between corporate strategic direction and high customer satisfaction. The study confirmed that strategic leadership affects organizational performance.

Datche (2015) did a study on the influence of transformational leadership on organizational performance of State Corporations in Kenya. The study sampled 90 corporations to explore the relationship. The findings indicated that both transformational leadership and employee engagement are strongly related to organizational performance in State corporations in Kenya. These previous studies have all concurred that organizational leadership affect performance at different levels. There is however no study which has focused on leadership style and performance of energy and petroleum sector State corporation. This is a gap that this study intends to fill.

**2.3 Summary of Literature Review and Research Gap**

The objective of the Study is to establish the effect of strategy implementation on the organizational performance of energy and petroleum-based State Corporations in Kenya. An overview of theoretical foundation of the study was carried out with Resource-Based Theory, Contingency Theory of Leadership view, and System Model analysed. The theories reviewed, outcomes, suggestions and workable solutions seek to address strategy implementation processes in this sector and how it can affect organizational performance. The empirical review has shown contrasts, similarities, inconsistencies in the various interplay between the independent variables and the dependent variables. This has generated knowledge gaps that will be addressed by the specific objectives and tested by the hypothesis of the Study.

# CHAPTER THREE

# RESEARCH METHODOLOGY

This section describes the research paradigm and the chosen design. This will be followed by the description of study area, target population and sampling procedure, data collection and data analysis techniques. This section will also discuss data collection procedure and the instruments of data collection, their justification and the reliability and validity of the same. This section will also discuss how data will be analysed and presented.

## 3.1 Research Design

A research design is defined as an overall plan for research undertaking (Saunders, Lewis, & Thornhill, 2009). The research philosophy is pragmatism which utilizes both positivist and interpretative philosophy and views them as a continuum rather than a contradiction. This approach focuses on studying the issues of interest and value different ways to bring a positive consequence. The study adopted a cross sectional descriptive survey design. Descriptive design attempts to provide further insight into the research problem by describing the variables of interest. The design is concerned with determining the frequency with which something occurs or the relationship between variables (Bryman & Bell, 2003). The design is chosen because it is the best method available to social scientist and those interested in collecting original data for the purpose of describing a population which is too large to observe.

Kerlinger (1969) points out that descriptive studies are not only restricted to fact finding, but they often result in the formulation of important principles of knowledge and solution to significant problems. They are more than just a collection of data. They involve measurements, classification, analysis, comparison, and interpretation of data.

## 3.2 Study Area

The study was carried in Kisumu County, Kenya. Kisumu County is in Nyanza region in Kenya with a target population of 11 State corporations in the Energy and Petroleum Sector. Kisumu County covers a total of 2,085.6 km$^2$ and 567 km$^2$ covered by water. It borders Homa Bay and Kisii counties to the South. Nandi County to the North East, Kericho County to the East, Vihiga County to the North West and Siaya County to the West. The county is sub-divided into seven sub-counties and 35 wards. According to the 2019 Population census, Kisumu County has a population of 1.16 million. The geographical coordinates of Kisumu County: 0.0917$^{\circ}$ S, 34.7680$^{\circ}$ E.

### 3.3 Target Population

Target population in a study defined as the specific population from which information is aimed to be collected. A population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated (Ngechu, 2004). According to records at the Ministry of Energy and Petroleum (MoEP) as at 31st December 2020, there are 11 State corporations under its docket. The target population comprised 99 senior managers selected equally (nine each) from the 11 energy and petroleum state corporations based in Kisumu County. The 99 senior officers comprised of the target population. A census survey was carried out on these senior officers. A census surveys a complete enumeration of all items in the population. In such an inquiry all items are covered, no element is left to chance and highest accuracy is obtained (Kothari, 2004).

**Table 3.1: Distribution of Target Population**

| Corporation | Target Population |
|---|---|
| Energy and Petroleum Regulatory Authority | 9 |
| Rural Electrification &Renewable Energy Corporation (REREC) | 9 |
| Kenya Pipeline Company (KPC) | 9 |
| Kenya Petroleum Refineries Limited | 9 |
| Geothermal Development Company (GDC) | 9 |
| Kenya Nuclear Electricity Board (KNEB) | 9 |
| The Kenya Power and Lighting Company (KPLC) | 9 |
| National Oil Corporation of Kenya (NOCK) | 9 |
| Kenya Electricity Transmission Company (KETRACO) | 9 |
| The Energy Tribunal | 9 |
| The Kenya Electricity Generation Company (Ken Gen) | 9 |
| **Total** | **99** |

**Source: Ministry of Energy and Petroleum, March 2018.**

### 3.4 Sampling Frame

A sample is the appropriate number of individuals or items that the researcher selects from the population and subject to data collection using the appropriate sampling methods and designs (Cooper and Schindler, 2003). There are eleven public corporations in Kisumu County. The study took nine persons from every corporation to come up with 99 persons for the study.

### 3.5 Data Collection Methods

#### 3.5.1 Sources of Data

According to Mugenda and Mugenda (2008), primary data refers to data that the researcher collects from respondents while secondary data refers to data derived from other sources such as records, financial reports, and appropriate literature of appropriate studies. There were both primary and secondary data sources that will be used in gathering of information on strategy implementation and performance of energy and petroleum sector state corporations in Kenya. Primary data is the first-hand information from the respondents based on their views and experiences while secondary data is data that have been previously collected for some project other than the one at hand. This data includes recorded information from the company's books, financial records and other similar materials. This information was provided by the business managers.

Primary and secondary data sources was used in this study. Primary data were obtained from both structured and unstructured questionnaires while secondary data was obtained from books, magazines, financial reports, Internet, and other documents. Structured questionnaires are predominantly based on closed-ended questions which produce data that can then be analysed quantitatively for patterns and trends; while unstructured questionnaires were based on open-ended questions allowing respondents the freedom to answer in their own words and therefore provide greater qualification in their response.

#### 3.5.2 Data Collection Procedures

The researcher prepared questionnaires that helped in realizing the objectives. With permission from sector managers, the researcher self-administered the questionnaires and picked them up later. This allowed the respondent's time to fill in the questionnaire. The respondents of the study were senior managers (the managing director and the departmental heads or company directors due to their in-depth knowledge of the subject under study. Both open and closed ended questionnaire were used. The research used both primary and secondary sources, even though primary data significantly informed the study findings due to its high reliability. Questionnaires were pre-tested on middle and senior managers chosen randomly from 2 public corporations that were involved in the study to ensure the protocol works before distributing them to all respondents.

Closed ended questionnaires were provided a number of alternative answers from which respondents were instructed to choose and were easier to answer as they require minimal writing. Responses were easier to compare and analyse as they had been determined. The questionnaires (see Appendix 3) had three sections: Section A was Strategy Implementation Components B: Strategy Implementation and Performance, section C: Basic Information. Primary data was collected from respondents using self-administered questionnaires (as appended, Appendix 3) attached with researcher's introduction letter from the University. Secondary data was obtained mainly from company financial records, journals and appropriate literature of previous studies.

The researcher carried out a pilot study to pre-test the reliability and validity of the questionnaire. The pilot study involved two respondents picked randomly from the pool of prospective respondents to ensure the questionnaire worked well. To establish the validity of the research, the researcher sought opinions of experts in the field of study especially the researcher's supervisor. This facilitated the necessary revision and modification of the research instrument thereby enhancing validity. The researcher selected a pilot group of 9 individuals (that is 10% of the target population), chosen randomly from the target population to test the reliability of the research instrument including the wording, structure, and sequence of the questions. Respondents were conveniently selected since statistical conditions were not necessary in the pilot study (Cooper and Schindler, 2003). The purpose was to refine the questionnaire so that respondents in the major study have no problem in answering the questions. Reliability estimate was measured using Cronbach Alpha coefficient ($\alpha$). Nunnally (1978) recommends that instruments used in research should have reliability of about 0.70 and above. If the instrument has a reliability of 0.7 and above it indicates that the instrument is reliable and therefore would need no amendments before administering.

The researcher administered the questionnaire to respondents. To ensure quality control, the researcher sent an email reminder to any late respondents. Thereafter, the researcher continued reminding respondents daily. The researcher also sent a letter to the human resource managers at the public corporations under the study requesting permission to administer questionnaires to facilitate data collection.

The questionnaires were administered through a drop and pick technique whereby the sampled employees were required to fill the questionnaires at their free time. The questionnaire was divided into different sections based on the study variables. Open ended questions were used as they provide respondents with the freedom to answer questions thereby capturing data that would have been left out if only closed questions were used. The researcher recruited a Data Collection Supervisor (DCS), who recruited the Research Assistants (RA's) and trained them in the process and procedure of data collection before they were dispatched to the field. The DCR worked closely with the University appointed Research Supervisor. The RA's helped with the distribution and collection of completed questionnaires.

### 3.5.3 Data Collection Instruments

The preferred primary data collection instrument was semi-structured questionnaires (see Appendix 3). This instrument was selected due to its effectiveness in capturing both qualitative and quantitative data. The semi-structured questionnaire was employed both closed-ended and open-ended questions that were administered to capture the views and opinions of the respondents. The primary data captured was then be analysed using descriptive statistical tools. According to Mugenda and Mugenda (2006), questionnaires provide detailed answers to complex problems. The rationale for the choice of the data collection instrument was its cost effectiveness, ease of design and administration and effectiveness of data manipulation using quantitative techniques. The questionnaire were divided into different sections based on the study variables.

### 3.5.4 Reliability Tests

Mugenda and Mugenda (2003) define reliability as a measure of degree to which researcher's instruments yield consistent results of data after repeated trials. They further indicate that reliability in research is influenced by random error. As random error increases, reliability decreases. Random error is the deviation from the measurements due to factors that have not been effectively addressed by the researcher. Such errors can be because of inaccurate coding, biasness of the researcher or respondent, and researcher's fatigue. Reliability of the instrument was conducted through pre-testing. The researcher selected several respondents and administered the instrument to determine its reliability. Pre-testing of the questionnaire was done outside the target population whereby respondents were selected through simple random sampling. Questions were reviewed, restructured, and rephrased where necessary before the actual study. To establish reliability of the study instrument, Cronbach's alpha coefficient was used. In general, reliabilities less than 0.60 are considered poor, those in the 0.7 range acceptable and those over 0.8 are good (Sekaran 2003). Tables 3.1 and 3.2 shows the results of reliability tests.

**Table 3. 2: Strategic Implementation Reliability Statistics**

| Construct | Cronbach's Alpha | No. of Items |
|---|---|---|
| Strategic Implementation | .886 | 24 |
| Organizational Performance | .900 | 12 |

Strategic Implementation Reliability testing showed a strong .886 for Cronbach Alpha and Organization Performance Reliability testing showed a strong .900 for Cronbach Alpha value indicating the tests to be strongly reliable.

### 3.5.5 Validity Tests

Validity is the accuracy and meaningfulness of inference, which is based on the research results (Kats, 1987). It is the degree of which results obtained from analysis of the data represent the variable of the study. The study instrument was presented to the supervisor who validated its effectiveness for data collection. A sample was also presented to a panel of experts (the research supervisors and his chosen peers) who helped ascertain construct validity. The supervisor's views and that of a research expert was used to restructure the research questions to ensure that they accurately capture data related to the variables. Face validity was done by a select number of managers in the State corporations in the Petroleum and Energy sector evaluated the instrument to ascertain whether it measures the intended constructs. Sampling validity was achieved through pre-testing of the instrument among the sampled population whose feedback was then used to redesign the instrument to ensure that it adequately covered the study area. Likewise, the instrument was pre-tested among the target population to ensure formative validity and acceptance of the study findings.

### 3.6 Data Analysis

Data analysis is the process of collecting, editing, and organizing data, then running it through models or databases to extract useful information and insights. Data analysis involved the use of descriptive and inferential statistics to establish the relationship between the various independent variables (strategy implementation components) and dependent variables (performance levels) of energy and petroleum sector public corporations in Kenya. Descriptive statistics analysis, correlation analysis and multiple regression analysis were used to give inferences to the data obtained. This is the expanded model that was used to estimate performance.

The regression model is as below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon_i \quad \text{.....................................} 3.1$$

Where:

Y = Operational performance measures index/level by manufacturing firm X.

| | |
|---|---|
| $B_0$ | Constant |
| $\beta_1 \ldots\ldots \beta_4$ | Regression coefficients of variables |
| $X_1$ | Organizational Culture. |
| $X_2$ | Organizational Structure; |
| $X_3$ | Organizational Leadership |
| $X_4$ | Resource Availability |
| $\varepsilon_i$ | Standard Error. |

The relationship between strategy implementation and performance was tested using Pearson correlation analysis technique. Pearson correlation is used to find the degree of linear relationship between two continuous variables. It is good for measuring the strength of the association between two variables. The performance will be measured using earnings per share, return on equity, and return on assets of the last financial year, 2019/2020. On the other hand, strategy implementation was analysed using implementation components which included resource availability, organizational culture, organizational structure, and organizational leadership.

#### 3.6.1 Measurement of Organizational Performance

Organizational performance means the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009), organizational performance encompasses three specific areas on firm outcomes:

a) Financial performance (profits, return on assets, return on investment, etc.).
b) Product market performance (sales, market share, etc.); and
c) Shareholder return, economic value added, etc.

According to The Centre for Organizational Effectiveness, statistical function gives us a glimpse on how to quantify the dependent variables (Customer Satisfaction, Efficiency, Growth, and Profitability).

However, it is crucial to set goals to ensure that each organization meets the five basic criteria: **S**pecific **M**easurable **A**ctionable **R**elevant **T**imely (SMART).

We determined what is critical to measure for each of the SMART goals and this was done on an annual basis so that improvement if any can be realized and determined.

According to Santos and Brito (2012), the following are the performance dimensions and their indicators: *Efficiency*: Mix of products and services, number of complaints, repurchase rate, new customer retention, general customers' satisfaction, turn-over, investment in employee development and training, wages and rewards policies, career plans, general employee satisfaction.

### 3.7 Data Presentation

The collected data was analysed and presented in text, figures, and tables. Images were used and visual representation of numbers. Microsoft PowerPoint was used in the presentation.

### 3.8 Research Ethics

Research Ethics that involves human subjects or participants raises unique and complex ethical, legal, social, and political issues (Walton, 2012). Research ethics is specifically interested in the analysis of ethical issues that are raised when people are involved as participants in research. There are three objectives in research ethics. The first is to protect human participants. The second objective is to ensure that the research is conducted in a way that serves the interests of individuals, groups, and society. Finally, the third objective is to examine specific research activities for their ethical soundness looking at issues such as the management of risk, protection of confidentiality and the process of informed consent. The research project we have does not involve human participants, but we are cognizant of the protection of confidentiality and the process of informed consent.

## CHAPTER FOUR

## RESULTS AND DISCUSSION

This chapter presents the results of the study in order of objectives. Data were used to establish effect of resource availability on the performance of energy and petroleum sector state corporations in Kenya, to examine the effect of organizational culture on the performance of energy and petroleum sector state corporations in Kenya, to determine effect of organizational structure on the performance of energy and petroleum sector state corporations in Kenya and to analyse effect of organizational leadership on performance of energy and petroleum sector state corporations in Kenya. The study achieved 83.0% response rate.

### 4.1 Background Information

#### 4.1.1 Designation

The study sought to investigate the designation of the respondents. It was established that most of the participants (62.0 percent) were supervisors. Managers constituted 31.0% of the study sample. The least statistic was observed for senior managers (7.0%). The detailed statistics are shown in Figure 4.1

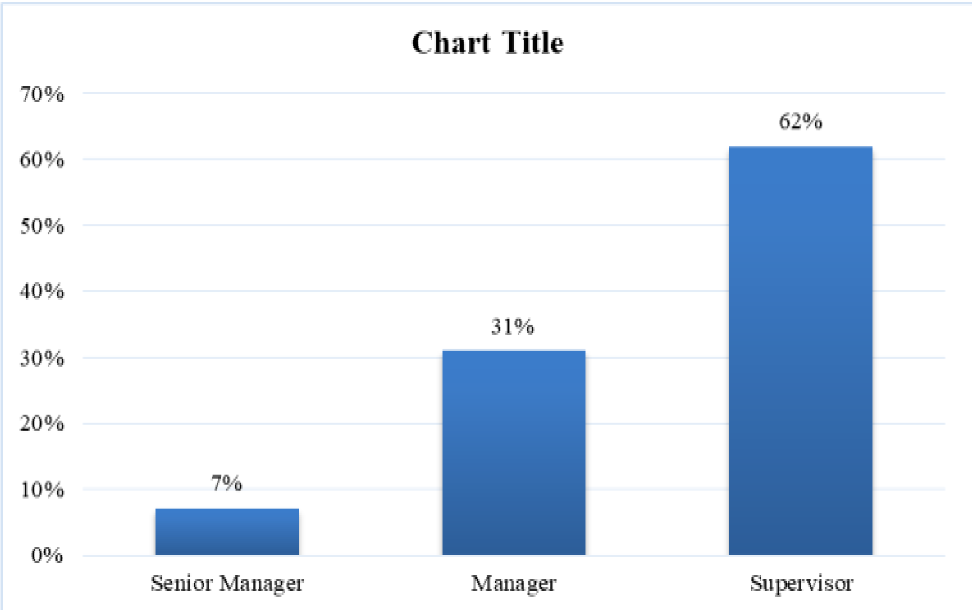


**Figure 4.1: Designation of the participants**

### 4.1.2 Duration in the work

The study revealed that most of the study participants have worked for the respective companies for 5-10 years (34.1%) followed by the proportion that has worked for less than 1 year at 26.8%. Those who have worked for over 10 years constituted 24.4% of the study sample. The least statistic was observed for the respondents who have worked for their respective organizations for between 1-5 years as shown in the figure below (14.6%).

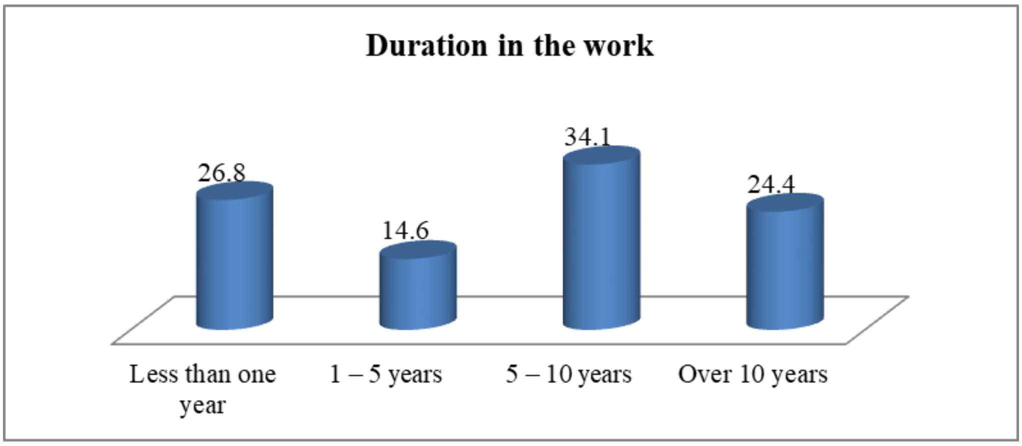


**Figure 4.2: Duration in the work place**

### 4.1.3 Number of employees

The study established that most of the companies have between 100-399 employees at 37.8% followed by the companies having over 800 employees at 29.3%. The companies having between 400-799 employees constituted 22.0% of the study sample. The least statistic was observed for those companies with less than 100 employees at 11.0% as shown in the figure below.


**Figure 4.3: Number of employees**

### 4.1.4 Years in operation

The study went ahead to find out for how long the companies of interest have been in operation. It was revealed that most of the companies have been in operation for over 20 years at 68.3% followed by those having been operation for between 10-20 years at 24.4%. Those having been in operation for between 5–10 years constituted 6.1% of the study sample. A paltry 1.2% have been in operation for less than 5 years as shown in the figure below.

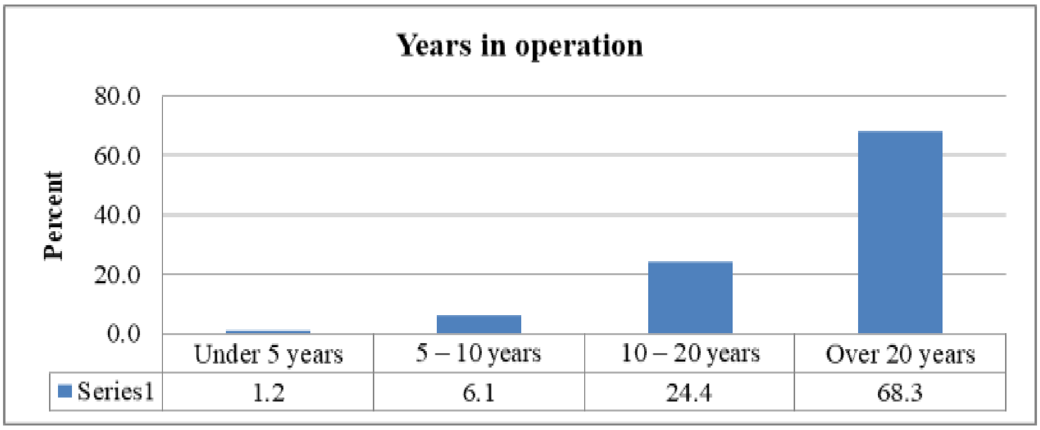


**Figure 4.4: Years in operation**

## 4.2 Results of the data analysis

This section presents data analysed from each of the specific objectives of the study in terms of mean and standard deviation to give a generalized opinion of the respondents.

### 4.2.1 Extent of resource availability in the energy and petroleum sector state corporations in Kenya

The respondents were asked to assess the level of agreement with the effect of resource availability in strategy implementation on organizational performance. About six statements concerning resource availability in strategy implementation were identified and rated. The rating scaled from strongly disagree [1] to strongly agree [5]. Of the six statements identified, the respondents moderately agreed that there lack of resources for strategy implementation (mean=3.963; [SD] = 1.104), there is ready availability of physical, human and financial resources for strategy implementation (mean=3.902; [SD] = 1.072), there is efficient and productive use of available resources in the organization for strategy implementation (mean=3.926; [SD] = 1.0631) and there is adequacy of resources within the organization for strategy implementation (mean=3.817; [SD] = 1.166). The participants generally agreed to that failure to provide adequate resources has got impact on strategy implementation (mean=4.061; [SD] = 1.02) and also the commitment of the organization to bridge the skills gap has an impact on strategy implementation (mean=4.14; [SD] = .98).

Results of the study objective are in agreement with Jabar *et al.* (2011) did a study that examined the relationship between organization's resource availability and absorptive capacity as well as type of alliances with organizational performance. A total of 2,500 Malaysian manufacturers were surveyed resulting in 325 of usable responses which were then analysed using Structural Equation Modelling (SEM). The result established those Malaysian employees need to increase efforts in increasing internal resources that are the source of competitive advantage in order to achieve a more superior manufacturing performance.

**Table 4.1: Extent of resource availability in the energy and petroleum sector state corporations in Kenya**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Lack of resources is an obstacle to strategy implementation process. | 82 | 1.00 | 5.00 | 3.9634 | 1.10493 |
| Failure to provide adequate resources has led to feeble efforts in the implementation process. | 82 | 1.00 | 5.00 | 4.0610 | 1.02256 |
| The physical, human, and financial resources required for strategy implementation are readily and adequately available. | 82 | 1.00 | 5.00 | 3.9024 | 1.07278 |
| There is efficient and productive use of resources and their skills (optimal utilization scales). | 82 | 1.00 | 5.00 | 3.9268 | 1.06319 |
| There is adequate resource capacity in the organization | 82 | 1.00 | 5.00 | 3.8171 | 1.16670 |
| The organization is committed to bridging the skills gap (the difference between project demand and capacity). | 82 | 1.00 | 5.00 | 4.1463 | .98284 |
| Valid N | 82 | | | | |

**Source: (Survey Data, 2021)**

### 4.2.2: Extent of organizational culture in the energy and petroleum sector state corporations in Kenya

The respondents were asked to assess the level of agreement with the effect of organizational culture in strategy implementation on organizational performance. About six statements concerning organizational culture in strategy implementation were identified and rated. The rating scaled from strongly disagree [1] to strongly agree [5]. Of the six statements identified the respondents agreed that they have got impact on strategy implementation by moderately agreeing on work with intensity to win (mean=3.9024; [SD] = 1.00135), read to embrace change (mean=3.9756; [SD] = 0.96833), free sharing of information (mean=3.7317; [SD] = 0.98192), rewarding of exceptional work inputs (mean=3.8293; [SD] = 1.08645) and valuing of staffs opinion (mean=3.6951; [SD] = 1.08513). The participants also agreed to that building of teamwork and expertise has got impact on strategy implementation (mean=4.0732; [SD] = 0.95297).

Results of the study objective are in agreement with these studies the following: Kamaamia (2017) postulates that all constituent components of organizational culture including goal-oriented measures, work oriented measures, employee-oriented measures, open culture system, and professional work culture enhance organizational performance. Ahmed and Shafiq (2014) further finds in their study that all the dimensions of the culture influence the different perspective of organizational performance. Oduol (2015), did a study of the effects of organizational culture on performance of subsidiaries of selected regional banks headquartered in Kenya. The study found that for performance of firms to improve, present organization culture should be supportive and compatible with intended strategies and day to day running of activities of employees.

**Table 4.2: Extent of organizational culture in the energy and petroleum sector state corporations in Kenya**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| We work with intensity to win | 82 | 1.00 | 5.00 | 3.9024 | 1.00135 |
| We readily embrace change | 82 | 1.00 | 5.00 | 3.9756 | .96833 |
| Information is freely shared | 82 | 1.00 | 5.00 | 3.7317 | .98192 |
| Staffs opinion are valued | 82 | 1.00 | 5.00 | 3.6951 | 1.08513 |
| Exceptional work input is rewarded | 82 | 1.00 | 5.00 | 3.8293 | 1.08645 |
| Building teamwork and expertise | 82 | 1.00 | 5.00 | 4.0732 | .95297 |
| Valid N (list wise) | 82 | | | | |

**Source: (Survey Data, 2021)**

### 4.2.3 Extent of organizational structure in the energy and petroleum sector state corporations in Kenya

The respondents were asked to assess the level of agreement with the effect of organizational structure in strategy implementation on organizational performance. About six statements concerning organizational structure in strategy implementation were identified and rated. The rating scaled from strongly disagree [1] to strongly agree [5]. Of the six statements identified the respondents agreed that they have got impact on strategy implementation by moderately agreeing on current organization structure focuses on team performance (mean=3.878; [SD] = 1.09308), engaging the efforts to put the organization ahead of others (mean=3.829; [SD] = 1.04000), organization structure supports critical decision to success of strategies (mean=3.670; [SD] = 1.133), monitoring and reviewing of performance is critical to strategy implementation (mean=3.51; [SD] = 1.135), current organization structure is a challenge to implementation of strategies (mean=3.353; [SD] = 1.327) and in-house and remote job roles are equally well covered in performance reviews (mean=3.195; [SD] = 1.290).

Results of the study objective are in agreement with Birkinshaw (1995) did a study on strategy structure relationship for subsidiaries of multinational companies. The study sought to establish influence of the differences in structure layout between subsidiaries, and the parent company in a strategy implementation. The study sought to answer the question whether dissimilarities in structure and work arrangements between the subsidiary and mother company affected strategy implementation and performance. The research established that similarity of the structures positively influences the performance of the subsidiary. This study confirms a positive relationship between organization structure and strategy implementation and is confined to multinational companies.

**Table 4.3: Extent of organizational structure in the energy and petroleum sector state corporations in Kenya**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Our current organization structure is a challenge to Strategy Implementation. | 82 | 1.00 | 5.00 | 3.3537 | 1.32751 |
| Our structure supports critical decisions to success of strategies | 82 | 1.00 | 5.00 | 3.6707 | 1.13371 |
| We engage the effort to put the organization ahead of others | 82 | 1.00 | 5.00 | 3.8293 | 1.04000 |
| In-house and remote job roles are equally well covered in Performance reviews | 82 | 1.00 | 5.00 | 3.1951 | 1.29041 |
| Monitoring and reviewing of performance is critical in strategy implementation | 82 | 1.00 | 5.00 | 3.5122 | 1.13577 |
| Our current organizational structure focus on team performance | 82 | 1.00 | 5.00 | 3.8780 | 1.09308 |
| Valid N (list wise) | 82 | | | | |

**Source: (Survey Data, 2021)**

### 4.2.4: Extent of organizational leadership in the energy and petroleum sector state corporations in Kenya

The respondents were asked to assess the level of agreement with the effect of organizational leadership in strategy implementation on organizational performance. About six statements concerning organizational leadership in strategy implementation were identified and rated. The rating scaled from strongly disagree [1] to strongly agree [5]. Of the six statements identified the respondents agreed that they have got impact on strategy implementation by agreeing on the following; the management staff has the skills that enable successful strategy implementation (mean=4.036; [SD] = 0.935), leaders demonstrate high morale (mean=3.829; [SD] = 0.9136), management is supported to drive business strategies (mean=3.951; [SD] = 1.08756), the current leadership structure supports full implementation of strategy (mean=3.902; [SD] = 0.976), good leadership within the organization has played a pivotal role in mobilizing and gaining support of staff members (mean=3.911; [SD] = 1.090) and the management capability to plan, manage and implement strategic initiatives has been great (mean=3.914; [SD] = 0.918).

Results of the study objective are in agreement with Nthini (2013) did a study on the effect of strategic leadership on performance of commercial and financial State Corporations (SCs) in Kenya. Descriptive survey design was used. The target population was all the forty-eight (48) commercial and financial SCs in Kenya. The study found that there was a strong positive link between corporate strategic direction and high customer satisfaction. The study confirmed that strategic leadership affects organizational performance.

**Table 4.4: Extent of organizational structure in the energy and petroleum sector state corporations in Kenya**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| The management staff has the skills that enable successful strategy implementation | 82 | 1.00 | 5.00 | 4.0366 | .93551 |
| Leaders demonstrate high morale | 82 | 1.00 | 5.00 | 3.8293 | .91361 |
| Management is supported to drive business strategies | 82 | 1.00 | 5.00 | 3.9512 | 1.08756 |
| The current leadership structure supports successful implementation of strategy. | 82 | 1.00 | 5.00 | 3.9024 | .97638 |
| Good leadership within the organization has played a pivotal role in mobilizing and gaining support of the staff members | 82 | 1.00 | 5.00 | 3.9146 | 1.09094 |
| The management capability to plan, manage and implement strategic initiatives has been great. | 82 | 1.00 | 5.00 | 3.9146 | .91895 |
| Valid N | 82 | | | | |

**Source: (Survey Data, 2021)**

### 4.3 Correlation Analysis

Using statistical package for social sciences the following correlation analysis was derived, Accordingly Organization Culture, Organization Structure, Organization Leadership, Resource Availability, Efficiency correlation coefficient values were listed as below,

There was a weak positive association between organization culture and efficiency of Pearson Correlation r=.216 (*p*=0.000), a moderate positive association between organization structure and efficiency of Pearson Correlation r=.444(*p*=0.000), a moderate positive association between organization leadership and efficiency of Pearson Correlation r=.470 (*p*=0.000) and a strong positive association between resource availability and efficiency of Pearson Correlation r=.505 (*p*=0.000),

**Table 4.5: Correlation Analysis Results**

| | | Organization Culture | Organization Structure | Organization Leadership | Resource Availability | Efficiency |
|---|---|---|---|---|---|---|
| Organization Culture | Pearson Correlation | 1 | | | | |
| | Sig. (2-tailed) | | | | | |
| | N | 82 | | | | |
| Organization Structure | Pearson Correlation | .340** | 1 | | | |
| | Sig. (2-tailed) | .002 | | | | |
| | N | 82 | 82 | | | |
| Organization Leadership | Pearson Correlation | .417** | .519** | 1 | | |
| | Sig. (2-tailed) | .000 | .000 | | | |
| | N | 82 | 82 | 82 | | |
| Resource Availability | Pearson Correlation | .742** | .624** | .589** | 1 | |
| | Sig. (2-tailed) | .000 | .000 | .000 | | |
| | N | 82 | 82 | 82 | 82 | |
| Organisation performance | Pearson Correlation | .216 | .444** | .470** | .505** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 82 | 82 | 82 | 82 | 82 |

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

Based on the correlation coefficient values, an increase equal to 1 unit in organization culture causes an increase of r=0.216 units in organization efficiency. Performance of energy and petroleum sector state corporations increases by r=0.216 units when organization culture is increased by 1 unit. An increase equal to 1unit in organization structure causes an increase of r=0.444 units in efficiency. Performance of energy and petroleum sector state corporations increases by r=0.444 units when organization structure is increased by 1 unit , an increase equal to 1 unit in organization leadership causes an increase of r=0.470 units in efficiency and an increase equal to 1unit in resource availability causes an increase of r=0.505 units in efficiency.

### 4.4: Regression Analysis

Regression analysis is a plan of techniques that enables individuals to examine capability of independent variable (s) to predict dependent variable (s).

**Table 4.6 Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .597[a] | .357 | .324 | .59573 |

a. Predictors: (Constant), Resource Availability, Organization Leadership, Organization Structure, Organization Culture

Table 4.6 above presents the model summary results. The adjusted R value is .357 denoting that there was an insignificant positive direction in the results. R is the correlation between the observed and predicted values of the dependent variable. Wong & Hiew (2005) examined that the R values often range from -1 to 1, where the sign of R indicates direction of the relationship, i.e., either positive or negative. Furthermore, the absolute value of R shows the strength, with larger absolute values showing stronger relationships. So then, the R value at .597[a] shows a stronger positive correlation between observed and predicted values in a positive relationship.

The R square value was 0.357. This indicates that 35.7 percent of the variance in the dependent variable, i.e., effect of strategy implementation, was estimated and examined by the independent variables (resource availability, organizational culture, organizational structure and organizational leadership). 64.3% denotes other variables causing variations in the dependent variable but not accounted for in the current study.

As clearly illustrated in the table above, an Adjusted $R^2$ of 0.324% was established. This denotes that strategy implementation explains up to 32.4% variations in performance while the other 67.6% is explained by variables not included in the model. The low $R^2$ shows that the independent variables do not have much significance on the dependent variance.

**Table 4.7 ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 15.169 | 4 | 3.792 | 10.686 | .000[b] |
| | Residual | 27.327 | 77 | .355 | | |
| | Total | 42.496 | 81 | | | |

a. Dependent Variable: Efficiency

b. Predictors: (Constant), Resource Availability, Organization Leadership, Organization Structure, Organization Culture

**Source: Research Data, 2021**

The F-statistic of 10.686 in table above is above 2 and significance at 95% confidence level (p=0.000), this implies that strategy implementation collectively has a significant effect on organizational performance of energy and petroleum sector state corporations in Kenya at 95% confidence level.

**Table 4.8 Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.138 | .416 | | 5.141 | .000 |
| | Organization Culture | -.315 | .139 | -.317 | -2.262 | .026 |
| | Organization Structure | .075 | .103 | .090 | .725 | .147 |
| | Organization Leadership | .207 | .103 | .234 | 2.011 | .048 |
| | Resource Availability | .481 | .155 | .546 | 3.112 | .003 |

a. Dependent Variable: Efficiency

**Source: (Research Data, 2021)**

The model henceforth, took the following form:

$Y= \beta 0+ \beta 1X1+\beta 2X2+ \beta 3X3+ \beta 4X4$

$\boldsymbol{y = 0-0.317X_1 + 0.090X_2+ 0.234X_3+ 0.546X_4}$

Model:

$X_1$ = Organizational Culture.

$X_2$ = Organizational Structure.

$X_3$ =Organizational Leadership

$X_4$ = Resource Availability

$Y$= Organizational performance

This illustrated that a unit increase in strategy implementation other factors held constant, would lead to a 0 increase in organizational Performance of energy and petroleum sector state corporations in Kenya at 95% confidence level.

The organizational culture is made up -5%, organizational structure made up 9%, organizational leadership made up 23% while resource availability made up 55%. This results disagrees with those of Kaplan and Norton (1993, 2001) argue that one of the most important strengths of the strategy management is that each unit in the organization develops its own specific or unique measures that capture the unit's strategy, besides common measures that are employed for all units therefore posited that organizational culture, organizational structure, organizational leadership among other elements are important aspects which influence organizational performance in energy and petroleum sector state corporations in Kenya.

### 4.4.1 Influence of organizational culture on the performance

The results above indicate that organizational culture in strategy implementation has significant effect on organizational performance of energy and petroleum sector state corporations in Kenya ($\beta$=-0.317, p=0.026). This implies that harnessing organizational culture has significant effect on performance of energy and petroleum sector state corporations in Kenya. Practically, when energy and petroleum sector state corporations in Kenya put more emphasis on the organizational culture, then there would be significant effect on their organizational performance. Henceforth, the null hypothesis that organizational culture in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

The literature in this study has unequivocally catalogued several theories key to the independent variables and potential relationships were explained. The study established that organization culture has an impact on the performance of energy and petroleum sector state corporations in Kenya. This result is consistent with the result of a study by Kamaamia (2017) who postulated that all constituent components of organizational culture including goal-oriented measures, work oriented measures, employee-oriented measures, open culture system, and professional work culture enhance organizational performance. Further, the result is consistent with the findings of a study by Ahmed and Shafiq (2014) where all the dimensions of the culture influenced the different perspective of organizational performance.

### 4.4.2 Influence of organizational structure on the performance

The results above indicate that organizational structure in strategy implementation has significant effect on performance of energy and petroleum sector state corporations in Kenya ($\beta=0.090$, $p=0.147$). This implies that harnessing organizational structure has insignificant effect on performance of energy and petroleum sector state corporations in Kenya. Practically, when energy and petroleum sector state corporations in Kenya put more emphasis on the organizational structure, then there would be significant effect on their organizational performance. Henceforth, the null hypothesis that organizational culture in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus accepted.

The study found that organization structure has a significant influence on the performance of energy and petroleum sector state corporations in Kenya. This is consistent with a study by Ruffini (2000) on organizational design and efficiency of operations in an organization where the structures were critical in influencing the performance.

### 4.4.3 Influence of organizational leadership on the performance

The results above indicate that organizational leadership in strategy implementation has significant effect on organizational performance of energy and petroleum sector state corporations in Kenya ($\beta=0.234$, $p=0.043$). This implies that harnessing organizational leadership has significant effect on performance of energy and petroleum sector state corporations in Kenya. Practically, when energy and petroleum sector state corporations in Kenya put more emphasis on the organizational leadership, then there would be significant effect on their organizational performance. Henceforth, the null hypothesis that organizational leadership in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

The study found that leadership (indicated by human capital and ethical practices) directly affect the company's performance (demonstrated by the growth rate and return on sales) and that leadership also affects company's performance indirectly through innovation. Lastly, the study established that resource availability significantly affects efficiency consistent with a study by Jabar *et al.* (2011) on the relationship between organization's resource availability and absorptive capacity as well as type of alliances with organizational performance where it was established that Malaysian employees need to increase efforts in increasing internal resources that are the source of competitive advantage in order to achieve a more superior manufacturing performance.

The study also established that organizational leadership has an effect on the performance of energy and petroleum sector state corporations in Kenya. This finding is in line with the findings of a study by Datche (2015 on the influence of transformational leadership on organizational performance of State Corporations in Kenya. The study sampled 90 corporations to explore the relationship. The findings indicated that both transformational leadership and employee engagement are strongly related to organizational performance. The results of the study also concur with a study by Semuel, Siagan and Octavia (2017) on the effect of leadership and innovation on differentiation strategy and company performance on hotels in Surabaya, Indonesia.

### 4.4.4 Influence of resource availability on the performance

The results above indicate that resource availability in strategy implementation has significant effect on organizational performance of energy and petroleum sector state corporations in Kenya ($\beta=0.546$, $P=0.003<0.05$). This implies that harnessing resource availability has significant effect on performance of energy and petroleum sector state corporations in Kenya. Practically, when energy and petroleum sector state corporations in Kenya put more emphasis on the resource availability, then there would be significant effect on their organizational performance. Henceforth, the null hypothesis that resource availability in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

Results of the study objective are in agreement with Jabar *et al.* (2011) did a study that examined the relationship between organization's resource availability and absorptive capacity as well as type of alliances with organizational performance. A total of 2,500 Malaysian manufacturers were surveyed resulting in 325 of usable responses which were then analysed using Structural Equation Modelling (SEM). The result established those Malaysian employees need to increase efforts in increasing internal resources that are the source of competitive advantage in order to achieve a more superior manufacturing performance.

# CHAPTER FIVE

# SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study was carried out to establish the effect of strategy implementation on organizational performance of energy and petroleum sector state corporations in Kenya. The study had four objectives, to establish the effect of resource availability in strategy implementation on organizational performance, to determine the effect of organizational culture in strategy implementation on organizational performance, effect of organizational structure in strategy implementation on organizational performance and to determine the effect of organizational leadership in strategy implementation on organizational performance. This chapter presents the summary of findings for the four objectives mentioned above, the conclusions, recommendations made based on findings and the suggestions on areas that need to be researched as far as this concept is concerned.

## 5.1 Summary

Based on the analysis the study discovered overwhelming evidence to support the fact that strategy implementation had a considerable amount of influence on the organizational performance of energy and petroleum sector state corporations. Breaking down the analysis to key findings,

Correlation analysis of all independent variables and the dependent variable revealed a significant correlation between each variable. The analysis indicated that Organizational Culture had statistically significant impact on efficiency - effectively proving that goal-oriented measures, work oriented measures, employee-oriented measures, open culture system, and professional work culture were perceived to have higher effect on efficiency. The correlation of Organization Structure and efficiency was effectively clear conclusively eventful that organization structure affects efficiency. The analysis also indicated that Organizational Leadership and had a statistically significant association - effectively proving that motivation and effective planning and communication have higher effect on efficiency. The correlation of Resource Availability and efficiency was effectively clear conclusively eventful that resource availability affects efficiency.

Regression analysis of the study revealed key statistics in line with findings of the correlation analysis. It proved that organization culture significantly impacted efficiency. In this vein, it confers that constructive belief, rites, norms, rituals, signs and symbols affects efficiency. There was a further impact on efficiency by organization structure. In his vein, it confers that organization structure would concretely have an impact on efficiency. Regression analysis of organizational leadership on efficiency revealed that, organizational leadership had a significant impact on efficiency. And in the overall multiple regression analysis, it is evident that all antecedents including organizational culture, organizational structure, organizational leadership, and resource availability had a significant effect on efficiency.

The first objective of the study was to establish the effect of resource availability in strategy implementation on organizational performance. The hypothesis that resource availability in strategy implementation had no significant effect on organizational performance was formulated. Even though resource availability has been documented in a number of research studies, no study had however looked at the relationship between resource availability in strategy implementation and organizational performance at the of energy and petroleum sector state corporations in Kenya. From the study it was established that resource availability in strategy implementation significantly influences organizational performance. The null hypothesis that resource availability in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

The second objective of the study was to establish the effect of organizational culture in strategy implementation on organizational performance. The hypothesis that organizational culture in strategy implementation had no significant effect on organizational performance was formulated. Even though organizational culture has been documented in a number of research studies, no study had however looked at the relationship between organizational culture in strategy implementation and organizational performance at the of energy and petroleum sector state corporations in Kenya. From the study it was established that organizational culture in strategy implementation significantly influences organizational performance. The null hypothesis that organizational culture in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

The third objective of the study was to establish the effect of organizational structure in strategy implementation on organizational performance. The hypothesis that organizational structure in strategy implementation had no significant effect on organizational performance was formulated. Even though organizational structure has been documented in a number of research studies, no study had however looked at the relationship between organizational structure in strategy implementation and organizational performance at the of energy and petroleum sector state corporations in Kenya. From the study it was established that organizational structure in strategy implementation significantly influences organizational performance. The null hypothesis that organizational structure in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

The fourth objective of the study was to establish the effect of organizational leadership in strategy implementation on organizational performance. The hypothesis that organizational leadership in strategy implementation had no significant effect on organizational performance was formulated. Even though organizational structure has been documented in a number of research studies, no study had however looked at the relationship between organizational leadership in strategy implementation and organizational performance at the energy and petroleum sector state corporations in Kenya. From the study it was established that organizational leadership in strategy implementation significantly influences organizational performance. The null hypothesis that organizational leadership in strategy implementation has no significant effect on organizational performance of energy and petroleum sector state corporations in Kenya was thus rejected.

## 5.2 Conclusions

Based on the first objective, the study examined whether resource availability in strategy implementation affects organizational performance of energy and petroleum sector state corporations in Kenya. It was realized that ensuring the availability of human capital, technology and financial resources which significantly affects organizational performance. It is therefore concluded that an increase in the availability of resources significantly increases organizational performance of energy and petroleum sector state corporations in Kenya.

Based on the second objective, the study examined whether organizational culture in strategy implementation affects organizational performance of energy and petroleum sector state corporations in Kenya. It was realized that ensuring adhering to the organizational beliefs, rites, norms and rituals and also usage of signs and symbols in implementation of strategies which significantly affects organizational performance. It is therefore concluded that an increase in the practice of the organizational culture significantly increases organizational performance of energy and petroleum sector state corporations in Kenya.

Based on the third objective, the study examined whether organizational structure in strategy implementation affects organizational performance of energy and petroleum sector state corporations in Kenya. It was realized that ensuring that there is authority, delegation and hierarchical design which significantly affects organizational performance. It is therefore concluded that a proper design of the organizational structure insignificantly increases organizational performance of energy and petroleum sector state corporations in Kenya.
Based on the fourth objective, the study examined whether organizational leadership in strategy implementation affects organizational performance of energy and petroleum sector state corporations in Kenya. It was realized that ensuring proper planning of activities, effective and efficient ways of communication, provision of motivations and per look into the internal and external politics which significantly affects organizational performance. It is therefore concluded that a proper practice of leadership and management style significantly increases organizational performance of energy and petroleum sector state corporations in Kenya.

## 5.3 Recommendations

The study recommends that key components of organization culture viz. innovation, transparency, honesty and collaboration be leveraged in way that augment results.
It is key and important to work with intensity to win, readily embrace change, share information freely, value staffs' opinions and reward exceptional work input for good organization culture. In this vein, greater efficiency will be realized, especially in the face of bad organization culture.

Organizations must have a strong organization structure which supports critical decisions key to success of strategies, monitoring and reviewing of performance for strategy implementation and focus on team performance so that the organization can achieve greater efficiency. Leaders of organizations should demonstrate high morale; the staff should have relevant skills for effective organization leadership which further results in greater efficiency.

It is apparent that resource availability - physical, human and financial resources - allows for successful implementation of strategies which positively impacts efficiency. Managers should therefore seek to leverage on adequate physical, human and financial resources for better results to be eventful.

## 5.4 Limitations of the Study

The findings of this study and application therefore are limited to energy and petroleum sector state corporations in Kenya. They may not be applicable directly to other organizations operating outside the Kenyan. It is therefore important to note that they can only be used for comparative purposes and not any direct application in another industry or country.

The research only focused on the energy and petroleum sector state corporations in Kenya. This was because of limited time and resources. It was such an uphill task for the researcher to convince the respondents to participate in the study. Energy and petroleum sector state corporations are very busy organizations where getting a respondent was challenging. Most of the respondents agreed to participate on condition that the information will not be divulged to any other party other than for academic purposes only.

## 5.5 Suggestions for Future Studies

As this research was able to find out that organization culture is able to affect efficiency if it’s perceived to be effective; so, it is absolutely important to further investigate how organization culture factors could be identified better. As less than effective organization structure is commonplace in the society, it is important that indicators are understood so that less effective structure could be identified early on and have full stop to their infectious process. Further to this, it is important to exhaustively investigate how each of the independent variables (organization culture, structure and leadership and resource availability) impact the dependent variable (efficiency) individually.

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# APPENDICES

## Appendix I: Letter of Introduction

**<u>COVER LETTER</u>**

Dear Participant,

Please allow me to take a few minutes of your time. My name is Odingo Odak, I am a Master of Business Administration (MBA) student at the Maseno University. My Option or Specialization is Strategic Management. I am undertaking a study designed to evaluate the **Effect of Strategy Implementation on the Organizational Performance of Energy and Petroleum Sector State Corporations in Kenya**. Your voluntary participation in this study is greatly appreciated. Your opinions and comments will be of great value to the researcher. The completion of this study implies consent to all conditions. The data collected will be kept strictly confidential and anonymous. At no time will your name be reported along with any of your responses. All the responses will be aggregated, summarized, and analyzed for the award of the University's MBA degree. For inquiry about rights as research participants, feel free to contact Department of Business Administration, School of Business and Economics, Maseno University.

Thank you for your consideration.

Sincerely,

**Odingo Odak**
Master of Business Administration,
Maseno University

**Appendix II: Data Collection Instrument**

**QUESTIONNAIRE**

**Instructions:** Please tick the appropriate box and complete the blank space

The interview guide will seek to achieve the following objectives:

(i) To determine the strategy implementation process by the State corporations.

(ii) To determine the role played by the various levels of strategy implementation processes at the State corporations.

(iii) To determine the effect of strategy implementation on the organizational performance of energy and petroleum sector State corporations.

**SECTION A: GENERAL INFORMATION**

| | | |
|---|---|---|
| | **Name of Company (Optional)** | |
| 1 | **What is your designation in the company?**<br>a) Director [ ]<br>b) Senior Manager [ ]<br>c) Manager [ ]<br>**d)** Supervisor [ ] | |
| 2 | **How long have you worked for the company?**<br>a) Less than one year [ ]<br>b) 1 – 5 years [ ]<br>c) 5 – 10 years [ ]<br>**d)** Over 10 years [ ] | |
| 3 | **How many employees are there in your company? (Optional)**<br>a) Less than 100 [ ]<br>b) 100 – 399 [ ]<br>c) 400 – 799 [ ]<br>**d)** Over 800 [ ] | |
| 4 | **How long has your company been in operation?**<br>a) Under 5 years [ ]<br>b) 5 – 10 years [ ]<br>c) 10 – 20 years [ ]<br>**d)** Over 20 years [ ] | |

**SECTION B: STRATEGIC IMPLEMENTATION**

Strategic implementation is influenced by several factors. To what extend do you think the following factors influence strategic implementation in your corporation?

Please Tick (√), where appropriate in the range given in the table below. 1 = Not at all, 2= Little extent, 3=Moderate extent, 4=To a great extent,5 = To a very great extent.

| | **Components** | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| A. | **Organization Culture** | | | | | |
| ▪ | We work with intensity to win | | | | | |
| ▪ | We readily embrace change | | | | | |
| ▪ | Information is freely shared | | | | | |
| ▪ | Staffs opinion are valued | | | | | |
| ▪ | Exceptional work input is rewarded | | | | | |
| ▪ | Building teamwork and expertise | | | | | |
| B. | **Organization Structure** | | | | | |
| ▪ | Our current organization structure is a challenge to Strategy Implementation. | | | | | |
| ▪ | Our structure supports critical decisions to success of strategies | | | | | |
| ▪ | We engage the effort to put the organization ahead of others | | | | | |
| ▪ | In-house and remote job roles are equally well covered in Performance reviews | | | | | |
| ▪ | Monitoring and reviewing of performance is critical in strategy implementation | | | | | |
| ▪ | Our current organizational structure focus on team performance | | | | | |
| C | **Organization Leadership** | | | | | |
| ▪ | The management staff has the skills that enable successful strategy implementation | | | | | |
| ▪ | Leaders demonstrate high morale | | | | | |
| ▪ | Management is supported to drive business strategies | | | | | |
| ▪ | The current leadership structure supports successful implementation of strategy. | | | | | |
| ▪ | Good leadership within the organization has played a pivotal role in mobilizing and gaining support of the staff members | | | | | |
| ▪ | The management capability to plan, manage and implement | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | strategic initiatives has been great. | | | | | |
| D | **Resource Availability** | | | | | |
| ▪ | Lack of resources is an obstacle to strategy implementation process. | | | | | |
| ▪ | Failure to provide adequate resources has led to feeble efforts in the implementation process. | | | | | |
| ▪ | The physical, human, and financial resources required for strategy implementation are readily and adequately available. | | | | | |
| ▪ | There is efficient and productive use of resources and their skills (optimal utilization scales). | | | | | |
| ▪ | There is adequate resource capacity in the organization | | | | | |
| ▪ | The organization is committed to bridging the skills gap (the difference between project demand and capacity). | | | | | |

**SECTION C: ORGANISATIONAL PERFORMANCE**

To what extent do you agree/ disagree that strategy implementation has contributed to the efficiency and effectiveness of your organization in the following areas? (Use 5-point scale where 1-Strongly disagree 2-Disagree 3 -No opinion, 4-Agree, 5-Highly agree

| | | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| **1.** | Implementation of service delivery | | | | | |
| **2.** | Competent development | | | | | |
| **3.** | Research innovation and technology | | | | | |
| **4.** | Successful linkages with other corporations | | | | | |
| **5.** | Work environment | | | | | |
| **6.** | Employee satisfaction | | | | | |
| **7.** | Corruption Eradications | | | | | |
| **8.** | Safety measures and environmental concerns | | | | | |
| **9.** | Ability to retain essential employees | | | | | |
| **10.** | Quality of products and services | | | | | |
| **11.** | Ability to attract essential employees | | | | | |
| **12.** | Relationship among employees | | | | | |

Please indicate the biggest competitive advantage that the corporation has achieved through effective implementation of strategy? ---------------------------------------

-------------------------------------------------------------------------------------------------------

What was the performance of the corporation in the last financial year in relation to?

(Optional) Earnings per share___________________________

Return on equity____________________________

Return on assets_____________________________

Apart from strategic issues, what other factors do you think influence performance of your firm?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

**Thank you for your contribution to the survey.**

## Appendix III: Research Work Plan

| NO | ACTIVITY | <u>MARCH - MAY 2021</u> | <u>JUNE - SEPT 2021</u> | <u>OCTOBER - DEC 2021</u> | JANUARY 2022 |
|---|---|---|---|---|---|
| **1** | Topic selection | | | | |
| **2** | Literature Review | | | | |
| **3** | Proposal Writing | | | | |
| **4** | Questionnaire formation | | | | |
| **5** | Submission and correction of proposal | | | | |
| **6** | Reporting of data collection tools | | | | |
| **7** | Presenting of data collection tools | | | | |
| **8** | Data collection and report writing | | | | |
| **9** | Data analysis | | | | |
| **10** | Presenting the report and collection | | | | |
| **11** | Compiling report | | | | |
| **12** | Submission of Project Report | | | | |

**Appendix IV: Research Budget**

| Description | Quantity | Price | Total |
|---|---|---|---|
| Printing papers | 1 ream | 450 | 450 |
| Pen | 6 | 30 | 30 |
| Internet services | 1.5GB | 1500 | 1500 |
| Typing and printing questionnaire | 8 | 100 | 100 |
| Photocopying of interview schedule | 60 | | 500 |
| Transport and lunch | 20 | 100 | 2000 |
| Typesetting, printing, and binding | 2000 | 2000 | 2000 |
| Foolscap | 1 ream | 350 | 350 |
| **Total** | | | **6,930** |

## Appendix V: Map of Kisumu County