

**INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON
ORGANISATIONAL PERFORMANCE. A SURVEY OF COMMERCIAL BASED
PARASTATALS IN KENYA**

BERTHA KARIUKI NYAGAKI

**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE
MASTERS DEGREE IN STRATEGIC MANAGEMENT TO KENYA
METHODIST UNIVERSITY**

AUGUST, 2022

DECLARATION

This thesis is my original work and has not been submitted for a degree award in any University.

Signature Date

BERTHA KARIUKI NYAGAKI

BUS-3-0546-1/2019

This thesis has been submitted for examination with our approval as University supervisors

Signature Date

Dr. Susan Nzioki

School of Business and Economics

Kenya Methodist University

Signature Date

Jane Munga

School of Business and Economics

Kenya Methodist University

DEDICATION

This work is dedicated to my husband and children.

ACKNOWLEDGEMENT

First, I wish to express my deep gratitude to Almighty God for being gracious and merciful toward me which made it possible for me to accomplish this task. Second, I wish to express my sincere appreciation for the support I received from the entire body of academic staff in the Kenya Methodist University School of Business. Very special thanks go to my supervisor Dr. Susan Nzioki for distinctive guidance, patience, insight and availability for consultation. I also wish to express my gratitude to Jane Munga for her words of counsel. Finally, I wish to thank all persons, who although not mentioned by name here, provided valuable support during the period of study. My prayer is that God may bless you all in a very special way.

ABSTRACT

A key role of strategic management theory as well as research continues to be the consistent improvement of institutional results. The idea and practices of strategic management is therefore significant to privately-owned, public as well as community-based organizations as all of them are formed to fulfill a certain need in the environment. Government and its agencies the world continue to implement strategic management practices with the ultimate intention of improving the success of service performance in the delivery of public goods and services. The major intention for the Study was to determine influence of strategic management practices on organizational performance, a case study of commercial based parastatals in Kenya. More importantly the analysis deals with the degree to which strategy evaluation impact organization performance; the level to which environmental scanning influence organization performance; the level to which strategy formulation influence organization performance; and analyzed the degree strategy implementation influence organization performance in commercially based parastatals in Kenya. The study may greatly contribute towards the running of commercially based parastatals in Kenya. Terminations from the analysis aid them towards the formulation as well as designing of effective plans for the identification and tackling of concerns surrounding strategic management practices in order to realize established desires and ensure relevancy in a dynamic and place commercially based parastatals well towards better results going forward. The study was guided by a descriptive research design. The target population was and targets 129 employees of commercial based parastatals. Purposive sampling was adopted in this study; data was collected using a closed ended questionnaire. Statistical Package for Social Sciences (SPSS version 23.0) was used to run descriptive and inferential statistics. The result indicated that, collectively environmental scanning has influences on organization performance most, followed by strategy evaluation, strategy formulation and strategy implementation. The study concludes that, predictors collectively influence organization performance. The findings are to guide policy makers and managers in strategy implementation. The study recommends that during strategy formulation the commercial based parastatals should involve all stakeholders in the industry so as to create sense of ownership. Commercial based parastatals should ensure involvement and participation of all the levels of management in formulating strategies. Furthermore, the study proposes future analyses on other external aspects such as the organizational setting and type of industry to give a better aspect of these factors. This is because organization operations are influenced by both internal and external environments.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
ABSTRACT	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS.....	x
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1 Background of the Study	1
1.2 Problem Statement	10
1.3 General Objective of the Study.....	12
1.4 Hypothesis of the Study	12
1.5 Significance of the Study	13
1.6 Scope of the Study	13
1.7 Limitations of the Study.....	14
1.8 Definition of Key Terms.....	15
CHAPTER TWO	16
LITERATURE REVIEW	16
2.1 Introduction.....	16
2.2 Theoretical Review	16
2.3 Empirical Review.....	20
2.4 Conceptual Framework.....	36
2.5 Research Gap	37
2.6 Operational Framework	38
CHAPTER THREE.....	39
RESEARCH METHODOLOGY	39
3.1. Introduction.....	39
3.2. Research Design.....	39
3.3. Target Population.....	39

3.4 Sampling Procedure	40
3.5. Data Collection Instruments and Procedures	41
3.6. Data Analysis	42
3.7. Validity of Instruments	42
3.8 Reliability of Instruments	43
3.9. Research Ethics	43
CHAPTER FOUR	44
RESULTS AND ANALYSIS	44
4.1 Introduction.....	44
4.2. Response Rate	44
4.3 Reliability Analysis.....	44
4.4 General Information of the Respondents	45
4.5 Descriptive Analysis	48
4.6 Hypothesis Testing.....	66
CHAPTER FIVE	72
SUMMARY, CONCLUSION AND RECOMMENDATIONS	72
5.1 Introduction.....	72
5.2 Summary of the Findings.....	72
5.3 Conclusions.....	79
5.4 Recommendations.....	80
5.5 Suggestion for Further Studies.....	81
REFERENCES	82
APPENDICES	
APPENDIX I: QUESTIONNAIRE	91
APPENDIX II: A LIST OF COMMERCIAL BASED PARASTATALS IN KENYA...	95
APPENDIX III: RESEARCH PERMIT	97
APPENDIX IV: RESEARCH LICENSE.....	98

LIST OF TABLES

Table 3. 1:Target Population.....	40
Table 3. 2:Sample Size	41
Table 4.1: Reliability Analysis	45
Table 4.2:Gender of the Respondents.....	46
Table 4.3:Age Brackets of the Respondents.....	46
Table 4.4:Working Experience in the Parastatals	47
Table 4.5:Education level	48
Table 4.6:Descriptive Statistics for Organization Performance	49
Table 4.7:Influence of Environmental Scanning on Organization Performance	51
Table 4.8:Influence of Strategy Formulation on Organization Performance	54
Table 4.9:Influence of Strategy Implementation on Organization Performance	58
Table 4.10:Influence of Strategy Evaluation on Organization Performance	63
Table 4.11:Relationship Between Independent Variables	67
Table 4.12:Model Summary	68
Table 4.13:Relationship between Independent Variables.....	69
Table 4.14:Coefficients of Environmental scanning, Strategy formulation, Strategy implementation and Strategy evaluation.....	70

LIST OF FIGURES

Figure 2. 1:Theoretical Framework	20
Figure 2. 2:Conceptual Framework	36
Figure 2. 3:Operational Framework.....	38

ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
CEO	Chief Executive Officer
CSC	Centre Star Company
DTB	Diamond Trust Bank
HR	Human Resource
IHLs	Institutions of Higher Learning
KCB	Kenya Commercial Bank
KEMU	Kenya Methodist University
MNCs	Multi National Company
PLC	Public Limited Company
RBV	Resource Based View
SCAC	State Corporations Advisory Committee
SPSS	Statistical Package for Social Science
USA	United States of America

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy is an organization's master plan embodying an institution's knowledge on a market's competitive nature, effective reactions as well as the market dynamics (Pearce & Robinson, 2011). Critically, it's a set of programs identified towards resolving an expected development affecting the attainment of the desired results or resolving a problem. Since time, strategic management entails the creation, execution and assessment of resolutions across departments in an institution enabling the attainment of institutional goals. In its entirety, strategic management encompasses the establishment as well as execution of plans.

Practices around strategic management involve a consistent process of organizing, supervising, and evaluation conducted by institutions in order to realize their desired intentions (Ansoff, et al.,2018). In an evolving world of creativity, upcoming and better platforms as well as increased demands from clients, firms are compelled to react and come up with plans making them competitive and successful going forward (Thompson, et al.,2015). All these calls for the leadership to evaluate interrelated investment determinations undertaken before implementation. The 3 organizations are therefore able to allocate resources effectively and strengthen their core competencies thus gain competitive advantage.

Strategic management remains to be an important endeavor settings institutions apart. Traditions around strategic management guide businesses and secure some business advantage within a market. So as to improve on results, the crucial stimulators of market advantage ought to be closely aligned to certain plans. This analysis looked into the

varied strategic management cultures like planning, collaborations, expansion plan, as well as client relationship management. Activities around strategic planning deals with processes of institutions identifying their plan, undertaking determinations and ensuring allocation of utilities to realize established strategies.

As a principle, strategic management relates with securing choices and performing remedying tasks with the aim of attaining both short and prolonged desires of an institution. Its relevance in an institution may be found through the examination of the connection among strategic management and the institutional results. Overall, strategic management traditions promise better results in institutions. Strategic management is the full set of tasks, commitments and processes a company needs to undertake regarding to its plan to secure a competitive edge and sustainability in a healthy market (Wheelan & Hunger, 2002).

Strategic planning has been observed to have a productive result on strategic management. There is availability for a structure towards plan creation and adoption. Based on analyses and practices, strategic planning remains a critical driver of institutional effectiveness since a badly implemented plan could easily birth challenges. According to Aosa(2011), in order for leaderships to be able to undertake effective strategic planning, there is need for them to have a deeper understanding of intuitive-anticipatory planning's where there is application of intuitive as well as imaginative thinking in order to develop plans for austerity and formal systematic planning. This is an activity that calls for institutions to come up with goals properly, define plans for the attainment of objectives, and later establishing advanced strategies aimed at ensuring the implementation of strategies (Mathinji & Waithaka, 2019). Within the context of this

analysis, strategic planning was indicated in terms of scenario planning as well as strategic goals of an institution.

The ideal profiling of strategic management continues to evade many (Mainardes, et al.,2014). There has been detailed instances of clear misunderstanding with regard to the definition of strategy as well as strategic management; this has further affected the leadership overseeing institutional awareness activities since there is lack of mutual knowledge concerning strategic management within the leadership. As a result, their awareness must be ensured to secure proper decision making that is anchored on the same ethics.

According to Gica and Negrusa (2011) the relevance of having a strategic plan has gained traction universally as a result of universalization, technological growth, reduced regulations, and emergence of new economies, industrialization and markets reorganization. Further, there has been an observation that strategic planners have increased capability align with the immediate surroundings, show increased ability to secure efficient human resource, exhibit increased job fulfillment levels and demonstrate improved human labor retention. Strategic planning details the entire organization of activities aimed at proper adoption of plans (Nedelea&Paun, 2009). Strategic planning is the focal point of institutions; with profitability in firms in major economies being largely impacted by worldwide economic meltdown, it leaves no chance for poor strategic planning efforts (David &David 2016).

With regard to strategy formulation, this entails the creation of prolonged strategies for better utilization of environmental opportunities as well as risks, paying attention to the

institution's strong and weak points (Wheelen & Hunger, 2008). Its processes entails profiling the institution's mission, outlining the attainable goals, establishing plans and putting in place a policy regulation framework. Strategy implementation involves rolling out plans across the institution through the creation of short and prolonged goals and additionally obtaining the operational ideas from the business plan. It's an activity that aids the leadership during the determination of certain reactions needed within the critical organs for executing the business plan (Pearce & Robinson, 2008).

The Concept of Strategy Management Practices

Strategy in a general context is defined as a guide and coverage which enables an organization attain a competitive edge over others within a dynamic setting through its configuration of resources and competences intended to satisfy the ownership desires in a prolonged period (Johnson & Scholes, 2003). Further, strategy is the blueprint the leadership intends to utilize in placing the firm at an advantageous position within a certain market and therefore able to compete with others, meeting clients demand and therefore attaining positive business results, (Thompson & Strickland, 1999). It has also been perceived to be identification of an institutions prolonged objectives, implementing plans of action and further distributing utilities crucial in the attainment of positive results.

Practices around strategic management involve a consistent process of organizing, supervising, and evaluation conducted by institutions in order to realize their desired intentions. In an evolving world of creativity, upcoming and better platforms as well as increased demands from clients, firms are compelled to react and come up with plans making them competitive and successful going forward. All these calls for the leadership

to evaluate interrelated investment determinations undertaken before implementation. The organizations are therefore able to allocate resources effectively and strengthen their core competencies thus gain competitive advantage(Thompson & Strickland, 1999).

With regard to strategy formulation, this entails the creation of prolonged strategies for better utilization of environmental opportunities as well as risks, paying attention to the institution's strong and weak points (Wheelen& Hunger, 2008). Its processes entails profiling the institution's mission, outlining the attainable goals, establishing plans and putting in place a policy regulation framework. Strategy implementation involves rolling out plans across the institution through the creation of short and prolonged goals and additionally obtaining the operational ideas from the business plan. It's an activity that aids the leadership during the determination of certain reactions needed within the critical organs for executing the business plan (Pearce & Robinson, 2008).Hill and Jones(2013) observe strategy evaluation and control being an activity that compares practical results versus the set target. Strategy evaluation entails putting in place regulatory mechanisms to persistently analyze, assess and offer information pertaining to the executed plans to identify whether the set targets are being attained as well as the need for adjustments if need be.

Environmental conditions in which organizations usually operate are dynamic; hence strategies have to be developed for businesses to gain competitive advantage over their competitors. For this reason, performance is greatly viewed across many institutions universally even for the nonprofit ones. Overtime, scholars and policy makers have made efforts to study reasons on better performance of some institutions compared to others (Ogollah, et al.,2011).

Strategic planning has been observed to have a productive result on strategic management. There is availability for a structure towards plan creation and adoption. Based on analyses and practices, strategic planning remains a critical driver of institutional effectiveness since a badly implemented plan could easily birth challenges. In order for leaderships to be able to undertake effective strategic planning, there is need for them to have a deeper understanding of intuitive-anticipatory planning's where there is application of intuitive as well as imaginative thinking in order to develop plans for austerity and formal systematic planning. This is an activity that calls for institutions to come up with goals properly, define plans for the attainment of objectives, and later establishing advanced strategies aimed at ensuring the implementation of strategies. Within the context of this analysis, strategic planning was indicated in terms of scenario planning as well as strategic goals of an institution(Ogollah, et al., 2011).

An analysis by Afonina (2015) reviewing the present utilization of strategic management programs as well as approaches aimed at determining the impact of management tools towards companies results across 91 firms in Czech Republic by use of a questionnaire survey; it remains among the few analysis exploring the connection among programs as well as approaches of strategic management and institutional results. Findings revealed that application levels of strategic management programs as well as approaches impact institutional results; therefore the existence of a positive and great connection was identified among the application of strategic management programs and approaches and the institutional results.

An analysis by Jenster and Sølilen (2013), examining a number of firms in china established that strategic management positively impacted a number of major institutional result indicators. A difference exists among the varied plans and institutional results. Additionally, distinctions exists among the varied strategic management processes and institutional results and processes connected to competitive intelligence; and are averagely crucial when it comes to institutional results compared to other planning processes. Equally, an analysis on Babcock University, examining the impacts of strategic management towards institutional results and the manner if has affected the success of leadership since strategic planning remains crucial in the management of corporate institutions.

The corporate performance of five Nigerian brewing companies that carry out strategic management was identified to be connected to their strategic management activities. Effective strategic management was suggested to be pivotal to the performance of the brewing companies and consequently organizations should focus more attention to strategic management, and make an effort to choose appropriate strategies that matches their strategic plans plan.

Kachali (2014) lists weak internal control as a cause of poor organizational performance. Internal control is an element of strategic management. Outdated and highly ineffective internal controls are slow in keeping up with the fast-paced modern corporate environment and as such business risks' prevention or mitigation becomes ineffective. Substandard mechanisms modeling together with poor incorporation into the supply chains remain components of strategic organizational factors that contributed to poor organizational results (Tucker, et al.,2014).

A survey conducted within the University of Nairobi and the existent campuses and targeting the top leadership running the institution established that strategic monetary distribution, strategic growth and development, strategic associations and key integrations impacted the attainment of results across local public universities within Kenya. Consequently, a proposal was advanced that leadership within these institutions ought to increase allocations both financial and nonmonetary towards strategic management, implement better plans enabling strategic growth and development; additionally, the universities must seek key association with stakeholders to enhance results and establish major partnerships to boost learners' intake (Kinyanjui&Juma, 2014).

Profile of Parastatals in Kenya

The State Corporation Act is an Act of parliament to make provision for the establishment of state corporations and for control and regulation of state corporations. A state corporation has perpetual succession; in its corporate name is capable of suing and 3 being sued and is capable of holding and alienating movable and immovable property. The Kenya government forms state corporations to meet both commercial and social goals. They exist for various reasons including: to correct market failure, to exploit social and political objectives, provide education, health, redistribute income or develop marginal areas. According to the Guidelines on State Corporations from the Office of the President, to date there are 176 operational State Corporations in Kenya. This study will concentrate on the state corporations which are Commercial based.

According to Wamalwa, (2013), government parastatals were originally created by colonialists so as to offer services not delivered by the privately-owned businesses..additionally, Wamalwa advances that every parastatals remain to be public institutions and are categorized based on income ability, capacity and the ministry it is reporting to. Further, they are classified depending on if they are in the financial industry, manufacturing industry, regulatory industry, educational sector, service firms (Handbook for Civil Service Staff, 2016).

Employment and development in Kenya contained in session paper No.4 which suggest that creation of parastatals through participation of the government to promote economic activities was done after independence with a principal focus on economic growth. However, the creation of these enterprises has changed. Commercial state co-operations are business that performs entrepreneurial and social activities seamlessly in order to achieve personal monetary gain by investors as well as sustainability.

The State Corporations Act states that the role of a Board within government parastatals is to ensure effective leadership in the running of government proposals. From the statutes, the board of a parastatals is therefore the main driver in the management of the parastatals. Persons appointed to these positions therefore ought to demonstrate competence, show accountability, be skilled with a leadership profile needed to oversee the parastatals. The CEO (chief executive officer) of the parastatals the representative of the board of directors to other key players.

Further the statute created an Inspector-General (Corporations) authority specifically to offer advisory services to the national government on matters relating to government proposals; brief the relevant ministry on the running of parastatals; monitor very data and

publications concerned with the activities of parastatals and their audits; and supervise physical infrastructures of the parastatals. Together with the AG(Auditor-General) they are responsible for over sighting these state parastatals.

Other department aside from Controller and Auditor-General, is the department of Inspector-General (corporations) responsible for over sighting the state parastatals. The Act further created a State Corporations Advisory Committee (SCAC) responsible for reviewing and conducting investigations into the running of government parastatals (Atieno& Awuor,2009). With clause 27 and 28 offering a platform for restructuring or termination of these parastatals depending on the resolution of the SCAC.

1.2 Problem Statement

Arasa and K'Obonyo (2012)explains every strategic management processes such as profiling a company's mission, examining the business setting, determining the companies key plans, decision on policy and creation of execution, assessment mechanisms are positively connected to the institutional results. Satisfactory financial results by an organization remains essential since lack of profits and reduced financial strength puts an organization's commitment to its mission, prolonged objective and its eventual sustainability at risk.

Robertson (2011), identifies the key strategic management barriers to be fears, lack of utilities, reduced global interactions and reduced efficiency among the personnel. Some of the reasons why strategic management may fail to take off also include reduced engagement with key players, failure of briefing key external players, lack of comprehensive evaluation and timely feedback on the achievement of the strategic plan,

insufficient resources for strategic management, and failure to base the employees' salary on contributions to enhancing the strategic plan (Mansor&Tayib, 2012; Lerner, 2015).

Provision of public services in numerous economies has been enabled by parastatals. Parastatals perform varied services that encompass training, maritime, education and research (Presidential Task Force on Parastatal Reforms Report, 2014). Parastatals are required to serve industry needs in betterment of citizen participation and provision of secure employment. However, performance of commercial State Corporation have realized significant failures as well as mixed success (Republic of Kenya, 2013). Irrespective of commercial state socio-economic gains in Kenya State Corporation are characterized by poor provision of services and products as well as inefficiency (Mwangi et al, 2020).

Previous empirical studies show the existence of a major positive connection between organization performance and strategic management practices, however the extent to which organization performance is influenced by strategic management practices remains elusive, hence a matter of debate in empirical studies (Aldehayyat&Twaissi 2011). These challenges have increased the need for empirical information on the missions and objectives of companies which is essential for decision making in addressing issues that are likely to enhance organizational performance. It is against this back drop that this study sought to establish strategic management practices that influence organization performance among commercial based parastatals in Kenya.

1.3 General Objective of the Study

The general objective of this study was to determine influence of strategic management practices on organization performance among commercial based parastatals in Kenya.

Specific Objectives

- i) To analyze the effect of environmental scanning on organization performance among commercial based parastatals in Kenya.
- ii) To analyze how strategy formulation influences organization performance among commercial based parastatals in Kenya.
- iii) To analyze the role of strategy implementation on organization performance among commercial based parastatals in Kenya.
- iv) To analyze the role of strategy evaluation on organization performance among regulatory parastatals in Kenya.

1.4 Hypothesis of the Study

H₀₁: There is no significant positive influence between environmental scanning and organization performance.

H₀₂: There is no significant positive influence between strategy formulation and organization performance.

H₀₃: There is no significant positive influence between strategy implementation and organization performances.

H₀₄: There is no significant positive influence between strategy formulation and organization performance.

1.5 Significance of the Study

The analysis identifies further study areas that could be exploited and additionally increase the knowledge content pertaining to strategic management practices and interested areas. It will further aid scholars willing to conduct additional studies in similar areas, acting as a reference point and guiding them in their work. The study findings may be applied by the academia to advocate for workable strategic management practices. The results of the study and recommendations assist the policy makers in developing policies that better strategic management practices to enhance organization performance.

The proposals may be further utilized by administrations to create laws relevant to their own strategic management practices in the commercial based parastatals, which guide both individual employees, government establishments and various corporate bodies in the country. The findings of this study are valuable to employees working in regulatory parastatals in Kenya as it informs them of the significance of strategic management practices and organization performance.

1.6 Scope of the Study

The scope of this study focused on the influence of strategic management practices on organization performance among commercial based parastatals in Kenya. The study addressed organization performance challenges as a result of strategic management practices among commercial based parastatals in Kenya. The target population is 33 commercial based parastatals in Kenya.

1.7 Limitations of the Study

The participants have always shown the habit of being suspicious of the investigator, with some participants raising concern on the scope of information needed and its consequences.

Due to Covid-19 pandemic, considering ministry of health protocols such as social distancing and limitations of employees who report to the office. The study employed online questionnaires in addition to physical questionnaires.

On the issue of confidentiality being an obstacle to the investigator; it was countered by assuring the participants on non-disclosure on any given information and its role was only for the purposes of the analysis.

1.8 Definition of Key Terms

Environmental Scanning	In this study environmental scanning refers to activities encompassing collection of information regarding relationships and events in the external and internal environment of an organization (Lerner, 2015)
Strategy Implementation	Strategic implementation refers to the processes conducted at the operational, investment and at the board levels in an institution aimed at implementing a set policy (Hill, et al., 2013).
Strategy Evaluation	Strategy evaluation is the process that determines strategy effectiveness in order to achieve objectives of an organization by adoption of corrective measures when needed (Pearce & Robinson 2011)
Strategic Management	In this study strategic management is a set of action and decisions that result in implementation and formulation of plans with an aim of achieving an organization objectives
Strategic Management Practices	This is an analysis, decision and actions parastatals undertake so as to develop and maintain a market edge (Dessler, et al., 2007).
Organization Performance	Is the achievement of an organization with respects to some criterion like quantified objectives or profitability .
Parastatals	A company or agency owned or controlled wholly or partly by the government.
Commercial based parastatals	A semi-autonomous profit making State Corporation Competitive strategies: Alternative strategies adopted by a firm to compete in its industry, often in a combination.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review, particularly theoretical framework and conceptual framework in addition to theories supporting this study. Literature have been derived from existing theoretical literature, critique existing literature about strategic management practices, research gaps and literature summary is also presented.

2.2 Theoretical Review

The major aim of theories remains to elaborate a specific phenomenon and further proposing ways to attain changes. They help explain and determine the reason for the existence of a situation and foresee behaviors within specific conditions and offer direction on the search for modifiable factors like knowledge and attitudes and guide the development of interventions (Glanz et al., 2008). This study conforms to the following theories Resource based Theory RBV (1959), Agency theory (1980), and Decision Theory(1976).

Resource Based Theory

The theory was a brainchild of by Penrose in 1959. It proposes that resources form an institution's pool of assets, based on the fact that theory covers assets of an institution as well as the competences. According to the principle, institutions possess ownership of resources positioning them well in terms of having a competitive edge; securing good results in an institution. A pool of the utilities enables institutions gain a competitive edge as the competences enable an institution maintain the competitive edge over prolonged periods. Therefore, it is possible to summarize that Strategic Management

provides a platform for creating and sustaining a competitive edge that cannot be duplicated or substituted (Saqib& Rashid, 2013).

Organization performance and competitive advantage rely on resources that have been accumulated over time (Barney 1995). Resources that are rare, non-substitutable, valuable and not easily initiated should be built by the organization in order to promote efficiency and effectiveness (Hunt & Morgan, 1995) performance catalysis and related resources should be identified in the organizational programs. RBT suggests that creation of value in an organization is the basis of formation of alliances and policy organization resources together.

This theory is central to this study because the study focus objectives requires adequate allocation of resources in order to be executed, to subsequently enhance organizational performance. According to Hooley et al. (1996) this theory has been adopted in the analysis of strategic management practices. Organizations can therefore gain greater and betterment of organization performance. Improved performance can therefore be measured through customer satisfaction metrics. The importance of this theory to the present study is that strategy formulation, evaluation, implementation and control requires organizational resource to permit efficient execution. If further helps in measurement of performance metrics in this study that includes profitability, sales growth and number of employees. Organizations that do have adequate dynamic capabilities enjoy competitive advantage.

According to Muger (2012) resource based theory has been continually used to explain the significance of human resources in execution of strategic management practices.

This theory has been relevant in a long period and is one of the leading management theory that explains performance of an organization. The theory advances that internal institutional utility an institution directs possess the ability to be a source prolonged competitive edge in case utilities remain unique, limited cannot be substituted.

This theory explain the strategic management practices that is the independent variable of this study and requires utilization of the available organizational resources organizations having the objective of accumulative of resources that are available to enhance organizations competitive edge. In the present study is therefore crucial to explore the impact of dependency on resource and strategic management practices.

Agency Theory

Agency theory begins with the relationship between the owners of an organization who delegates work to an agent who performs the work, also referred to as the principal-agency problem (Lindqvist&Mijovski, 2013). The agency theory develops from the human element as the source of the company's competitiveness by stressing the fundamental important relationship between the shareholders or owners of the business and the agents or managers in enhancing the success of the organization (Omari, et al., 2011). The theory underlines the basic conflict between the self-interest of managers and owners whereby the owners have the control of the organization but the managers put up with most of the wealth effects.

According to Namazi (2012) the agency theory has been used in the past was also used to attainment of the goal contingency. In managerial accounting it was used. The principle

is concerned with situations where an agent is engaged by a party (principal) to secure decisions on their behalf at a certain cost.

This theory relates to this study because strategic management processes are implemented by agents other than the principal. The theory therefore explains relationship between the principal shareholders and the managers as agents and how their relationship influences strategic management process and eventually organization's performance.

Decision Theory

The theory concerns the manner human design judgment and the subsequent effect on determining their decisions. These could take the form of probability. activities within a decision process includes; determining the problem, followed by mining for critical data regarding the problem and then production of possible solutions to the problem. From there the next step is evaluation of the solutions to see which one fits best, followed by identification of a plan for results of the solution and lastly, adoption of a solution settled for. Well informed decisions help companies to prepare well before implementing a decision and hence organizations can prepare for risks. Well informed decisions also aid organizations in proper allocation of their resources (Dabara, et al., 2014).

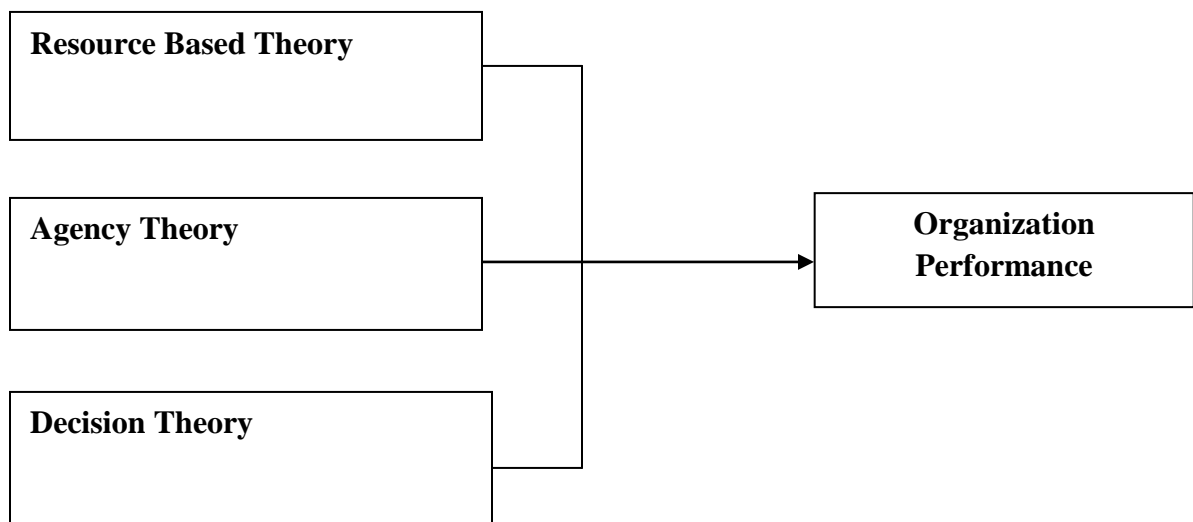
Decision theory aims at establishing broad principles of rationality to direct policy makers in situations which involve risk or uncertainty (Joyce, 1995). North (1968), advanced that this theory offers a coherent context for selecting among a variety of plans even when the implications from these actions remain unknown (Parmigiani, 2009). In its classical construct, the Decision theory is based on choices individuals make among the

available options, which characteristically are expected consequences subject to uncertainty and at different points in the future.

Ahmed and Omotunde (2012), outline four types of decision theories. The Causal decision theory is based on the principle of rational choice which suggests that the result of your choice arises from your decision.. This theory relates to this study because strategic management practices requires key decisions to be made by the strategic decision makers and the selected decisions to be enacted.

Figure 2. 1

Theoretical Framework



Source: Author (2021)

2.3 Empirical Review

This section presents empirical studies on the dependent variables of the study which includes Strategy Evaluation, Strategy Implementation, and Environmental Scanning and Strategy Formulation.

Environmental Scanning and Organization Performance

A review by Babatunde and Adebisi (2012) examining strategic environmental scanning and institutional results within market setting in Nigeria; that was done by use of questionnaires and analysis/interpretation of data employing regression and coefficient of correlation analysis: indicted the existence of a major connection among within an institution productivity is as a result of variation in outside environmental factors, denoting a positive influence in institutional results. Thus, utilization of strategic environmental scanning in assessing outside environmental forces aids in securing opportunities and eliminating risks, thereby promising better profit margins.

Cancellieret al. (2014) analyzed the connection among institutional strategy and settings of medium firms within Brazil. The research adopted a quantitative approach, complemented by the use of questionnaires. Data analysis was done by correlations and ANOVA. Major findings from the analysis reveal prospector's scanned information from competition and technology, further accessing publications regularly compared to those adopting a different manner of strategic conduct. In its entirety, scanning of data promises results compared to strategy indicated by strategic behavior typology.

Asseret al. (2018) intended to determine the effect of dynamic environmental scan traditions towards results of business-minded parastatals. A cross section survey research design with the target population comprising of 55 of these parastatals; the final sample consisted of 48 parastatals (selected by stratified random sampling). Participants in the analysis consisted of top leadership, finance Managers and human resource managers and finance managers of every sampled parastatals. Findings from the analysis indicated dynamic environmental scan traditions greatly and significant positively impacted results

and as a result parastatals responding to the changing and harsh settings possess a competitive advantage and promise improved results. Pourmohammadi et al.(2020) a mixed method was adopted in this study. Data collection was done using interview guide. The study revealed that strategic analysis is influenced by environmental scanning.

Babatunde and Adebisi (2012) in a study on organizational performance vis-a-vis Strategic Environmental Scanning within a Business Competitive Environment found a proportional relation to environmental scanning. This is an indication that the utilization of strategic environmental scanning in assessing the exterior environmental factors (threats and opportunities) assists in taking advantage of available opportunities thus avoiding threats hence leading to an organization's profitability.

In Kenya, Ali and Wambua (2019) examined whether performance of Mandera County Government is influenced by strategic management practices. A descriptive survey design was adopted. The target population of the study constituted of 70 employees. Descriptive and inferential statistics was used to establish the association between organization performance and strategic management practices. The study concluded that strategic management practices is influenced by organization performance.

In Palestine, Azahari, et al. (2021)sampled 268 respondents was derived from a population of 881. The study revealed that management crisis is influenced by social relation. However, this study revealed a weak relationship. The recommendation of the study suggested that in the internal and external environment environmental scanning must be conducted permanently to enable development of UNRWA strategic plans.

According to Rajasekar (2014) there is need for organizations to understand their working environment to enable improvement in competitive advantage. The authors

suggested that assumptions, theories and traditions models are no longer valid. Central ingredients of knowledge should be based on knowledge based theory of the firm. This is because organization structure varies and no set of assumptions is valid in every situation. According to a study conducted by Rintari and Moronge, (2014) on whether organization performance is influenced by strategic planning among public institutions in Kenya, a case study of public commission in Kenya. The study established a positive relationship between organizational performance and environmental scanning. The study found that higher growth rates are enhanced by environmental scanning.

Muthaka (2019) analyzed determinants of strategic partnership and performance of TVET, in Nairobi County. A descriptive research design was adopted in this study. Intervention and descriptive approaches were used to analyze data. Findings revealed that competitive advantage is enhanced by strategic partnerships. Furthermore, customer needs are adequately met through strategic partnerships.

Wanjiku (2016) conducted a study among commercial banks inured to determine whether organization performance is influenced by strategic partnerships. All the 42 banks formed the target population of the study. Questionnaires were used to explain the association between prediction and criteria variables. The study established a positive relationship between organization performance and strategic leadership.

Strategy Formulation and Organization Performance

Formulation of strategies is the process of making right choices concerning realizing objectives and goals in an organization. Strategy formulation ensures production of workable recommendations that buttress justification of objectives and misses that enable accomplishment of organizational strategies (Santura et al., 2017). When formulating strategies modification of strategies and objectives enables ensuring organizational success.

Globally, public sector organizations still rely on strategic plans in the strategy formation process. However, there are drawbacks according to Yazici(2014)scholars have concluded that strategic planning approaches have been embraced by public sector organization (Bryson, et al, 2010) as a formalization concept. In the management of public sector several studies have established relationship in organization performance. Seven empirical studies were examined by Andrews et al. (2011) to a certain the impact of strategic formulation on organization performance. Walker (2013) sought to establish the associate between organizational performance and logical incrementalism. However, the study established that organization performance is not influenced with internal formation.

AIDhaheri et al. (2020) examined whether organizational operations is influenced by strategy formulation. The study was carried in UAE to find out whether organizational growth and learning is influenced by strategy formulation. Quantitative research approach was adopted in the study. Primary data was collected from employees in the UAE public sector, to a certain the influence of strategy from formulation.

In conclusion, the study revealed that organization performance is influenced by strategy implementation. (human resource structure and strategy).

Chijioke, and Olatunji(2018) sought to establish the relationship between strategic performance and strategy formulation. The study focused on the telecommunication industry in Nigeria. Quantitative approaches was relied upon in the study. The study established that strategic performance is influenced by drivers in strategy formulation.

Maroa and Muturi (2015) sought to establish whether performance of flowers and firms is influenced by strategy formulate the conclusive revealed a positive relationship.

According to Katsvamutima, and Jeevananda(2014) suggest strategy formulation and implementation influence competitive advantage, efficiency and profitability of an organization.

A positive correlative between organization performance and strategy formulation in the banking industry in Nigeria. Furthermore, Auka and Langat (2016) studied the relationship between performance of medium-sized enterprises and strategic planning. However, there was a weak association. Empirical evidence, reveal that strategy formulation influence organization performance.

Auka and Langat (2016) findings indicating strategic planning puts a positive impact towards efficiency and system productivity interventions, although it does not impact on efficiency, a negative impact by logical incrementalism exists. Despite this, carrying out a key planning endeavor in a comprehensive structure of logical incremental decision-making, positively impacts the efficiency as well as the system productivity measures. In totality, the finding imply that on their own or integrated with logical incrementalism, positively impacts components of results in relation to the transport sector.

Owich et al. (2018) conducted an analysis examining the effect of strategic formulation towards institutional results on firms listed at the Nairobi Securities Exchange (NSE). Upon data collection and analysis by suitable approaches; the research outcomes indicated the institutional results being positively and greatly impacted by strategy formulation. An analysis by Simple linear regression indicated this phenomenon.

Njeru (2018) intended to determine the effect of dynamic environmental scan traditions towards results of business-minded parastatals. A cross section survey research design with the target population comprising of 55 of these parastatals; the final sample consisted of 48 parastatals (selected by stratified random sampling). Participants in the analysis consisted of top leadership, finance Managers and human resource managers and finance managers of every sampled parastatals. Findings from the analysis indicated dynamic environmental scan traditions greatly and significant positively impacted results and as a result parastatal responding to the changing and harsh settings possess a competitive advantage and promise improved results.

Nwachukwu, et al. (2019) summarized impact of strategy formulation drivers towards strategic performance; with the main role of the analysis being advancing proposals to the leadership of multinationals within the mobile telecommunication industry in Nigeria on ways to improve and maintain strategic performance based on the assessment of strategy formulation drivers. The analysis revealed strategy formulation drivers impact strategic performance of mobile TELCOs within Nigeria. Focus on a firm's goal together with the prolonged intentions greatly and positively influence strategic performance.

Strategy Implementation and Organization Performance

An analysis by Mathore (2016) examining the impact of strategy implementation towards institutional results; a study of DTB bank in Kenya, with use of interviewing guide and analysis by content analysis revealed the existence of a positive connection among strategic implementation and result at the bank. Findings showed that staff across different departments have individual awareness on the execution processes; execution factors may be barriers impeding the execution process; the distractions can be overwhelmed incase the leadership are discerning to the institution's current situation.

Somi (2017) sought out to establish the effect of strategy implementation towards results of government parastatals within Kenya. It adopted a descriptive survey research design, comprising of a population of 42 government parastatal within Nairobi. Findings revealed the existence of a major connection among strategic evaluation and the results of these parastatals. Further revealing the existence of a major connection among reward structure and results of the parastatals.

Mathore (2016) analyzed the impact of strategy evaluation towards institutional results: a study on the Star limited company. Its main intention was to the identify the effect of strategy evaluation towards institutional results. The analysis preferred a descriptive research approach, with the study sample comprising of 200 employees within the Centre Star Company across different departments; using a stratified random sampling manner in selecting 60 out of the 200 workers to engage in the analysis. Findings from the survey indicated strategy evaluation enables institutional guidance since it secures adherence to their goal, align functions to certain targets and sets common traditions as well as cause.

Given the fact that there is ever increasing complex and uncertainty of political circumstances globally. The context of implementation of strategic of policies has made governments to establish performance standards and capacities. Implementation of strategies entails putting strategies into practice, this includes delivering and planning of services in order to develop effectiveness and efficiency in organizational design and operations as well as culture and system evaluations.

According to Joyce and Drumaux (2014) is a concept that is universally accepted and well investigated. However, there is a mismatch on the depth of strategic management research. Another, objective of focusing is to assess the effectiveness of an organization. Strategic implementation decisions are considered central in achieving organizational performance.

According to Boyne et al (2010) the delivery of public services depends on the anticipated outcomes. Agencies in the public sector have adopted preparation of strategic plans or documents to enable implementation of policies adequately. Adebisi (2011) examining strategic environmental scanning and institutional results within market setting in Nigeria; that was done by use of questionnaires and analysis/interpretation of data employing regression and coefficient of correlation analysis: indicted the existence of a major connection among within an institution productivity is as a result of variation in outside environmental factors, denoting a positive influence in institutional results. Thus, utilization of strategic environmental scanning in assessing outside environmental forces aids in securing opportunities and eliminating risks, thereby promising better profit margins.

In Turkey Chaimankong and Prasertsakul (2012) examined the relationship between organization performance and strategy implementation. The study adopted a mixed research design. The study collected data using 16 semi-structured; interviews and 134 survey responses. The data was analyzed using robust and moderated model of regression. The qualitative data that was collected buttressed the quantitative data that was collected. The study established a positive relationship between organization performance and strategy implementation.

In Kenya, Magambo (2012) sought to analyze the challenges among public corporation regarding strategy implementation. The study sought to establish these challenges as well as suggest possible solutions to the challenges. A descriptive research design, was adopted. The study sampled a sample of 189 respondents. The personnel in charge of planning were targeted in this study. The study findings revealed that the major challenge to strategy implementation is resistance to change.

Magambo (2012) studied the effect of strategy implementation towards institutional results within IHLs in Kiambu. Results from the analysis pointed to the existence of a great impact by strategic utility disbursement, supervision and regulation of plans, strategic management and communication towards the results of IHLs. The conclusion was that an institutional result was greatly impacted by supervision, regulation of plans, utility distribution and communication. another finding was that strategic leadership had little impact on the results of IHLs compared to the others.

Ouma(2016) analyzed association between expensive strategies and organization performance of insurance industry in Kenya. Specifically, the study sought to determine whether penetration, divarication and product development strategy have effects of insurance company performance. The study adopted a census technique. The study revealed that organization performance of the insurance companies is influenced by expansion strategy.

A study by Kyalo (2015) a case study of KCB group Ltd, sought to establish whether expansion strategy influence organization performance. A case study design was adopted in this study. An interviews guide was use to collect primary data. Content analysis was adopted in the data analysis. The study revealed that the bottom up approach used by KCB to implement the expansion strategy has contributed to organizational performance.

According to a study conducted by Gure and Karugu(2018) on the relationship between organization performance and strategic management practices among SMEs in Nairobi country. The study sought to establish the influence of cost leadership, focus and differentiate strategy. A descriptive research design guided the study while questionnaires were used in the data collection. Inferential and descriptive statistics was used in the data analysis. The findings revealed that focus, cost leadership and differentiate strategy influence organizational performance.

Kyalo (2015) sought to establish whether implementation of customer focus strategy is influenced by the external environment. A sample of 54 staff was drawn from a target population of 50 respondents. Primary data was relied upon in this study of which was collected using questionnaires. Content analysis approach was used in the analysis of qualitative data. The study findings revealed that implementation of customer focus

strategy is influenced by employee training. The study recommended that Equity Bank Ltd should regularly conduct employee workshop to enhance implementation of customer focus strategy.

Odhiambo (2015) assessed the association between organization performance and strategy implementation among tea firms in Kericho. The study sample size comprised of 34 managers. The study findings revealed that organization performance is influenced by all perspectives of strategy implementation that include quality performance, customer satisfaction and employee productivity.

Mathore (2016) study findings revealed that organization performance is influenced by strategy implementation. However, the interviews suggested that there is need to formulate right strategies.

In another, case study of KCB group, Kyalo (2015) sought to establish the relationship between organization performance and strategy implementation. An interview guide was used to collect data from senior management of the Bank. Majority of the respondents indicated that KCB performance is influenced by strategy implementation included employee turnover, profitability, employee satisfaction, efficiency and product innovation.

Strategy Evaluation and Organization Performance

Abdalla (2015) analyzed the impact of strategy evaluation towards institutional results: a study on the Star limited company. Its main intention was to the identify the effect of strategy evaluation towards institutional results. The analysis preferred a descriptive research approach, with the study sample comprising of 200 employees within the Centre Star Company across different departments; using a stratified random sampling manner

in selecting 60 out of the 200 workers to engage in the analysis. Findings from the survey indicated strategy evaluation enables institutional guidance since it secures adherence to their goal, align functions to certain targets and sets common traditions as well as cause.

Chepkwony (2016) results showed strategy implementation, evaluation and control greatly impacted institutional results. Some minimal impact towards institutional results was noted in the ability to properly indicate, assess results and relate rewards to results, create a performance based tradition and lastly on better transparency on performance.

Several organizations do not give usable and meaningful strategy evaluative because of the disconnect between organizational level and strategic decision making. They argue that evaluation and learning efforts inform the decision making practices of an organization. There is a need of establishing a strategy that is comprehensive in the evaluative of organizational effectiveness. Strategy control and evaluative informs organizational management concerning reasons that lead to the failure of meeting certain objectives and performance standards. In this regard strategy implementation and formulate depends on strategic learning tool, this plays a significant role in strategy implementation and formulate. However, there is no clear role in comprehensive of the role contributed by strategy evaluative.

A publication by Nyariki (2016) suggest that strategic evaluative is a critical tool that can be used to measure that strategic position of an organization. It enables an organization to head to the right direction and adopt corrective actions that need to be taken. Therefore, there is need for managers to continually assess strategies on organization performance, in order to respond to indicators of organizational failures.

Somi (2017) sought to determine the relationship of organization performance and strategic implementation in state co-operations in Kenya. A descriptive survey regard was adopted. The study had a population of 42 government owned entities. In order to select 42 managers purpose sampling was adopted. The study found a positive relationship between performance governments owned entities and strategic evaluation.

Nyariki (2016) analyzed the effect of strategy evaluation approaches towards attainment of results at KCB bank. The study goal was to identify the key evaluation styles preferred by KCB bank and to establish the effect of strategic evaluation styles towards the results. The analysis adopted an interviewing guide for collection of data; with the collected data being analyzed by application of content analysis approach. findings from the review indicated that the strategy evaluation traditions common with the bank included bench marking, accounting audits, balanced score card, job evaluations, accreditations and certifications, client fulfillment questionnaires and the adoption of ICT.

Hieu and Nwachukwu (2019) summarized the strategy evaluation process and strategic performance connection. The former ensures companies regularly evaluate modern traditions as well as their role towards strategy implementation. The analysis explored strategy evaluation process and strategic performance of mobile TELCOs within the Nigerian market. It offered new knowledge on the impact of strategy evaluation process towards the results of TELCOs in a young economy such like that of Nigeria. The results reveal that TELCOs embrace a systematic manner to strategy evaluation bearing a major and positive influence towards strategic performance.

Njeru (2015) assessed the relationship between organization performance and strategic management practices. The study examined the role of strategy evaluate on

organizational performance. A cross-section regard design was adopted in the study. The study found that there is a significant evaluative and organizational performance. However, the study considered SMEs, while present study focuses on state owned parastatals.

Organizational Performance

Universally, performance is widely viewed as a manner of meeting a certain commitment and that is further translated in terms of its success. Jenatabadi, (2015) observes organizational performance to be a process an institution attains success in its commitments in relation to the desired goals and set targets. It remains to be a critical component of business strategy. There continues to be a debate on the exact meaning and the dimensionality of it, without regard to its relevance as well as global utilization. Existing publications from earlier reviews reveal the existence of several views pertaining to organizational performance including: profitability, market growth, product value, client fulfillment, worker fulfillment, environmental objective and social commitment (Santos & Brito, 2009).

Traditions within organizational performance entail examining the performance of a firm by comparing the desired results versus the real results. Dessler(2012) outlines performance as a set of tasks, functional productivity and efficiency, their indication and the resultant results achieved. Individual institutions craft suitable models for indicating performance, creating a platform for assessing present as well as earlier results in relation to the desired ones. The methodologies with respect to indicating performance align with the manner the institution functions together with the key goals being desired (Akinyi,

2012). The area of focus in performance measurement, however, varies by organization and time.

Institutions indicate performance applying various approaches like the approach Kaplan and Norton (1993) indicates institutional results in monetary and nonmonetary dimensions. The monetary component includes; profitability, returns on investment and sales growth: while the non-monetary component includes; client indications, internal business perspective and growth indicators. A common prevailing role of investment and strategic management principle and analysis remains to be the enhancement of institutional results

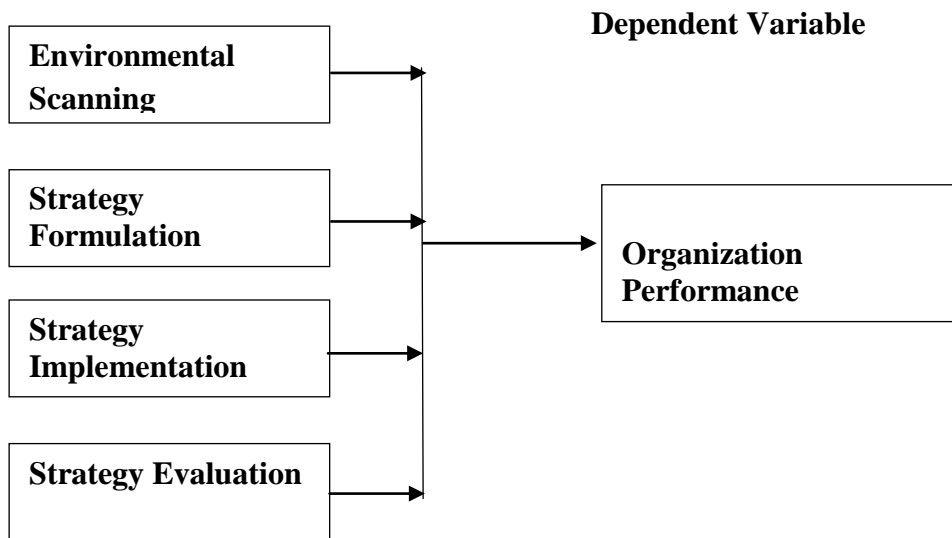
2.4 Conceptual Framework

Mugenda and Mugenda, (2006) advance that a conceptual framework is a hypothesized design determining the item for analysis and the connection among the dependent variable and the independent variables. In a study, it captures the connection among the variables in a research and represents the connection structurally.

Figure 2. 2

Conceptual Framework

Independent Variables



Source: Author (2021)

2.5 Research Gap

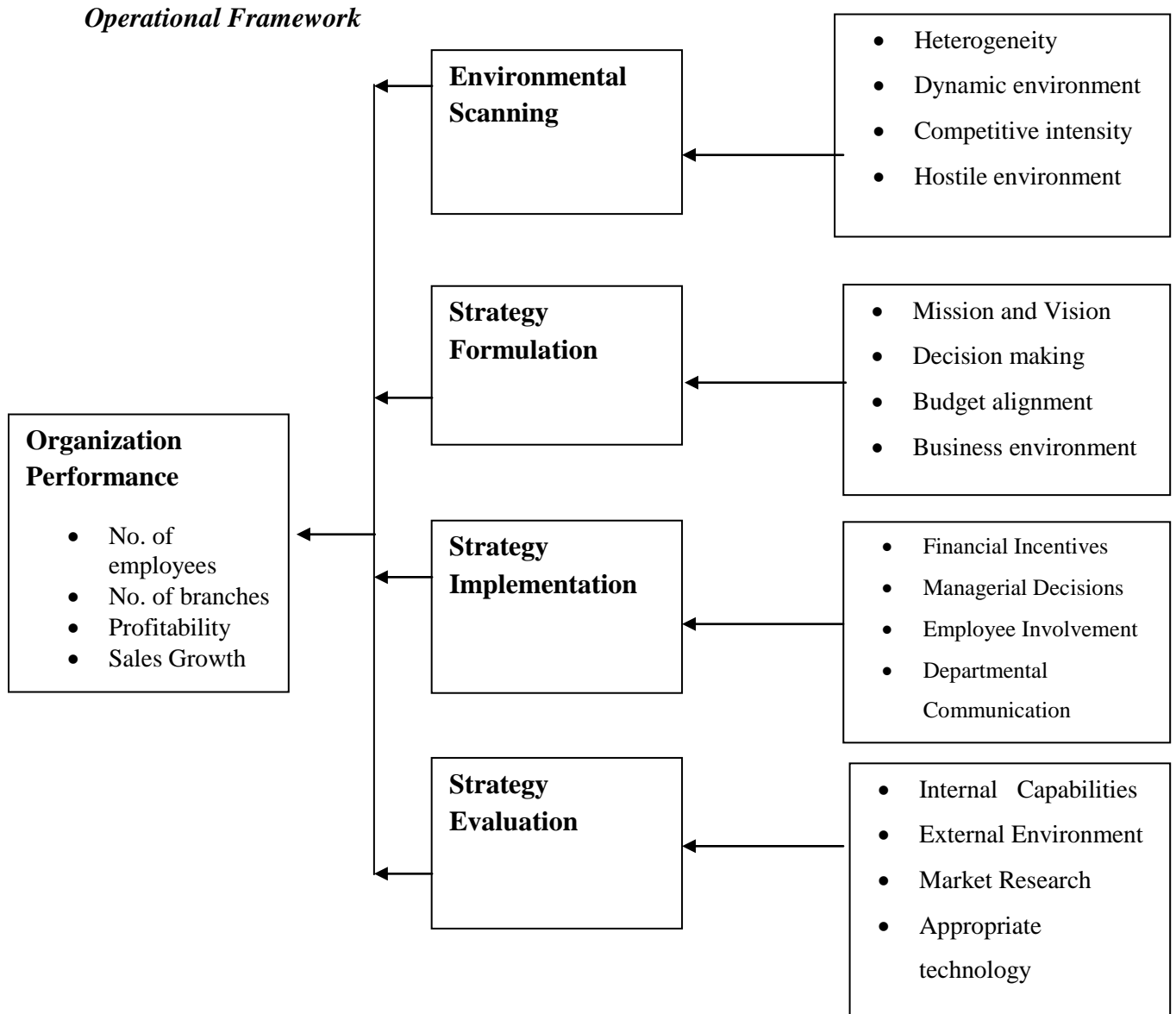
Based on the literature review it is evident that numerous reviews have been done outside Africa, particularly concerning about influence of strategic management practices on organizational performance. It is also important to note that a lot of research in his area has been conducted in United States of America and Brazil. Influence of strategic management practices on organizational performance is significant study to enables managers to understand which independent variables influence of strategic management practices influence organizational performance.

The reviewed literature reveals that most of the studies that have focused on strategic management practices and performance outcome have been carried out in developed countries.

It is important to note that, recent studies about influence of strategic management practices on organizational performance in Kenya have focused commercial banks but profit making parastatals. There is no study that has been carried in profit making parastatals Nairobi County in Kenya; this study sets to establish about influence of strategic management practices on organizational performance.

2.6 Operational Framework

Figure 2. 3



Dependent Variable

Independent Variable

Parameters

Source: Author (2021)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

The present chapter explains the research method that was adopted in the study. Specifically, it explains the study design, the study targets population and sample size; sampling procedures; instrument reliability and validity data collection and analysis approaches as well as research ethics that guided the study.

3.2. Research Design

A descriptive research design guided this study. It was a suitable research design in this analysis, since it enables an investigator to gather information that is precise on the phenomena, as it is devoid of manipulation. This research design also permits exploration of different experiences, attitudes and opinions, from a large sample of respondents. The generated findings would represent the entire opinion of the targeted population (Orodho, 2009). Its suitability in this study is buttressed by the fact that it reveals the respondents true perceptions regarding the independent variables of the study.

3.3. Target Population

According to Orodho (2004) a target population is a large group of things, people and events that are of interest to the researcher. The study targets 33 commercial based parastatals in Kenya. Respondents for the study were selected from the following management positions namely; CEO's, finance managers and human resource managers from the respective commercial based parastatals in Kenya.

Table 3. 1.

Target Population

Category	Target population (Employees)
CEOs	33
Human Resource Managers	33
Finance Managers	63
Total	129

Source: (HR Records, Regulatory Parastatals)

3.4 Sampling Procedure

According to Mugenda (2003) sampling the selection of persons to participated in a study, events, documents that can be used in a survey from which a researcher can collect data from. In this study purposive sampling was used to select commercial based parastatals, departments and employees.

The sample size was determined based on the following *Yamane's* formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where by:

N is the population size, *n* is the sample size, and *e* is the level of precision.

At 95% confidence level at $p = 0.05$ and $N = 129$.

Sample size $n = 129 / 1 + 129 (0.05)^2$

Sample size $n = 97$.

Table 3. 2:

Sample Size

Target Population	Proportion	Sample Size
CEOs	33/129*97	25
Human Resource Managers	33/129*97	25
Finance Managers	63/129*97	47
Total		97

Source: Researcher (2021)

3.5. Data Collection Instruments and Procedures

This section presents data collection instruments as well as data collection procedures that was employed in carrying out this study.

Primary Data

The research instrument to be used for data collection was closed ended questionnaires. It is assumed that the selected organization officials are involved in strategy management practices at the commercial based parastatals.

Pretesting of the data collection instruments was performed in order to ascertain both data reliability and validity. Pre-testing enables the investigator evaluate the effectiveness and clarity of the study instruments and subsequent ease in application (Mugenda & Mugenda, 2003). In undertaking the pretest, the investigator must organize and then administer close to 10 pilot testing questionnaires to the identified participants. Participants involved in the pretest are required to peruse the draft questionnaire and provide answers same as those of actual respondents; the investigator later seeks their input pertaining to the nature of the questions and their relevance, using their feedback to improve quality of the questionnaire for the study goal.

3.6. Data Analysis

Collected data rearranged and organized for scrutiny aimed at checking completion awaiting the next phase of data entry. The questionnaires have codes, with each one having a unique code to enable effective data entry. The data analysis was done by the help of SPSS version 23. Data was analysed descriptively and presented applying frequency tables.

Multiple linear regression analysis was also carried out using the following model.

$$Y = \beta_0 + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \varepsilon$$

Whereby;

β_0 = is a constant term

X_1 = Environmental Scanning

X_2 = Strategy Formulation

X_3 = Strategy Implementation

X_4 = Strategy Evaluation

ε = is the error term

3.7. Validity of Instruments

Mohajan, (2017) advances that validity refers to the capability of a study instrument to gather information that remains essential, can be transferred and finally reliable. According to Kimberlin and Winterstein (2008) the validity of a study tool is affirmed by meeting the set specifications. Validity was assured by sourcing for qualified advisory from the lecturers offering supervision on the degree to which the questionnaires can be used to collect data. They reviewed the items and further propose methods of enhancing them to ensure quality and relevant information is gathered (Matula, 2018).

3.8 Reliability of Instruments

According to Kothari (2012) for a researcher to achieve validity and reliability has to pre-test or pilot test the questionnaire using a sample of the respondents who have characteristics similar to the target population. The test internal consistency the researcher used Cronbach's Alpha, reliability values should exceed a threshold of 0.7.

3.9. Research Ethics

The study adhered to research ethical procedures. Firstly, authorization letters were collected from KEMU and NACOSTI these are the relevant bodies to obtain research authorization from. Secondly, acknowledgment of all sources of information was ensured to avert plagiarism prior to the data collection exercise. The consent of respondents was sought, only respondents who accented participated in the study. Confidentiality was ensured by assuring respondents that the information they give is confidential. Thirdly, the respondents were assured that the information gathered is strictly for academic use the participants were also assured that the findings of the study would be made available to them.

CHAPTER FOUR

RESULTS AND ANALYSIS

4.1 Introduction

The fourth chapter details deductions obtained from analysis of collected data. Additionally it captures the features of the participants as well as their views with regards to the influence of strategic management practices on organization performance within profit making parastatals in Nairobi County, Kenya. With regards to ensuring simplicity during the presentation of data, the investigator opted for tables offering a summary of the participants, responses.

4.2. Response Rate

The study population of this study was 33 commercial based parastatals in Nairobi County, Kenya. The targeted respondents were CEO's, human resource and finance managers in the commercial based parastatals in Nairobi County, Kenya. 82 out of the 97 questionnaires administered (which is a representative of the pool the investigator intends to draw responses from) were properly answered and submitted, giving it a desirable score of 84.45% as the response rate.

4.3 Reliability Analysis

In determining reliability, Cronbach's Alpha was applied since it assesses internal consistency by ascertaining if specific instruments in a scale indicate a similar construct validity. An ideal Alpha score ought to be 0.7, (Kothari, 2012). Based on illustrations detailed below in table 4.1, reliability was ideal across the five scales since their scores surpassed the desirable standard of 0.7 and above. Therefore, conclusion can be reached that the instrument could be relied on.

Table 4.1

Reliability Analysis

Determinant	No of items	Cronbach's	Verdict
Environmental scanning	6	.824	Reliable
Strategy development	9	.753	Reliable
Strategy adoption	9	.801	Reliable
Strategy assessment	6	.762	Reliable
Organizational Results	5	.779	Reliable

Source: Research Data (2021)

From the detailed Cronbach's Alpha scores, there was consistent performance of the data collection tool since the figures exceeded the ideal score of 0.7 and above.

4.4 General Information of the Respondents

The analysis intended to obtain the basic details of the participants like; sex, age, schooling levels, duration of work and job description within the commercial based parastatals in Nairobi.

Gender Distribution of the Respondents

The investigator intended to assess the gender distribution of participants. Deductions are detailed below in table 4.2.

Table 4.2:

Gender of the Respondents

Gender	Frequency	Percentage
Male	46	56.1
Female	36	43.9
Total	82	100

Source: Research Data (2021)

From the deductions, male participants were the majority with 56.1% and the female formed the remaining 43.9%. It means that commercial based parastatals in Nairobi County greatly empower women even though the males took a larger share of the workforce.

Age Brackets of the Respondents

The analysis intended to determine age distributions of the participants. Deductions are detailed in table 4.3 below.

Table 4.3

Age Brackets of the Respondents

Age brackets	Frequency	Percentage
30 years and below	20	24.4
30-34 years	7	8.5
35-39 years	28	34.1
40-44 years	14	17.1
Above 45 years	13	15.9
Total	82	100

Source: Research Data (2021)

A significant percentage of the participants fell in the 35-39 age bracket (34.1%). Participants 30 years and below formed 24.4% of the population, between 40-44 years were 17.1%. Age bracket above 45 years were 15.9%. The implication is that the most of the top roles within commercial based parastatals in Nairobi County are taken up by those above thirty years.

Working Experience in the Company

Participants had to state their working durations at their current companies. Deductions are detailed in table 4.4 below.

Table 4.4:
Working Experience in the Parastatals

Working Experience	Frequency	Frequency
Below 5 years	20	24.4
6-10 years	13	15.9
11-15 years	35	42.7
16-20 years	7	8.5
21 years and above	7	8.5
Total	82	100

Source: Research Data (2021)

Deductions from table 4.4 indicate 42.7% of the participants had been in their positions in their respective institutions for between 11 to 15 years, 24.4% had served their institutions for less than 5 years while 15.9% have worked for their respective parastatals between 11-15 years, 8.5% had served their institutions between 16-20 years same as above 21 years. From these deductions, it was clear that the participants had served their

institutions long enough, thus well informed on the impact of strategic management practices on organization performance among commercial based parastatals in Nairobi County, Kenya; in the end their insights could be highly regarded.

Education level

Study participants had to state personal highest schooling levels. Deductions are detailed below in table 4.5

Table 4.5:

Education level

Education Level	Frequency	Frequency
Undergraduate	47	57.3
Masters	35	42.7
Total	82	100

Source: Research Data (2021)

From the deductions, 57.3% of the participants possessed a university degree, and 42.7% had master's degree. Thus, the conclusion is that the participants possessed more than enough education for the interpretation and responses to the study goals extensively.

4.5 Descriptive Analysis

Focus here will be a presentation of descriptive analysis determinations with regard to the independent (environmental scanning, strategy development, strategy adoption, strategy assessment) and the dependent variables (Organizational results).

Organization Performance

Participants were required to state their affirmation levels based on the question with regards to organizational performance. Deductions are detailed below in table 4.6

Table 4.6:
Descriptive Statistics for Organization Performance

	N	Mean	Std. Deviation
The number of employees has increased over the last five years	82	4.51	.84
Our organization has experienced an increase in number of branches over the last 5 years	82	4.31	.75
Our organization has experienced increased annual running expenditure over the last five years	82	4.44	.80
Over the last five years your organization has been able to achieve its goals in relation to organizational performance	82	4.59	.64
Our organization has improved over the last 5 years	82	4.56	.66
Valid N (list wise)	82		

Source: Research Data (2021)

Findings from table 4.7 indicate that the significant group that had the highest mean of 4.59 and a SD of 0.64 affirmed that in our organization has experienced increased annual running expenditure over the last five years. Second in line was those affirming that over

the last five years your organization has been able to achieve its goals in relation to organizational performance a mean of (4.59) and a SD of (0.64). Furthermore respondents that the number of employees has increased over the last five years with a mean of (4.51) and a standard deviation of (0.84). Our organization has experienced an increase in number of branches over the last 5 years at a mean of (4.31) and a standard deviation of (0.75), and our organization has improved in the past five 5 years mean (4.56) and a SD of (0.66).

Influence of Environmental Scanning on Organization Performance

Participants were required to state their affirmation levels based on the question with regards to the impact of environmental scanning on organization performance. Findings are detailed in table 4.7 below.

Table 4.7***Influence of Environmental Scanning on Organization Performance***

	N	Mean	Standard deviation
Dynamic environment affects commercial based parastatal performance	82	4.54	.83
Hostile environment affects commercial based state parastatal performance	82	4.29	1.08
Competitive intensity affects commercial based state parastatal performance	82	4.68	.46
The commercial based state parastatals takes into consideration dynamic environment	82	4.58	.94
The commercial based state parastatal takes into consideration of heterogeneity	82	3.13	1.08
In the dynamic environment prices of products and changes in taxes	82	3.09	1.32

Source: Research Data (2021)

Environmental scanning continues to be recognized as a feature impacting organizational performance in the commercial parastatals. The analysis intended to prove this position. Deductions from the table 4.8 below indicate the a significant group shows that the majority who scorscoring the highest mean score of (4.68) and a SD of (0.46) affirmed that competitive intensity affects commercial based state parastatal performance. This was closely followed by the commercial based state parastatals takes into consideration dynamic environment with a mean of (4.58) and a SD of (0.94). additionally, resopndents affirmed that dynamic environment affects commercial based parastatal performance with a mean score of (4.54) and a standard deviation of (0.83),

and Hostile environment affects commercial based state parastatal performance at a mean score of (4.29) and a SD of (0.08).

The deductions concur with Cancellier, et al.(2014) analysis reveal prospectors take into account scanned information from competition and technology, further accessing publications regularly compared to those adopting a different manner of strategic conduct. In its entirety, scanning of data promises results compared to strategy indicated by strategic behavior typology. Asser et al. (2018) findings indicated dynamic environmental scan traditions greatly and significant positively impacted results and as a result parastatals responding to the changing and harsh settings possess a competitive advantage and promise improved results.

A review by Babatunde and Adebisi (2012) examining strategic environmental scanning and institutional results within a competitive market setting in Nigeria; that was done by use of questionnaires and analysis/interpretation of data employing regression and coefficient of correlation analysis within an institution productivity is as a result of variation in outside environmental factors, denoting a positive influence in institutional results. Thus, utilization of strategic environmental scanning in assessing outside environmental forces aids in securing opportunities and eliminating risks, thereby promising better profit margins.

Cancellier et al. (2014) analyzed the connection among institutional strategy and settings of medium firms within Brazil and further intended to examine the link between the scanning of environmental information, strategic behavior and results. The research adopted a quantitative approach, complemented by the use of questionnaires. Major findings from the analysis reveal that prospectors take into account scanned information

from competition and technology, further accessing publications regularly compared to those adopting a different manner of strategic conduct. In its entirety, scanning of data promises results compared to strategy indicated by strategic behavior typology.

Asser et al. (2018) intended to determine the effect of dynamic environmental scan traditions towards results of business-minded parastatals in Kenya. It applied a comprising of 55 of these parastatals; the final sample consisted of 48 parastatals (selected by stratified random sampling). Participants in the analysis consisted of top leadership. Findings from the analysis indicated dynamic environmental scan traditions greatly and significant positively impacted results and as a result parastatals responding to the changing and harsh settings possess a competitive advantage and promise improved results.

Pourmohammadi et al. (2020) conducted comprehensive, strategic analysis and environmental scanning in Iranian public hospitals. A mixed method was adopted in this study. Data collection was done using interview guide. The study revealed that strategic analysis is influenced by environmental scanning.

Babatunde and Adebisi (2012) in a study on organizational performance vis-a-vis Strategic Environmental Scanning within a Business Competitive Environment found a proportional relation environmental scanning. The study also established that the exterior environmental forces. This is an indication that the utilization of strategic environmental scanning in assessing the exterior environmental factors (threats and opportunities) assists in taking advantage of available opportunities thus avoiding threats hence leading to an organization's profitability.

Influence of Strategy Formulation on Organization Performance

Participants were required to state their affirmation levels based on the question with regards to the impact of strategy formulation on organization performance. Findings are detailed in table 4.8 below

Table 4.8

Influence of Strategy Formulation on Organization Performance

	N	Mean	Standard deviation
The managers are actively involved in creating company mission and vision	82	3.14	1.26
The managers act as change enabler or drivers in the company	82	4.31	.91
The managers are actively involved in making major decisions during the strategy formulation	82	4.39	1.39
Our organization uses an operating budget which summarizes how managers are supposed to use company resources	82	4.36	.93
Our organization has aligned its budget with the company strategy through good communication, enhanced responsibility, and improved feedback flows	82	4.54	.94
Our organization always makes decisions that are based on the budget	82	4.25	1.08
Our organization makes use of tools such as PESTEL, Porter's Five Forces, and SWOT Matrix to analyze the external and internal business environments.	82	4.26	1.11
The strategic decisions of this company are based on the prevailing business environment context.	82	2.64	1.21
Our organization incorporates environment concerns while making strategic decisions, evaluating strategic development alternatives and issuing guiding principles	82	3.26	1.49

Source: Research Data (2021)

Strategy formulation continues to be recognised as a feature impacting the organizational performance of commercial parastatals. This analysis intended to verify this position.. Findings from table 4.8 indicate that a significant group scoring the highest mean of (4.54) and a SD of (0.94) affirmed agreed that their organization has aligned its budget with the company strategy through good communication, enhanced responsibility, and improved feedback flows. This was closely followed by our organization uses an operating budget which profiles the manner leaderships ought to utilize an institution's utilities with a mean score of (4.36) and a SD of (0.93). Additionally, participants affirmed that the managers are actively involved in making major decisions during the strategy formulation with a mean score of (4.39) and a SD of (1.39), and the managers' act as change enabler or drivers in the company at a mean score of (4.31) and a SD of (0.91).

The determinations concur with Owich et al. (2018) conducted an analysis examining the effect of strategic formulation towards institutional results. Upon data collection and analysis by suitable approaches; the research outcomes indicated the institutional results being positively and greatly impacted by strategy formulation. Nwachukwu, et al. (2019) summarized effect of strategy development enablers towards strategic performance; with the main role of the analysis being advancing proposals to the leadership of multinationals within the telcos industry in Nigeria. Focus on a firm's goal together with the prolonged intentions greatly and positively influence strategic performance.

A review by Babatunde and Adebisi (2012) found that the variation within an institution productivity is as a result of variation in outside environmental factors, denoting a

positive influence in institutional results. Thus, utilization of strategic environmental scanning in assessing outside environmental forces aids in securing opportunities and eliminating risks, thereby promising better profit margins.

Cancellieret al. (2014) major findings from the analysis reveal prospectors take into account scanned information from competition and technology, further accessing publications regularly compared to those adopting a different manner of strategic conduct. In its entirety, scanning of data promises results compared to strategy indicated by strategic behavior typology.

Formulation of strategies is the process of making right choices concerning realizing objectives and goals in an organization. Strategy formulation ensures production of workable recommendations that buttress justification of objectives and misses that enable accomplishment of organizational strategies. When formulating strategies modification of strategies and objectives enables ensuring organizational success.

A review by Babatunde and Adebisi (2012) examining strategic environmental scanning and institutional results within a competitive market setting in Nigeria; that was done by use of questionnaires and analysis/interpretation of data employing regression and coefficient of correlation analysis: indicted the existence of a major connection among within an institution productivity is as a result of variation in outside environmental factors, denoting a positive influence in institutional results. Thus, utilization of strategic environmental scanning in assessing outside environmental forces aids in securing opportunities and eliminating risks, thereby promising better profit margins.

AlDhaheri et al (2020) examined whether organizational operations is influenced by strategy formulation. The study was carried in UAE to find out whether organizational growth and learning is influenced by strategy formulation. Quantitative research approach was adopted in the study. Primary data was collected from employees in the UAE public sector, to a certain the influence of strategy from formulation.

In conclusion, the study revealed that organization performance is influenced by strategy implementation. (human resource structure and strategy).

Chijioke et al. (2018) sought to establish the relationship between strategic performance and strategy formulation. The study focused on the telecommunication industry in Nigeria. Quantitative approaches was relied upon in the study. Simple random sampling was used to select 128 managers. The study established that strategic performance is influenced by drivers in strategy formulation.

Maroa and Muturi (2015) sought to establish whether performance of flowers and firms is influenced by strategy formulate the conclusive revealed a positive relationship. According to Katsvamutima and Jeevananda(2014) suggest strategy formulation and implementation influence competitive advantage, efficiency and profitability of an organization.

A positive correlative between organization performance and strategy formulation in the banking industry in Nigeria. Furthermore, Auka and Langat (2016) studied the relationship between performance of medium-sized enterprises and strategic planning. However, there was a weak association. Empirical evidence, reveal that strategy formulation influence organization performance.

Influence of Strategy Implementation on Organization Performance

Participants were required to state their affirmation levels based on the question with regards to the impact of strategy implementation on organization performance. Findings are detailed in table 4.9 below.

Table 4.9

Influence of Strategy Implementation on Organization Performance

	N	Mean	Standard deviation
This company engages in a more democratic and participative way of working by allowing employees to offer views and involving employees more in making organizational decisions	82	2.85	1.32
All employees in our organization align their regular tasks with the overall company strategy	82	2.92	1.56
Departmental memos and managerial decisions are communicated all through this company and to every individual	82	3.20	1.40
In this company, there is no ambiguity on who makes particular decisions	82	3.60	1.07
Our organization structure is aligned with the new strategies and with what the new strategies call for.	82	3.37	1.44
Our organization has proper communication channels, monitoring and incentive systems, and performance measuring systems	82	3.32	1.32
The company's policy is properly communicated to the staff and is clearly understood by employees	82	3.98	1.15
Our organization motivates its employees with both monetary and non-monetary incentives to enhance their job performance	82	4.19	1.25
Employees in this company are emotionally attached to the company and exhibit high levels of commitment to the organization	82	2.86	1.35

Source: Research Data (2021)

Strategy implementation continues to be recognized as a feature impacting organizational performance of commercial parastatals. This analysis intended to prove this position. Findings from table 4.9 indicate that a significant group scoring highest mean score of (4.19) and a SD of (1.25) affirmed that our organization motivates its employees with both monetary and non-monetary incentives to enhance their job performance. This was closely followed by the company's policy is properly communicated to the staff and is clearly understood by employees with a mean score of (3.98) and a SD of (1.15). Additionally, participants affirmed that in this company, there is no ambiguity on who makes particular decisions with a mean score of (3.60) and a SD of (1.07), and our organization structure is aligned with the new strategies and with what the new strategies call for. at a mean of (3.37) and a standard deviation of (1.44)

The determinations concur with a study by Mathore (2016) examining the impact of strategy implementation towards institutional results; a study of DTB bank in Kenya, with use of interviewing guide and analysis by content analysis revealed the existence of a positive association among strategic implementation and result at the bank. Findings showed that staff across different departments have individual awareness on the execution processes; execution factors may be barriers impeding the execution process; the distractions can be overwhelmed in case the leadership are discerning to the institution's current situation.

Somi (2017) sought out to establish the effect of strategy implementation towards results of government parastatals within Kenya. It adopted a descriptive survey research design, comprising of a population of 42 government parastatal within Nairobi. Findings

revealed the existence of a major connection among strategic evaluation and the results of these parastatals. Further revealing the existence of a major connection among reward structure and results of the parastatals.

An analysis by Mathore (2016) examining the impact of strategy implementation towards institutional results; a study of DTB bank in Kenya, with use of interviewing guide and analysis by content analysis revealed the existence of a positive connection among strategic implementation and result at the bank. Findings showed that staff across different departments have individual awareness on the execution processes; execution factors may be barriers impeding the execution process; the distractions can be overwhelmed in case the leadership are discerning to the institution's current situation.

In Kenya, Ouma (2016) sought to analyze the challenges among public corporation regarding strategy implementation. The study sought to establish these challenges as well as suggest possible solutions to the challenges. A descriptive research design, was adopted. The study sampled a sample of 189 respondents. The personnel in charge of planning were targeted in this study. The study findings revealed that the major challenge to strategy implementation is resistance to change.

Onserio (2018) studied the effect of strategy implementation towards institutional results within IHLs in Kiambu. Results from the analysis pointed to the existence of a great impact by strategic utility disbursement, supervision and regulation of plans, strategic management and communication towards the results of IHLs. The conclusion was that an institutional result was greatly impacted by supervision, regulation of plans, utility

distribution and communication. another finding was that strategic leadership had little impact on the results of IHLs compared to the others.

Onserio (2018) analyzed association between expensive strategies and organization performance of insurance industry in Kenya. Specifically, the study sought to determine whether penetration, divarication and product development strategy have effects of insurance company performance. The study adopted a census technique. The study revealed that organization performance of the insurance companies is influenced by expansion strategy.

In another study by Ate (2018) a case study of KCB group Ltd, sought to establish whether expansion strategy influence organization performance. The study revealed that the bottom up approach used by KCB to implement the expansion strategy has contributed to organizational performance. According to a study conducted by Gure and Karugu(2018) on the relationship between organization performance and strategic management practices among SMEs in Nairobi country. The findings revealed that focus, cost leadership and differentiate strategy influence organizational performance.

Mbithe and Kilika(2017) sought to establish whether implementation of customer focus strategy is influenced by the external environment. The study findings revealed that implementation of customer focus strategy is influenced by employee training. The study recommended that Equity Bank Ltd should regularly conduct employee workshop to enhance implementation of customer focus strategy. Odhiambo (2015) assessed the association between organization performance and strategy implementation among tea firms in Kericho. The study findings revealed that organization performance is influenced

by all perspectives of strategy implementation that include quality performance, customer satisfaction and employee productivity.

Influence of Strategy Evaluation on Organization Performance

Participants were required to state their affirmation levels based on the question with regards to influence of strategy evaluation on organization performance. Deductions are detailed in table 4.10 below.

Table 4.10***Influence of Strategy Evaluation on Organization Performance***

	N	Mean	Standard deviation
Our organization regularly analyses its INTERNAL capabilities to determine its strengths and weaknesses using tools of analysis such as SWOT, PESTEL and Porter's Five Factor	82	2.85	1.32
Our organization regularly analyses its EXTERNAL environment to determine its opportunities and threats using tools of analysis such as SWOT, PESTEL and Porter's Five Factor	82	2.92	1.56
Our organization emphasizes on market research focused on entering new markets	82	3.20	1.40
The managers of our organization make allowances for the unpredictable future and dynamic business environment in the strategic plan.	82	3.60	1.07
Our organization has in place strategies that are used to cope with unforeseen circumstances in the business industry	82	3.37	1.44
Our organization has appropriate technology that helps manage the changing business climates	82	2.86	1.35

Source: Research Data (2021)

Strategy evaluation continues globally to be recognized as a feature impacting the organizational performance of commercial parastatals. This analysis intended to prove this position. Findings from table 4.10 indicate that a significant group scoring the highest mean score of (3.60) and a SD of (1.07) Affirmed that the managers of our organization make allowances for the unpredictable future and dynamic business environment in the strategic plan. This was closely followed by the our organization has

in place strategies that are used to cope with unforeseen circumstances in the business industry with a mean score of (3.37) and a SD of (1.44). additionally, participants affirmed that Our organization emphasizes on market research focused on entering new markets at a mean score of (3.20) and a SD of (1.40).

The determinations are in tandem with Abdalla (2015) findings from the survey indicated strategy evaluation enables institutional guidance since it secures adherence to their goal, align functions to certain targets and sets common traditions as well as cause. Chepkwony (2016) findings showed strategy implementation, evaluation and control greatly impacted institutional results. some minimal impact towards institutional results was noted in the ability to properly indicate, assess results and relate rewards to results, create a performance based tradition and lastly on better transparency on performance.

Abdalla (2015) Findings indicated strategy evaluation enables institutional guidance since it secures adherence to their goal, align functions to certain targets and sets common traditions as well as cause. Chepkwony (2016) findings showed strategy implementation, evaluation and control greatly impacted institutional results. some minimal impact towards institutional results was noted in the ability to properly indicate, assess results and relate rewards to results, create a performance based tradition and lastly on better transparency on performance.

According to Preskill and mark (2013) several organizations do not give usable and meaningful strategy evaluative because of the disconnect between organizational level and strategic decision making. They argue that evaluation and learning efforts inform the decision making practices of an organization. There is a need of establishing a strategy that is comprehensive in the evaluative of organizational effectiveness.

A positive correlative between organization performance and strategy formulation in the banking industry in Nigeria. Furthermore, Auka and Langat (2016) studied the relationship between performance of medium-sized enterprises and strategic planning. However, there was a weak association. Empirical evidence, reveal that strategy formulation influence organization performance.

Santura et al. (2017) strategy control and evaluative informs organizational management concerning reasons that lead to the failure of meeting certain objectives and performance standards. In this regard strategy implementation and formulate depends on strategic learning tool, this plays a significant role in strategy implementation and formulate. However, there is no clear role in comprehensive of the role contributed by strategy evaluative. Strategic evaluative is a critical tool that can be used to measure that strategic position of an organization. It enables an organization to head to the right direction and adopt corrective actions that need to be taken. Therefore, there is need for managers to continually access strategies on organization performance, in order to respond to indicators of organizational failures.

Somi (2017) sought to determine the relationship of organization performance and strategic implementation in state co-operations in Kenya. A descriptive survey regard was adopted. The study had a population of 42 government owned entities. In order to select 42 managers purpose sampling was adopted. The study found a positive relationship between performance governments owned entities and strategic evaluation.

Nyariki (2016) analyzed the effect of strategy evaluation approaches towards attainment of results at KCB bank. The study goal was to identify the key evaluation styles preferred by KCB bank and to establish the effect of strategic evaluation styles towards the results. The analysis adopted an interviewing guide for collection of data; with the collected data being analyzed by application of content analysis approach. findings from the review indicated that the strategy evaluation traditions common with the bank included benchmarking, accounting audits, balanced score card, job evaluations, client fulfillment questionnaires and the adoption of ICT.

4.6Hypothesis Testing

This area captures determinations on regression, ANOVA as well as co-efficient of determination.

Relationship Between Independent Variables

Table 4.11

Relationship Between Independent Variables

		Correlations				
		Organizational performance	Environmental scanning	Strategy formulation	Strategy implementation	Strategy evaluation
Organizational performance	Pearson Correlation Sig. (2-tailed) N	1 80				
Environmental scanning	Pearson Correlation Sig. (2-tailed) N	.613 ^{**} .000 78	1 80			
Strategy formulation	Pearson Correlation Sig. (2-tailed) N	.423 ^{**} .000 79	.449 ^{**} .000 79	1 81		
Strategy implementation	Pearson Correlation Sig. (2-tailed) N	.081 .477 80	.095 .400 80	.083 .463 81	1 82	
Strategy evaluation	Pearson Correlation Sig. (2-tailed) N	.172 .126 80	-.017 .878 80	-.164 .142 81	-.156 .161 82	1 82

Source: Research Data (2021)

Deductions from table 4.11 reveal the existence of a positive correlation among environmental scanning and organizational results of commercial parastatals at significant 0.05 level, the strength is average, at 61.3 %. Further, the deductions reveal the existence of a positive correlation among strategy development and organizational performance in the commercial parastatals at significant 0.05 level, the strength is though strong, at 42.3%. The findings continue to signify that there is a positive correlation

between strategy implementation and organization performance in the commercial parastatals at significant 0.05 level, the strength is though average, at 47.7%. The findings postulate that there is a strong positive correlation between strategy evaluation and organization performance in the commercial parastatals at significant 0.05 level, the strength is average at 17.2%.

Relationship between Organization Performance and Environmental scanning, Strategy formulation, Strategy implementation and Strategy evaluation

Table 4.12

Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623 ^a	.388	.356	.43323

a. Predictors: (Constant), Environmental scanning, Strategy formulation, Strategy implementation, Strategy evaluation

b. Dependent Variable: Organization Performance.

Source: Research Data (2021)

Referring to table 4.12 the study establishes the R to be 0.388 implying that 38.8%, of organization performance of commercial parastatals in Nairobi County, Kenya is explained by environmental scanning, strategy formulation, strategy implementation, strategy evaluation leaving (61.2%) unexplained.

Table 4.13

Relationship between Independent Variables

ANOVA^a

		Sum of				
Model		Squares	Df	Mean Square	F	Sig.
	Regression	9.146	4	2.287	12.183	.000 ^b
1	Residual	14.452	77	.188		
	Total	23.598	81			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Environmental scanning, Strategy formulation, Strategy implementation, and Strategy evaluation

Source: Research Data (2021)

Table 4.84

Coefficients of Environmental scanning, Strategy formulation, Strategy implementation and Strategy evaluation

Model	Coefficients				
	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.040	.766		.052	.959
Environmental scanning	.597	.132	.453	4.525	.000
1 Strategy formulation	.185	.081	.232	2.292	.025
Strategy implementation	.057	.100	.052	.577	.566
Strategy evaluation	.258	.106	.223	2.438	.017

a. Dependent Variable: Organization Performance.

Source: Research Data (2021)

Specifically, Environmental scanning has the highest positive influence on Organization Performance, followed by Strategy evaluation, Strategy formulation and Strategy implementation. Individual significance of the predictor variables was tested using t-test. The findings reveal that Environmental scanning, Strategy evaluation, and Strategy formulation were individually statistically significantly related to organization performance $p\text{-value} < 0.05$. However, strategy implementation was not individually statistically significant related to organization performance $p\text{-value} > 0.05$.

$$Y = .040 + .597X_1 + .185X_2 + .258X_3$$

Where;

Y = Organization performance $.040$ = Constant term, $.597X_1$ = Environmental scanning, $.185X_2$ = Strategy formulation, $.258X_3$ = Strategy evaluation.

The findings reveal that environmental scanning, strategy formulation and strategy evaluation were individually statistically significantly related to organization performance $p\text{-value} < 0.05$. Hence all the three hypotheses were rejected.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The fifth chapter offers a presentation of the review summary, the terminations and the proposals desired based on the deductions reached at as well as translations to the study. Further, the investigator offers possible areas that may be explored for future studies. The tail end of the chapter details the effects of policies and practices realized from the study deductions.

5.2 Summary of the Findings

A major purpose of this review was the intention to establish the impact of strategic management practices towards organizational results within profit making parastatals in Nairobi County, Kenya. Ideally, the analysis concentrated on the impact of environmental scanning towards organizational results; the impact strategy development has towards organizational results; the impact strategy adoption has towards organizational results within profit making parastatals; and lastly the impact strategy assessment has towards organizational results of profit making parastatals in Nairobi County, Kenya. Deductions from the analysis are detailed below:

Environmental Scanning and Organization Performance

with the first intention of the review being to establish the impact of environmental scanning towards organizational results within profit making parastatals in Nairobi County, Kenya; focus was on the critical contribution of processes seeking to develop the working platform and blueprint of an institution. Findings from the analysis of descriptive statistics affirmed that entirely the processes that indicated strategic purpose

were greatly viewed to be critical and thus embraced across profit making parastatals in Nairobi County, Kenya. Additionally, from analysis of the collected, it was deduced that strategic purpose positively affected the results of these profit making parastatals in Nairobi County, Kenya.

Asser et al. (2018) intended to determine the effect of dynamic environmental scan traditions towards results of business-minded parastatals in Kenya. comprising of 55 of these parastatals; the final sample consisted of 48 parastatals (selected by stratified random sampling). Participants in the analysis consisted of top leadership, finance Managers and human resource managers and finance managers of every sampled parastatals. Findings from the analysis indicated dynamic environmental scan traditions greatly and significant positively impacted results and as a result parastatals responding to the changing and harsh settings possess a competitive advantage and promise improved results.

According to Rajasekar (2014) there is need for organizations to understand their working environment to enable improvement in competitive advantage. The authors suggested that assumptions, theories and traditions models are no longer valid. Central ingredients of knowledge should be based on knowledge based theory of the firm. This is because organization structure varies and no set of assumptions is valid in every situation. Rintari and Makori (2012) established a positive relationship between organizational performance and environmental scanning. The study found that higher growth rates are enhanced by environmental scanning. Muthaka and Maina (2019) analyzed determinants of strategic partnership and performance of TVET, in Nairobi County. Findings revealed

that competitive advantage is enhanced by strategic partnerships. Furthermore, customer needs are adequately met through strategic partnerships.

Strategy Formulation and Organization Performance

With the second objective setting out to explore the impact of strategy development towards the organizational result of profit making parastatals in Nairobi County, Kenya; focus was on the significance of supervising both inside and outside aspects of the profit making parastatals in Nairobi County, Kenya so as to enable proper decision making with regards to the best strategic plans to adopt for improved results. From the descriptive results of mean and standard deviation linked to strategy development, there was a confirmation the desired pool of operational processes with regards to this variable are being embraced in these profit making parastatals. There was demonstration from statistical analysis showing that strategy development has a positive impact towards the outcomes of these profit making parastatals in Nairobi County, Kenya.

Asser et al (2018) concluded that participants in the analysis consisted of top leadership, finance Managers and human resource managers and finance managers of every sampled parastatal. Findings from the analysis indicated dynamic environmental scan traditions greatly and significant positively impacted results and as a result parastatals responding to the changing and harsh settings possess a competitive advantage and promise improved results.

Ouma,(2016). Findings indicate strategic planning puts a positive impact towards efficiency and system productivity interventions, although it doesn't impact efficiency. A negative impact by logical incrementalism exists. Despite this, carrying out a key planning endeavor in a comprehensive structure of logical incremental decision-making,

positively impacts the efficiency as well as the system productivity measures. In totality, the findings imply that on their own or integrated with logical incrementalism, positively impacts components of results in relation to the transport sector.

Owichek et al. (2018) conducted an analysis examining the effect of strategic formulation towards institutional results on firms listed at the Nairobi Securities Exchange (NSE). Upon data collection and analysis by suitable approaches; the research outcomes indicated the institutional results being positively and greatly impacted by strategy formulation. An analysis by Simple linear regression indicated this phenomenon.

A positive correlative between organization performance and strategy formulation in the banking industry in Nigeria. Furthermore, Auka and Langat (2016) studied the relationship between performance of medium-sized enterprises and strategic planning. However, there was a weak association. Empirical evidence, reveal that strategy formulation influence organization performance.

Nwachukwu et al. (2019) summarized impact of strategy formulation drivers towards strategic performance; with the main role of the analysis being advancing proposals to the leadership of multinationals within the mobile telecommunication industry in Nigeria on ways to improve and maintain strategic performance based on the assessment of strategy formulation drivers. The analysis revealed strategy formulation drivers impact strategic performance of mobile TELCOs within Nigeria. Focus on a firm's goal together with the prolonged intentions greatly and positively influence strategic performance.

Strategy Implementation and Organization Performance

The third objective setting out to explore the impact of strategy development towards the organizational result of profit making parastatals in Nairobi County, Kenya; focus was on the processes of strategy formalization and implementation that are central to fundamental for realizing positive results of a strategic plan within an institution. From the mean and standard deviation scores, there was confirmation that entirely the processes indicating strategy adoption were greatly viewed and further being embraced and utilized by the profit making parastatals in Nairobi County, Kenya. Additionally, analysis of the collected data with regards to the variable showed strategy adoption positively impacted the results of profit making parastatals in Nairobi County, Kenya.

Onserio (2018) studied the effect of strategy implementation towards institutional results within IHLs in Kiambu. Results from the analysis pointed to the existence of a great impact by strategic utility disbursement, supervision and regulation of plans, strategic management and communication towards the results of IHLs. The conclusion was that an institutional result was greatly impacted by supervision, regulation of plans, utility distribution and communication. Another finding was that strategic leadership had little impact on the results of IHLs compared to the others.

Given the fact that there is ever increasing complex and uncertainty of political circumstances globally. The context of implementation of strategic policies has made governments to establish performance standards and capacities. Implementation of strategies entails putting strategies into practice, this includes delivering and planning of services in order to develop effectiveness and efficiency in organizational design and operations as well as culture and system evaluations.

According to Joyce and Drumaux (2014) is a concept that is universally accepted and well investigated. However, there is a mismatch on the depth of strategic management research. Another, objective of focusing is to assess the effectiveness of an organization. Strategic implementation decisions is considered central in achieving organizational performance. According to Boyne et al (2010) the delivery of public services depends on the anticipated outcomes. Agencies in the public sector have adopted preparation of strategic plans or documents to enable implementation of policies adequately.

In Turkey Chaimankong and Prasertsakul (2012) examined the relationship between organization performance and strategy implementation. The study adopted a mixed research design. The study collected data using 16 semi-structured; interviews and 134 survey responses. The data was analyzed using robust and moderated model of regression. The qualitative data that was collected buttressed the quantitative data that was collected. The study established a positive relationship between organization performance and strategy implementation.

5.2.4 Strategy Evaluation and Organization Performance.

with the third objective setting out to explore the impact of strategy development towards the organizational result of profit making parastatals in Nairobi County, Kenya; focus was on the importance of inclusive target setting, desirable traditions, results indication, review of feedback and necessary interventions so as to attain the strategic purpose of the profit making parastatals in Nairobi County, Kenya. From descriptive analysis, mean and standard deviation scores for strategy control largely affirmed that the processes utilized in measuring the variable were greatly viewed and thus embraced and

applied within the profit making parastatals. from the analysis of inferential statistical, there was a demonstration that strategy control had a positive impact towards the results of these institutions.

Nyariki (2016) findings from the indicated that the strategy evaluation traditions common with the bank included, client fulfillment questionnaires and the adoption of ICT. Hieu and Nwachukwu (2019) summarized the strategy evaluation process and strategic performance connection. The former ensures companies regularly evaluate modern traditions as well as their role towards strategy implementation. The analysis explored strategy evaluation process and strategic performance of mobile TELCOs within the Nigerian market. It offered new knowledge on the impact of strategy evaluation process towards the results of TELCOs in a young economy such like that of Nigeria. The results reveal that TELCOs embrace a systematic manner to strategy evaluation bearing a major and positive influence towards strategic performance.

Hieu and Nwachukwu (2019) summarized the strategy evaluation process and strategic performance connection. The former ensures companies regularly evaluate modern traditions as well as their role towards strategy implementation. The analysis explored strategy evaluation process and strategic performance of mobile TELCOs within the Nigerian market. It offered new knowledge on the impact of strategy evaluation process towards the results of TELCOs in a young economy such like that of Nigeria. The results reveal that TELCOs embrace a systematic manner to strategy evaluation bearing a major and positive influence towards strategic performance.

A positive correlative between organization performance and strategy formulation in the banking industry in Nigeria. Furthermore, Auka and Langat (2016) studied the

relationship between performance of medium-sized enterprises and strategic planning. However, there was a weak association. Empirical evidence, reveal that strategy formulation influence organization performance.

Njeru (2015) assessed the relationship between organization performance and strategic management practices. The study examined the role of strategy evaluate on organizational performance. A cross-section regard design was adopted in the study. The study found that there is a significant evaluative and organizational performance. However, the study considered SMEs, while present study focuses on state owned parastatals.

5.3 Conclusions

Environmental Scanning and Organization Performance

with objective one setting out to explore the impact of environmental scanning towards the organizational results of profit making parastatals in Nairobi County, Kenya; the termination was environmental scanning had a positive impact towards the results of profit making parastatals in Nairobi County, Kenya.

5.3.2 Strategy Formulation and Organization Performance

The intention of the second objective was to establish the impact strategy development has towards the organizational results of profit making parastatals in Nairobi County, Kenya. Deductions from the analysis of data revealed strategy development impacted results. Thus the investigator shows and comes to a conclusion that strategy development had a positive influence towards the results of the profit making parastatals in Nairobi County, Kenya.

Strategy Implementation and Organization Performance

The third objective intended to determine the impact strategy adoption has towards organizational results of profit making parastatals in Nairobi County, Kenya. There was significance in this as from publications there was evidence showing strategic management failing mainly during the implementation stage. The finding from the analysis of data indicated strategy adoption impacted institutional results of these parastatals. Thus there was a termination from a statistical point that strategy adoption had a positive impact towards the organizational performance of profit making parastatals in Nairobi County, Kenya.

Strategy Evaluation and Organization Performance.

The intention of the last objective was to determine the impact of strategy implementation towards the organizational performance profit making parastatals in Nairobi County, Kenya. from analysis of the collected data, it was deduced that strategy assessment positively influenced organizational results. Therefore, the termination was that strategy assessments positively impacted the organizational performance of these profit making parastatals.

5.4 Recommendations

From the review, there is a proposal that in the processes of strategy development, these profit making parastatal sought to include every crucial player internally and externally in order to develop some feeling of ownership in the determinations reached at. additionally, these institutions ought to carry out assessment of institutional and frequent monitoring of strategies through the establishment of planning units.

it is desirable that profit making parastatal establish sound and solid strategic master plans properly articulated to the entire workforce. also, it is important that the workforce is involved during the adoption process of strategies, enabling the institution secure long-term preparedness and equally gain some edge over rivals in the sector.

it is also recommended that these profit making parastatal sought to utilize the feedback from junior leaderships as well as heads of groups during the creation of strategy in order to ensure the strategies report positive results and align with the entire goal of the institution.

Lastly, there is a proposal that the profit making institutions ought to assess their strategic management plans annually so as to monitor their consistency with the institutional desires and that the assessment ought to be done regularly since it enables the setting of standards and growth to be realized and supervised.

5.5 Suggestion for Further Studies

Even with the analysis determining that strategic management enhances institutional results, it failed in coming up with the ideal level an institution ought to utilize them. Equally, the review failed to develop a manner of integrating the varied dimensions of strategic management enablers' mix. based on the above profile, the study proposes studies to determine the ideal level or the strategic management enablers' index for the profit making parastatals.

REFERENCES

- Abdalla, Y.I. (2015). *Effects of Strategy Evaluation on Organizational Performance: A Case of Centre Star Company Limited*. [Unpublished Master's Thesis], United States International University-Africa, Kenya.
- Afonina, A. (2015). Strategic Management Tools and Techniques and Organizational Performance: Findings from the Czech Republic. *Journal of Competitiveness*, 7(3).19-36 DOI:[10.7441/joc.2015.03.02](https://doi.org/10.7441/joc.2015.03.02)
- Ahmed, M. T., & Omotunde, H. (2012). Theories and Strategies of Good Decision Making. *International Journal of Technology Enhancements and Emerging Engineering Research*, 1(10), 51-54. <http://www.ijstr.org/final-print/nov2012/>.
- Akinyi, J. A. (2012). *The influence of tangible and intangible resources on the performance of public secondary schools in Bondo District, Kenya*. [Unpublished Master's Thesis], University of Nairobi.
- Aldehayyat, J. S., & Twaissi, N. (2011). Strategic planning and corporate performance relationship in small business firms: Evidence from a Middle East country context. *International Journal of Business and Management*, 6(8), 255. <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.882.8932&rep=rep1&type=pdf>.
- AlDhaheri, F., Ameen, A., & Isaac, O. (2020). The Influence of Strategy Formulation (Vision, Mission, and Goals) on the Organizational Operations. *Journal of critic reviews* 7(17). 1932-1943. <https://doi.org/10.31838/jcr.07.17.240>.
- Andrews, R., Boyne, G., Law, J., & Walker, R. (2011) Strategy Implementation and Public Service Performance. *Administration and Society*, 43(6) 643-671 <https://doi.org/10.1177/0095399711412730>.
- Ansoff, H.I, Daniel, K, A.O. Lewis, Roxanne, H, & Rick, A. (2018). *Implanting Strategic Management*, Springer. <https://books.google.co.ke/books/>.
- Aosa, E.A, Arasa, R.M, & Machuki V.N. (2011) "Participatory orientation to strategic planning process: Does it pay?" *Prime Journal of Business Administration and Management (BAM)*. 1(7), 198-204. <https://profiles.uonbi.ac.ke/eaosa/publications/participatory-orientation-strategic-planning-process-does-it-pay>.

- Arasa, R., &K'Obonyo, P. (2012). The relationship between strategic planning and firm performance. *International Journal of Humanities and Social Science*, 2(22), 201-213.<http://www.ijhssnet.com/journals/>.
- Asser, J. H., Waiganjo, E., &Njeru, A. (2018). Influence of dynamic environmental scan practices on performance of commercial based state parastatals in Kenya, *The Strategic Journal of Business & ChangeManagement*,5(3), 555-581, <https://pdfs.semanticscholar.org/525c/298b25b6a635ae2670833a6c7e401e083bdc.pdf>
- Ate, D.O (2018). *Implementation of expansion strategy at KCB group public limited company, Kenya*. [Master's Thesis,University of Nairobi]. <http://erepository.uonbi.ac.ke/bitstream/handle/11295/105026/>
- Auka, D.O. & Langat, J.C. (2016). Effects of Strategic Planning on Performance of Medium Sized Enterprises in Nakuru Town. *International Review of Management and Business Research*, 5(1), 188-203.<https://www.irnbrjournal.com/papers/1455102998.pdf>
- Azahari, R., M. Z., Mustafa, M., &Yusoff, R. Z. (2021). Strategic Planning and Organizational Performance in the Public Sector: A Study of Local Government in Aceh, Indonesia. *The Social Sciences*, 8(7), 902-906.<https://doi.org/10.13106/jafeb.2021.vol8.no7.0557>
- Babatunde, B.O.&Adebisi,A.O. (2012). Strategic Environmental Scanning and Organization Performance in a Competitive Business Environment in Nigeria, *Economic Insights – Trends and Challenges*, 21(1)24-34 <https://www.semanticscholar.org/paper>
- Barney, F. (1995). *Strategic Positioning and Organizational Performance of the Top Five Oil Companies in Kenya*. [Unpublished Master's Thesis,], University of Nairobi.
- Cancellier, L.G., Junior, B.L., &Rossetto, C.R. (2014). Interaction between the organizational strategy and the environment of small companies in Brazil, *JISTEM Journal of Information System. Technology. Management*. 11 (3),17-22 ,<http://dx.doi.org/10.4301/S1807-17752014000300006>.
- Chaimankong, M., &Prasertsakul, D. (2012). Impact of strategy implementation on the performance of generic strategy: Evidence from Thailand. *The southeast Asian journal of management*, 6(1), 1-64<http://www.ijil.ui.ac.id/index.php/tseajm/article/download/1042/958>

- Chepkwony, E. C. (2016). *Influence of strategy implementation, evaluation and control on organization performance at the Office of the Auditor General*. [Unpublished Master's Thesis], University of Nairobi, Kenya.
- Chijioke, N., Vu, H.M., & Olatunji, F. (2018). Influence of strategy formulation drivers on strategic performance. *Ekonomicko-manazerskespektrum*.12(2), 15-25.[dx.doi.org/10.26552/ems.2018.2.15-25](https://doi.org/10.26552/ems.2018.2.15-25).
- Dabara, D. I., Anthony, A. I., Gbenga, O. A. & Adeyanju, O. (2014). Decision Theory and its Relevance to Real Estate Development Decisions. *British Journal of Economics, Management & Trade* 4(12), 1861-1869.<http://www.strategicjournals.com/index.php/journal/article/view/2052>
- David, F., & David, F. R. (2016). *Strategic Management: A Competitive Advantage Approach, Concepts and Cases*.(7thed), Pearson
- Dessler, G. (2012). *Human Resource Management*: Prentice Hall.
- Gică, O. A., & Negrusa, A. L. (2011). The impact of strategic Planning Activities on Transylvanian SMEs-An empirical research. *Procedia-Social and Behavioral Sciences*, 24, 643-648.<http://www.isihome.ir/freearticle/ISIHome.ir-25019.pdf>
- Glanz, K., B. K. Rimer, K. & Viswanath J. (2008). *Health behavior and health education: Theory, research, and practice*. (4th ed). Wiley.
- Gure, A. K., & Karugu, J. (2018). Strategic management practices and performance of small and micro enterprises in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(1), 1-26.https://iajournals.org/articles/iajhrba_v3_i1_1_26.pdf
- Hieu, V, M.& Nwachukwu, C. (2019). Strategy evaluation process and strategic performance Nexus. *Business Management*, 1, 43-55. <https://www.researchgate.net/publication/335960352>
- Hill, C. W., Jones, G. R., & Schilling, M. A. (2013). *Strategic management: theory: an integrated approach*. Cengage Learning.
- Hooley, G., Cox, T., Shipley, D., Fahy, J., Beracs, J., & Kolos, K. (1996). Foreign Direct Investment in Hungary: Resource Acquisition and Domestic Competitive Advantage. *Journal of International Business Studies*, 27(4), 683–709.<https://www.jstor.org/stable/155508?seq=1>.

- Jenatabadi, H. S. (2015). An Overview of Organizational Performance Index: Definitions and Measurements. *International Journal of Business and Management*, 8(18), 1-10. <http://dx.doi.org/10.2139/ssrn.2599439>
- Jenster, P., & Søylen, K. S. (2013). The Relationship between Strategic Planning and Company Performance – A Chinese perspective. *Journal of Intelligence Studies in Business*, 3(1), 15-30. <http://www.diva-portal.org/smash/record.jsf?pid=diva2%3A668897&dsid=8541>
- Johnson, G., & Scholes, K. (2003). *Exploring corporate strategy: Text and cases*. Prentice Hall.
- Johnson, G., Scholes, K., & Whittington, R. (2008). *Exploring corporate strategy*. Pearson Education.
- Joyce, P. & Drumaux, A (2014) *Strategic Management in Public Organizations European Practices and Perspectives*. Routledge. <https://doi.org/10.4324/9781315850733>
- Juntunen, A. (2015). *Linking strategy and performance management; Case: Ministry of Interior*. Tampere University Press.
- Kaplan, R., & Norton, D.P. (1993). Putting the balanced scorecard to work. *Harvard Business Review*, 71, 134-142. DOI:10.1016/B978-0-7506-7009-8.50023-9
- Katsvamutima, E. & Jeevananda, S. (2014). Strategy Formulation and Implementation in Zimbabwe's Food Manufacturing Industry. *International Journal of Science and Research*, 3(5), 849-855. DOI – 10.18421/IJQR12.01-09.
- Kimberlin, C.L., & Winterstein, A.G. (2008). Validity and reliability of measurement instruments used in research. *American journal of health-system pharmacy: AJHP: official journal of the American Society of Health-System Pharmacists*, 65(23), 2276-84. doi: 10.2146/ajhp070364.
- Kinyanjui, D. M. & Juma, B. K, (2014). Strategic Leadership and Organizational Performance in Not-for Profit Organizations in Nairobi County in Kenya. *International Journal of scientific and Technology Research*, 5(5), 17-27. <http://www.strategicjournals.com/index.php/journal/article/view/2052>.
- Kothari, C. (2004). *Research Methodology: Methods and Techniques*. New Age International Publishers.
- Lerner, A. L. (2015). *A Strategic Planning Primer for Higher Education*. Cengage Publishers

- Lindqvist, C., & Mijovski, D. (2013). *Does agency theory or stewardship theory apply to the venture capitalist-entrepreneur relationship?* [Master's Thesis. Goteborgs Universitet, Handelshogskolan]. <http://hdl.handle.net/2077/33255>
- Magambo, D.O. (2012). *Challenges of strategy implementation in public corporations in Kenya.* [Master's Thesis, university of Nairobi] <http://erepository.uonbi.ac.ke:8080/xmlui/handle/123456789/10756>
- Mainardes, E. W., Ferreira, J. J., & Raposo, M. L. (2014). Strategy and strategic management concepts: are they recognised by management students? *Business management* 3(1), 1-19 http://legado.fucape.br/_public/producao_cientifica/2/Strategy%20And%20Strategic.pdf
- Mansor, E. W. & Tayib, M. L. (2012). Strategy and strategic management concepts: are they recognized by management students? *Economicsof Management, International Journal of Economics and Financial Issues.* 6(7), 192-196 <https://www.researchgate.net/publication/311389235>.
- Maroa, J.G. & Muturi, W. (2015). Influence of Strategic Management Practices on Performance of Floriculture Firms in Kenya. A Survey of Kiambu County Kenya. *International Journal of Economics, Commerce and Management*, 3(7), 497-513. <https://www.eajournals.org>.
- Mathinji, P., & Waithaka, P. (2019). Strategic Thinking and Performance of Milk Processing Firms in Nyeri County, Kenya. *International Journal of Current Aspects*, 3(5), 227-251. <https://doi.org/10.35942/ijcab.v3iV.72>.
- Mathore, J.G. (2016). *Effect of strategy implementation on organisation performance: A case study of Diamond trust bank.* [Unpublished master's thesis], University of Nairobi, Kenya.
- Matula, P.D., Kyalo, D.N., Mulwa, A.S. & Gichuhi, L. W (2018). *Academic Research Proposal Writing: Principles, Concepts and Structure.* ART Press.
- Mbithe, E. & Kilika, J. (2017). External environment and the implementation of customer focus strategy in Equity Bank Kenya Limited. *International Academic Journal of Human Resource and Business Administration*, 2(4), 282-305. https://iajournals.org/articles/iajhrba_v2_i4_282_305.pdf.
- Meier, K., O'Toole, L., Boyne, G., & Walker, R. (2007). Strategic management and the performance of public organizations: Testing venerable ideas against recent theories. *Journal of public administration research and theory*, 17(3) 357-377. <http://jpart.oxfordjournals.org/content/17/3/357.full.pdf>

- Mohajan, H. (2017). Two Criteria for Good Measurements in Research: Validity and Reliability. *Annals of SpiruHaret University* 17(4),56-82.<https://mpr.ub.uni-muenchen.de/83458/>.
- Mugenda, A. G. &Mugenda, O. M. (2003). *Research methods: Qualitative and Quantitative approaches*. African Center for Technology Studies (ACTS).
- Mugera, A. W. (2012). Sustained competitive advantage in agribusiness: Applying the resource-based theory to human resources. *International Food and Agribusiness Management Review*, 15(4),1-22. DOI: 10.22004/ag.econ.138318
- Muthaka, J.M, &Maina, S. (2019), Effect of Credit Transfer on Performance of Selected Technical Vocational and Training Education Institutions in Nairobi County, Kenya, *Journal of Education*. 2(1), 40-52.<https://stratfordjournals.org/journals/index.php/journal-of-education/article/view/275>.
- Mwangi, G., Gichuhi, D. M., &Macharia, S. M. (2020). Influence of relationship management on organizational performance among insurance companies in Kenya. *International Journal of Research in Business and Social Science* (2147-4478), 9(1), 163-171. DOI: <https://doi.org/10.20525/ijrbs.v9i1.580>.
- Namazi, M. (2013). Role of the agency theory in implementing management's control. *Journal of Accounting and Taxation*, 5(2), 38-47.DOI: 10.5897/JAT11.032
- Nedelea, S., &Paun, L. A. (2009). The importance of the Strategic Management process in the Knowledge-Based Economy. *Review of International Comparative Management*, 10(1), 95-105.RePEc: rom: rmcimn: v:10: y:2009: i:1: p:95-105.
- North, D. W. (1968). A tutorial introduction to decision theory. *Systems Science and Cybernetics, IEEE Transactions on*, 4(3), 200-210.https://p2k.unibabwi.ac.id/IT/en/2821-2718/Decision-theory_7595_p2k-unibabwi.html.
- Nwachukwu, C., Vu, H., &Fadeyi, O., (2018). Influence of strategy formulation drivers on strategic performance, *Ekonomicko-manazerskespektrum*. 12(1), 15-25. 10.26552/ems.2018.2.15-25.
- Nyariki, B. N. (2016). *Influence of strategy evaluation approaches on performance at KCB bank*. [Master's Thesis, University of Nairobi]. <http://creativecommons.org/licenses/by-nc-nd/3.0/us/>.

- Odhiambo, I. (2015). *Strategy implementation and performance of major tea factories in Kericho County, Kenya*. [Masters Thesis University of Nairobi]. <http://erepository.uonbi.ac.ke/bitstream/handle/11295/93376/>
- Ogollah, K., Bolo, Z.A., & Ogutu, M. (2011). Strategy structure environment linkage and corporate performance: A conceptual view. *Prime Journals*, 1(3), 101-113. https://profiles.uonbi.ac.ke/kogollah/files/ogollah_et_al.pdf_-_strategy_structure_environment_linkage4.pdf
- Omari, A. O., Nyongesa, W. J., Ochieng, O. E., & Kaburi, S. (2011). Strategic Management: The Link between the Agency Theory and the Company's Competitive Advantage. *International Journal of Business and Social Science*, 2(23). <http://hdl.handle.net/123456789/3188>.
- Onserio, K.D. (2018). *Strategy implementation and organizational performance among institutions of higher learning in Kiambu County*. <https://www.semanticscholar.org/paper/>.
- Onyango, M. E. (2012). *Strategic Management Practices by Kenya Bureau of Standards*. [Masters thesis University of Nairobi]. <http://erepository.uonbi.ac.ke/bitstream/handle/11295/14598/Abstract.pdf?sequence=3>.
- Orodho, J. O. (2004). *Techniques of Research Proposals and Reports*, Masola Publishers.
- Orodho, J. O. (2009). *Elements of Educational and Social Science Research Methods* (2nd). Kenezja Publishers.
- Ouma, M.O. (2016). *Competitive strategies and Performance of Insurance Companies in Kenya*. [Unpublished Master's Thesis]. University of Nairobi.
- Owich, S., Katuse, P. & Ngari, J. (2018). Influence of strategic formulation on organizational performance of companies listed at the Nairobi Securities Exchange (NSE). *International Journal of Novel Research in Marketing Management and Economics* 5, (2), 33-49, <file:///C:/Users/USER%2024/Downloads/The%20Influence%20of%20Strategy%20Formulation-1370.pdf>
- Parmigiani, G., & Inoue, L. (2009). *Decision theory: principles and approaches* (Vol. 812). John Wiley & Sons.
- Pearce, J. A. & Robinson, R. B. (2011). *Strategic Management: Formulation, Implementation, and Control*. (12th ed.) McGraw Hill/Irwin:

- Pearce, J.A. & Robinson, R.B. (2008). *Strategic management formulation, implementation and control*, McGraw – Hill/Irwin.
- Pourmohammadi, K., Bastani, P., Shojaei, P., Hatam, N., & Salehi, A. (2020). A comprehensive environmental scanning and strategic analysis of Iranian Public Hospitals: a prospective approach. *BMC research notes*, 13(1), 179-181. <https://doi.org/10.1186/s13104-020-05002-8>.
- Preskill, H., & Mack, K. (2013). *Building a Strategic Learning and Evaluation System for Your Organization*, Foundation Strategy Group (FSG) <http://www.fsg.org/tabid/191/ArticleId/946/Default.aspx?srpsh=true>.
- Rajasekar, J. (2014) Factors affecting Effective Strategy Implementation in a Service Industry: A Study of Electricity Distribution Companies in the Sultanate of Oman. *International Journal of Business and Social Science*, 5(9), 169-183. <http://ijbssnet.com/journals/>.
- Rintari, H., & Moronge, M. (2014). Role of Strategic Planning Practices on the Performance of Public Institutions in Kenya. *International Journal of Science and Research*, 3(358), 919-924. https://www.ijsr.net/get_abstract.php?paper_id=29051402,
- Robertson, A. (2011). *Theory of change as a tool for strategic planning: a report on early experiences*. Aspen Institute Round Table on Community Change, <https://www.wallacefoundation.org/knowledge-center/Documents>.
- Roney, C. W. (2004). *Strategic management methodology: Generally accepted principles for practitioners* (No. 1). Greenwood Publishing Group.
- Santos, J. B., & Brito, L. A. L. (2009). Toward a measurement model for firm performance. *Brazilian Administration Review*. 9(6), 95-117. <http://www.anpad.org.br/bar>
- Santura, A., Muema, W., & Nkaabu, C. (2017). Relationship between strategy formulation and performance of public organization in Isiolo county government. *European Journal of Economic and Financial Research*, 9(9). doi:<http://dx.doi.org/10.46827/ejefr.v0i0.191>
- Saqib, S., & Rashid, S. (2013). Resource Based View of the Firm: The Nature of Resources Required for Competitive Advantage. *International Journal of Management & Organizational Studies*, 2(1). 92-95 <https://www.iprjb.org/journals/index.php/IJSCM/article/view/1083>

- Somi, L. A. (2017). *Influence of strategy implementation on performance of government owned entities in Kenya*. [Unpublished Master's Thesis]. United States International University-Africa, Kenya.
- Theodore H. P, Lauren, H. E., Obed, Q. P., & Jason E (2013) Strategy Formulation and Performance, *Public Performance & Management Review*, 36(4), 585-615, DOI: [10.2753/PMR1530-9576360405](https://doi.org/10.2753/PMR1530-9576360405)
- Thompson, A., & Strickland, A. (1999). *Strategic Management: Concepts and cases*. McGraw Hill.
- Tucker, A. L., Heisler, W. S., & Janisse, L. D. (2014). Organizational Factors that Contribute to Operational Failures in Hospitals. *Harvard Business School*. https://www.hbs.edu/ris/Publication%20Files/14-023_f68586ef-ffd3-4147-8178-0053916c0af8.pdf.
- Wamalwa, E. N. (2013). *Factors Influencing Investment Decisions in the Parastatals, in Kenya* [Master's Thesis, Kenyatta university].
<http://ir-library.ku.ac.ke/handle/123456789/7301>.
- Wanjiku, M. N. (2016). *The Effect of Partnership Strategies on Performance of Commercial Banks in Kenya*. [Master's thesis, University of Nairobi.] <http://hdl.handle.net/11295/100334>
- Wheelan, T. & Hunger, D. (2002). *Strategic management and policy* (4th ed.). Addison - Wesley publishing company.
- Yazici, H.J (2014). An exploratory analysis of hospital perspectives on real time information requirements and perceived benefits of RFID technology for future adoption, *International Journal of Information Management*, 34(5),603-621
<https://doi.org/10.1016/j.ijinfomgt.2014.04.010>.

APPENDICES

APPENDIX I: QUESTIONNAIRE

The information provided will be only for academic purpose. Read carefully and give appropriate answers by ticking or filling the blank spaces. The information will be treated confident

PART I: GENERAL INFORMATION

1. Indicate your gender (Tick one) Male [] Female []

2. By use of a tick (), please indicate the age category that applies for you.
 - a) Below 30 years []
 - b) 30 – 34 years []
 - c) 35 – 39 years []
 - d) 40 – 44 years []
 - e) 45 years and above []

3. Working experience
 - 5 years and below []
 - 6- 10 years []
 - 11-15 years []
 - 16- 20 years []
 - 21 years and over []

4. Highest level of education
 - Diploma []
 - Undergraduate []
 - Masters []
 - PHD []

SECTION A: ENVIRONMENTAL SCANNING

5. To what extent do you agree with the following statements on influence of environmental scanning on organization performance. Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Environmental scanning	1	2	3	4	5
Dynamic environment affects commercial based parastatal performance					
Hostile environment affects commercial based state parastatal performance					
Competitive intensity affects commercial based state parastatal performance					
The commercial based state parastatals takes into consideration dynamic environment					
The commercial based state parastatal takes into consideration of heterogeneity					
In the dynamic environment prices of products and changes in taxes					

SECTION B: STRATEGY FORMULATION

6. To what extent do you agree with the following statements on influence of strategy formulation on organization performance? Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Strategy formulation	1	2	3	4	5
The managers are actively involved in creating company mission and vision					
The managers act as change enabler or drivers in the company					
The managers are actively involved in making major decisions during the strategy formulation					
Our organization uses an operating budget which summarizes how managers are supposed to use company resources					
Our organization has aligned its budget with the company strategy through good communication, enhanced responsibility, and improved feedback flows					
Our organization always makes decisions that are based on the budget					
Our organization makes use of tools such as PESTEL, Porter’s Five Forces, and SWOT Matrix to analyze the external and internal business environments					

The strategic decisions of this company are based on the prevailing business environment context					
Our organization incorporates environment concerns while making strategic decisions, evaluating strategic development alternatives and issuing guiding principles					

SECTION C: STRATEGY IMPLEMENTATION

7. To what extent do you agree with the following influence of strategy implementation on organization performance. Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Strategy Implementation	1	2	3	4	5
This company engages in a more democratic and participative way of working by allowing employees to offer views and involving employees more in making organizational decisions					
All employees in our organization align their regular tasks with the overall company strategy					
Departmental memos and managerial decisions are communicated all through this company and to every individual					
In this company, there is no ambiguity on who makes particular decisions					
Our organization structure is aligned with the new strategies and with what the new strategies call for.					
Our organization has proper communication channels, monitoring and incentive systems, and performance measuring systems					
The company’s policy is properly communicated to the staff and is clearly understood by employees					
Our organization motivates its employees with both financial and non-financial incentives to enhance their job performance					
Employees in this company are emotionally attached to the company and exhibit high levels of commitment to the organization					

SECTION D: STRATEGY EVALUATION

5. To what extent do you agree with the following statements on influence of strategy evaluation on organization performance. Key: 5 strongly agree, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Strategy evaluation	1	2	3	4	5
Our organization regularly analyses its INTERNAL capabilities to determine its strengths and weaknesses using tools of analysis such as SWOT, PESTEL and Porter’s Five Factor					
Our organization regularly analyses its EXTERNAL environment to determine its opportunities and threats using tools of analysis such as SWOT, PESTEL and Porter’s Five Factor					
Our organization emphasizes on market research focused on entering new markets					
The managers of our organization make allowances for the unpredictable future and dynamic business environment in the strategic plan.					
Our organization has in place strategies that are used to cope with unforeseen circumstances in the business industry					
Our organization has appropriate technology that helps manage the changing business climates					

SECTION E: ORGANISATION PERFORMANCE

11. To what extent do you agree with the following statements on organization performance? Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Organization Performance	1	2	3	4	5
The number of employees has increased over the last five years					
Our organization has experienced an increase in number of branches over the last 5 years					
Our organization has experienced increased annual running expenditure over the last five years					
Over the last five years your organization has been able to achieve its goals in relation to organizational performance					
Our organization has improved over the last 5 years					

Thank you for your participation

APPENDIX II: A LIST OF COMMERCIAL BASED PARASTATALS IN KENYA

1. New Kenya Co-operative Creameries
2. Nyayo Tea Zones Development Corporation
3. Kenya Railways Corporation
4. Kenya National Shipping Line
5. Kenya Power and Lighting Company
6. South Nyanza Sugar Company
7. Kenya Ports Authority
8. School Equipment Production Unit
9. Kenya Pipeline Company
10. Pyrethrum Board of Kenya
11. Kenya Literature Bureau
12. Postal Corporation of Kenya
13. Kenya Electricity Generating Company
14. Nzoia Sugar Company
15. Kenya Broadcasting Corporation
16. Numerical Machining Complex
17. Kenya Airports Authority
18. Jomo Kenyatta Foundation
19. National Oil Corporation of Kenya
20. Kenya Postal Corporation of Kenya
21. National Housing Corporation
22. East African Portland Cement Company
23. National Cereals and Produce Board
24. Kenya Seed Company Limited

25. Kenyatta International Conference Centre
26. Kenya Meat Commission
27. Kenya Wine Agencies
28. Agrochemical and Food Company
29. School Equipment Production Unit
30. Telkom Kenya Limited
31. University of Nairobi enterprises and Services Limited
32. Kenya Electricity Transmission Company
33. Chemelil Sugar Company

Source: State Corporation Advisory Committee (2020)

APPENDIX III: RESEARCH PERMIT

00



KENYA METHODIST UNIVERSITY

Tel: 254-064-30301/31229/30367/31171

Email: info@kemu.ac.ke

Our ref: NAC/MBA/1/2021/04
NAIROBI.

6th JANUARY 2021

Dear Sir/ Madam,

BERTHA NYAGAKI KARIUKI BUS-3-0546-1/2019

This is to confirm that the above named is a bona fide student of Kenya Methodist University, undertaking masters in BUSINESS ADMINISTRATION. She is conducting a research titled .INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE. A SURVEY OF COMMERCIAL BASED PARASTATALS IN KENYA .

In this regard, we are requesting your office to issue a permit to enable her collect data for her masters dissertation.

Any assistance accorded to her will be appreciated.

Yours faithfully,

PROF. Evangeline Gichunge, PhD.
ASS DIRECTOR POSTGRADUATE STUDIES



Encl.

APPENDIX IV: RESEARCH LICENSE

National Commission for Science, Technology and Innovation



REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 969100

Date of Issue: 06/September/2021

RESEARCH LICENSE



This is to Certify that Ms. BERTHA NYAGAKI KARIUKI of Kenya Methodist University, has been licensed to conduct research in Nairobi on the topic: **INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON ORGANISATIONAL PERFORMANCE, A CASE STUDY OF COMMERCIAL BASED PARASTATALS IN NAIROBI COUNTY for the period ending : 06/September/2022.**

License No: NACOSTI/P/21/12735

969100

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is Guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one year of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

National Commission for Science,
Technology and Innovation off Waiyaki
Way, Upper Kabete,
P. O. Box 30623,
00100 Nairobi,
KENYA

Land line: 020 4007000, 020 2241349, 020
3310571, 020 8001077

Mobile: 0713 788
787 / 0735 404
245

E-mail: dg@nacosti.go.ke /
registry@nacosti.go.ke

Website:
www.nacosti.go.ke