FACTORS INFLUENCING STRATEGY IMPLEMENTATION IN STATE CORPORATIONS IN KENYA

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ABSTRACT

To achieve effectiveness and efficiency in strategy implementation in state corporations, change is needed. Due to the rapid changing global environment and increasing demand for service delivery, continuous change is needed. Changes have been taking place in the Kenyan state corporations since 2003 and this has been as a result of corporate strategy implementation. However it is not enough to develop a good strategy, good strategies can fail during implementation. The state corporations in Kenya, like in most countries in Sub-Saharan Africa, have been characterized by slow and bureaucratic processes that retard corporation’s performance. Kenyan state corporations are important to the economy of the country. They provide social and essential services to the Kenyan population. However their poor performance needs a relook at the factors influencing strategy implementation in state corporations in Kenya. The study sought to establish the factors influencing strategy implementation among state corporations in Kenya. A survey was conducted using a self-administered questionnaire distributed to 485 managers in state corporations in Kenya. Correlation and exploratory factor analysis, the KMO measure of sample adequacy, Bartlett’s test of sphericity, Kolmogorov-Smirnov test for normality, multi-Collinearity diagnostic and regressions were the main statistical procedures used to test the appropriateness of data, correlation and significance of the relationships hypothesized between the various independent and dependent variables. The findings revealed a fairly strong, statistical significant relationship existed between customers and strategy implementation. This shows that managers in state corporations in Kenya have identified their customers’ primary needs and keep up-to-date with changing customer needs. It was also established that a fairly strong statistically significant relationship existed between technology and strategy implementation. The managers of Kenya’s state corporations fully understand the importance of technology in strategy implementation. They have the latest IT equipment to perform tasks, and communicate with customers via the latest social media technology such as Facebook.

Keywords: Organizational Culture, Technology, Customers, Strategy Implementation, State Corporations in Kenya
Introduction

Kenya is ranked by the World Bank at position 98 out of 183 countries after Egypt (94th), Zambia (76th), Namibia (69th) and Ghana, (67th) in terms of ease of doing business. This indicates that doing business has become more difficult in Kenya, causing the country to drop by 11 points in the global ranking in 2011. In terms of the global competitiveness index, Kenya ranked 97th out of 130 countries with a score of 3.61 in 2011 (World Economic Forum, 2011:8). This shows that doing business in Kenya has become quite difficult, which has been worsened by its low competitiveness level in the global market.

According to the World Bank Group’s (2007:25) country assessment report, the quality of service in the state corporations in Kenya was very low prior to 2003 due to inadequate accountability and responsibility, as well as poor governance. Poor management of the public assets led to an almost total collapse of infrastructure, decline in productivity and an increase in poverty (close to 56 percent of the population were living with incomes of less than US$2 per day) (Kenya National Bureau of Statistics, 2006:48). There was relatively low discipline in management and some of the state corporations that were previously successful went into liquidation such as, for example, the Kenya National Assurance and the Kenya Taxis Company, KENATCO (Republic of Kenya, 2005:15).

In 2003, reform programmes were instituted to change the situation. State corporations were now expected to finance their operations without reliance on the state to bail them out. The rising demand and expectation of improved services by the taxpayers prompted more changes in the management of the state corporations (Flynn, 2007:87; Henry, 2001:65). Strategic planning and performance contracts were instituted, which improved the management of state corporations (Kenya Institute of Management, 2008:10) Although a changing environment in itself necessitates changes, state corporations appear to have inherently less ability to act as freely as private sector organisations (Henry, 2001:87).

Statement of the Problem

According to Government of Kenya (2006a:44), the external business environment in Kenya has witnessed dynamic changes. These changes include: accelerated formulations of economic reforms by the government, the liberation of the economy and markets, discontinuation of price controls, privatisations and commercialization of the public sector and increased competition. In this changing environment, state corporations and private sector organisations operating in the Kenyan environment have to constantly adapt to these changes through effective strategy formulation and implementation in order to remain competitive. Most state corporations in Kenya have proven to be largely ineffective and inefficient in achieving their strategic objectives. Some of the reasons cited by the World Bank (2005:66) for this outcome included: lack of clear vision and poor articulation of objectives; absence of teamwork among the staff; lack of proper strategy formulation and implementation measures and lack of long term political commitment and goodwill to reform public institution. Some of the policies in state corporations were predominantly focused on achieving specific targets. In most cases, these efforts failed to provide enough room or sufficient time to implement a complex framework based on institutional development and capacity building.
The government has attempted to streamline state corporations through the introduction of reforms as contained in policy documents such as (Government of Kenya, 2007:38): are the Economic Recovery Strategy for Wealth and Employment Creation (2003-2007); Poverty Reduction Strategy Paper (PRSP) (2002); the Investment Programme for Economic Recovery Strategy IP-ERS(2004), and the Kenya Vision 2030. Although formulating a consistent strategy is a difficult task for any management team, making that strategy work, in other words, implementing it throughout the organization is even more difficult (Hrebiniak & Joyce, 2006:56). A study by David (2007:98) has shown that a considerable proportion (more than 65%) of organisational strategies fail to get implemented effectively. Previous studies (see for example Awino, 2001:86; Macmillan & Tampoe, 2001:39; Musyoki, 2003:98; Warsame, 2002:67) have attempted to explore the different aspects of organisational management such as strategy and policy formulation, development of a mission and vision and development of strategic goals and objectives. However, no study has been done in Kenya to establish the factors influencing strategy implementation in Kenyan state corporations. Yet, successful strategy implementation is a critical aspect in the strategic management process. Strategy implementation in Kenyan state corporations has not received much attention like the other components of strategic management, hence the existence of a significant knowledge gap which this study aims at bridging. This led to the following problem being addressed in this study. The main research question is, what are the factors affecting successful implementation of strategies in Kenyan state corporations? In view of the fact that strategy implementation is a key component of the strategic management process of state corporations, there is a need for increased research in this area to unveil challenges and constraints as well as the factors that act as impediments to organisational strategy implementation in Kenyan state corporations. Despite efforts to formulate these policies and strategies, service delivery still remains limited and inefficient in most state corporations and government ministries as was indicated in the introduction.

Research Objectives

i. To determine the influence of organizational culture on strategy implementation in state corporations

ii. To establish the influence of technology on strategy implementation in state corporations

iii. To ascertain the influence of customers on strategy implementation in state corporations

Research Hypothesis

\( H_{a1} \): Organizational culture has a significant influence on strategy implementation in state corporations.

\( H_{a2} \): Technology has a significant influence on strategy implementation in state corporations.

\( H_{a3} \): Customers have a significant influence on strategy implementation in state corporations.
Theoretical Review

In order to have a better understanding of the problem statement linked to this research it was useful to explore conceptual models which can support this study. The study was supported by the planning context environmental scan model and Zaribaf and Hamid’s drivers for strategy implementation model.

The Planning Context Environmental Scan Model

Figure 1 outlines the planning context environmental scan model (Public Safety Canada, 2010). This model indicates the internal- and external environmental variables that impact strategy formulation which in turn impact strategy implementation. To ensure successful strategy implementation, the organisation needs to first determine the impact of these variables on the organisation.

Figure 1: The planning context environmental scan model
Adapted from: Public Safety Canada (2010:1)

An environmental scan involves being aware of the context in which an organisation is operating so as to understand how it could be affected. During an environmental scan, the organisation defines the internal- and external parameters to be taken into consideration when formulating- and implementing strategies. It outlines the time, scope, scale and risks affecting the achievement of its objectives. The main variables in the internal environment which impact on strategy formulation and implementation as depicted in Figure 1 are: the capabilities, understood in terms of resources and knowledge (e.g., capital, time, people, processes, systems, technologies), including results from the capability improvement process; the organisation activities, policies, goals, objectives and strategies in terms of its strategic intent; perceptions, values and culture of the organisation; the nature and quality of leadership within the organisational functions and decision making processes, and structures (government, roles and accountabilities). On the other hand, the key elements of the external environment as can be seen in Figure 1, includes the cultural, political, legal, technological, economic, natural and international (global) environment.
These environments influence the key drivers and trends that impact the organization’s objectives (strategy formulation) and ultimately drive the strategy implementation process. It also includes the perceptions and value expectations of external stakeholders.

**Zaribaf and Hamid’s drivers for strategy implementation model**

Figure 2 depicts the drivers for strategy implementation. To implement strategies, it is important to plan a program in which employees have well-defined job descriptions and implementation tools such as technology and information systems. A suitable organisational structure together with strong visionary leadership and organisational culture can contribute towards effective strategy implementation.

**Figure 2: Zaribaf and Hamid’s drivers for strategy implementation model**

Adapted from: Zaribaf and Hamid (2010:1)

Zaribaf and Hamid (2010:1) emphasized that the relationship between strategy planning and implementation is an important matter as it can result in many positive outcomes for the organisation. Successful implementation depends on: revolutionizing attitudes, viewpoints and future prospects; comprehensive planning; implementation commitment and efficient control tools. Figure 2 shows that if these strategic drivers are in place, it may lead to successful strategy implementation.

**Conceptual Framework**

**Figure 2: Conceptual framework**

**Customers**

According to Daft (2010:69), customers can be either buyers or users of the ultimate product or service. Customers have specific characteristics, purchasing power and behaviour (Bosch et al., 2006:44). According to Starling (2004:45), focusing on the internal environment when implementing strategies should result in well-managed relationships to retain government customers and allow for a prompt response to public demands. Burstein (2003:31) declares that considering public opinion is a fundamental requisite for improving government responsiveness, by not merely
reacting to popular customer demands, but taking the initiative in proposing solutions for previously identified problems.

Starling (2004:48) affirms that knowing the public’s preferences helps governments to develop expertise to create more effective programmes for customer satisfaction. In the rapidly changing and globally competitive environment, organisations must continuously collect information about customer needs and wants to create greater value for customers (Paarlberg, 2007: 202). Morgan and Rego (2006:426) suggest that obtaining customer feedback to set goals and formulate strategies is key to monitor performance. Organisations typically collect feedback data via customer surveys using measures of attribute level and overall satisfaction, behavioural loyalty intentions and actual loyalty behaviours, such as making recommendations.

**Organisational culture**

An organisational culture is considered to be a set of collective norms such as ethics, that govern the behaviour of people in the organisation, or “the social glue that binds the organisation to its values, beliefs and ways in which it establishes and executes organisational practices and strategies” (Pearce & Robinson, 2005:92; Serpa, 2005:425). A suitable organisational culture, together with strong visionary leadership, can contribute to effective strategy implementation (Daft, 2010:72).

Corbett and Rastrick (2003:78) acknowledge corporate culture as an important component of guiding strategic decision-making towards organisational success. It is important that all employees in the organisation are involved and empowered for systematic change to take place, so as to identify crucial and unique issues related to employees’ work (Harvey & Williams, 2010:12). When the organisational culture requires employees to support the current strategy, strategy implementation is strengthened (Wheelen & Hunger, 2004:129). Lasher and Sullivan, 2004:60) agree that a strong organisational culture can facilitate communication, decision-making and control, and can create co-operation and commitment thereby ensuring the smooth implementation of strategies.

**Technology**

Technology can be classified in terms of product, process and information technology (Krajewski & Ritzman, 2006:440). Bateman and Snell (2002:539) emphasise that managers must ensure that they have knowledge of the technology, are able to convert it into practice, and have adequate funding, skilled labour, time and space available. To avoid obsolescence and promote innovation, organisations must be aware of technological changes that influence its industry (Masedale, 2002:55). Naor (2008:676) notes that information technology has increasingly become important as employees use it to acquire, process and communicate information. According to Kinsey (2005:207), communication by email has revolutionized command and control in organisations. Taylor and Murphy (2004:285) suggest that advanced technologies need more professionally qualified and well-educated employees which in turn can affect strategy implementation. Sekaran (2007:51) notes that managers who are working with and take full advantage of information technology, keep abreast of all the latest innovations.

Busi and Bititci (2006:12) point out that Information and Communications Technology (ICT) and in particular the Internet, make organisational collaboration possible in practice. However, Internet access can be interrupted and is influenced by power failures. One of a wide range of new and emerging technologies which could significantly minimise the occurrence and impact of electricity power failures, is distribution generation technology (Andersson, Donalek, Farmer, Hatziargyriou, Kamwa, Kundur, Martins, Paserba, Pourbeik, Saz-Gasca, Schulz, Stankovic, Taylor
Kenyan organisations that adopt technology in their operations have a competitive advantage over non-technology organisations (Peace et al., 2002:47). The GOK recognises the pivotal role of ICT as shaping the future of the world (Government of Kenya, 2006b:41).

**Research Methodology**

This study adopted the positivistic research paradigm also known as the quantitative, objectivist, scientific, experimentalist or traditionalist research paradigm (Collis & Hussey 2003:47). The positivism research paradigm means that knowledge can be revealed or discovered through the use of a scientific method. In quantitative research the aim is to describe trends and it is a useful approach when making comparisons and testing relationships/hypothesis. The study adopted the descriptive research approach as it determines and reports the ways things are at present (Kothari, 2004:10). This approach is also appropriate because the study involved fact-finding and enquiries of different kinds to determine impact of market forces on strategy implementation in state corporations in Kenya. Orudo (2002:47) further observes that descriptive research is designed to obtain information concerning the current phenomena and wherever possible to draw valid general conclusions from facts discussed. Mugenda and Mugenda (2003:55) suggest that a descriptive study can be used to explain or explore status of two or more variables at a given point in time. The population of interest for this research and units of analysis was all top- and middle management of the 104 state Corporations in Kenya. The probability sampling technique was adopted by the study where a total of 31 (30%) state corporations were drawn randomly from the 104 state corporations in Kenya. The sampling frame was obtained from the only available database of state corporations in Kenya namely, the Kenya National Bureau of Statistics.

Using the systematic sampling technique, the first state corporations from the list were identified thereafter every third state corporation were selected until the required sample of 31 state corporations was obtained. The criterion for inclusion of individual respondents in the sample was based on the position held in the state corporation, that is, any individual in top- and middle management levels was targeted in the study since they are the decision makers and implementers in the state corporations. The state corporations were contacted to obtain a data basis (organisational chart) of the top- and middle managers. These managers were selected using simple random sampling technique and based on their availability and willingness to participate in the study. A total of 485 questionnaires were distributed.

The study used primary data collected from the top- and middle managers within the state corporations using the survey method. The quantitative study entailed the distribution of a self-administered structured questionnaire to the targeted respondents, as already described. The questionnaires were personally delivered or sent via email to the identified top- and middle managers. The computer programme STATISTICA10 (2011) was used to analyse the data. Kolmogorov-Smirnov test for normality was used to examine the data for normality. To measure sampling adequacy, the Kaiser-Meyer-Olkin (KMO test) and Barlett’s sphericity tests ensure that the data set did not conform to an identity matrix. In this study both face and content validity were utilized as validity tests. The questionnaire was given to experts in the fields of management and statistics as well as the study supervisors to appraise the items’ suitability in obtaining information according to research objectives and study variables.

Exploratory factor analysis was also performed to reduce the number of variables to a small number of factors (constructs) and to confirm the hypothesized constructs to validate the research instrument. A cut-off point of 0.3 and above was used for
significant factor loadings. This analysis assesses the convergent and discriminant validity of the measuring instrument. This study utilized the internal consistency method which requires the average correlation among the items and the length of the test by computing Cronbach’s Alpha values to assess the internal reliability of the data collected. A cut-off point of 0.7 will be regarded as reliable. The Spearman Rho correlation analysis was performed to determine correlation between the factors and multi-Collinearity diagnostics test results to confirm whether Collinearity problems existed between variables of the study. Multiple regressions were performed to determine the independent variables to be retained as having statistically significant relationships with strategy implementation. Descriptive statistics and the results are in the form of frequencies, percentages, mean and standard deviation. The demographic profile of respondents was also presented.

Results

The study obtained responses from a total of 30 of 104 possible state corporations in Kenya. A total of 485 questionnaires were administered to the respondents, resulting in a 86.6% final response rate. Out of these, 65 questionnaires representing 13.4% were disqualified due to incompleteness, not being returned, or from those unwilling to participate in the study. The analysis of the results is thus based on 420 questionnaires. Sekaran (2003:244) is of the opinion that a minimum sample size of 30 to a maximum of 500 is sufficient and acceptable for a scientific investigation.

Kolmogorov-Smirnov Test for Normality

The data for this study was screened for influential outliers which are linked to normality or non-normality of data. Kolmogorov-Smirnov test was used. According to Hair et al. (2006:132), data screening also includes assessing distributional characteristics of the data. An assessment for distributional characteristics which included examining the data for normality was conducted by performing the Kolmogorov-Smirnov test for normality. This is important because many model estimation methods are based on an assumption of normality since non-normal data may result in inflated statistics and underestimated standard errors (Lei & Lomax, 2005:15). According to Norusis (2007:54), for a data set to be normally distributed, the Kolmogorov-Smirnov (Z-Statistic) significance level should be greater than 0.05 (p>0.05). The results of the Kolmogorov-Smirnov test for normality are shown in Table 1.

Table 1: Kolmogorov-Smirnov Test for Normality

<table>
<thead>
<tr>
<th>Nature of the test</th>
<th>Strategy implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample (N)</td>
<td>420</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov (Z-Statistic)</td>
<td>4.421</td>
</tr>
<tr>
<td>Sig. (p-value)</td>
<td>0.328</td>
</tr>
</tbody>
</table>

As can be seen in Table 1, the Kolmogorov-Smirnov (Z-Statistic) for the dependent variable, that is, strategy implementation was significant since the p-values were greater than 0.05 (Norusis, 2007:54). This shows that the data set had a normal distribution.

Factor Analysis of Customers
Table 2 shows the results of the factor analysis in terms of factor loadings, Cronbach’s alpha values for each item as well as Eigenvalue and variance explained by the customer’s factor. Table 2 shows that the construct customers has an Eigenvalue of 7.19 which is greater than 1, and all factor loadings are greater than 0.30 and are thus above the cut-off point. The customer’s factor explains 35.95% of the variance in the data. The Cronbach’s alpha coefficient for customers is 0.912, suggesting that the instrument used to measure this factor is internally reliable. Morgan and Rego (2006:426) observe that managers often use customer feedback data to set goals and formulate strategies which is critical to monitor future business performance. According to Starling (2004:45), focusing on the internal environment when implementing strategies will probably result in well-managed relationships to retain government customers and allow for a prompt response to public demands. Burstein (2008:31) affirms that awareness of public opinion is a fundamental requisite for improving government responsiveness by not merely reacting to popular customer demands but taking the initiative in proposing solutions for previously identified problems.

**Table 2: Results of the Factor Analysis of Customers**

<table>
<thead>
<tr>
<th>Eigenvalue: 7.19</th>
<th>Cronbach's alpha = 0.912</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of variance: 35.95</td>
<td>Cronbach's alpha after deletion</td>
</tr>
<tr>
<td>Item no.</td>
<td>Statements</td>
</tr>
<tr>
<td>MAR1</td>
<td>Has identified our primary customers’ needs</td>
</tr>
<tr>
<td>MAR2</td>
<td>Keeps up-to-date with changing customer needs</td>
</tr>
<tr>
<td>MAR3</td>
<td>Consults with customers on strategy issues</td>
</tr>
<tr>
<td>MAR4</td>
<td>Obtains customer feedback on service delivery</td>
</tr>
<tr>
<td>MAR5</td>
<td>Has strategies in place to retain customers</td>
</tr>
</tbody>
</table>

**Factor Analysis of Organisational culture**

Table 3 shows the results of the factor analysis in terms of factor loadings, Cronbach’s alpha values for each item and Eigenvalue and variance explained by the organisational culture factor. The construct organisational culture explains 59.0% of the variance in the data. Table 3 depicts that organisational culture has an Eigenvalue of more than 1 (1.90) and all loadings are above the cut-off point of 0.3. The Cronbach-alpha coefficient for organisational culture is 0.715, suggesting that the instrument used to measure this construct is reliable. Pearce and Robinson (2005:92) and Serpa (2005:425) consider organisational culture as a set of collective norms such as ethics that govern the behaviour of people in the organisation or “the social glue” that binds the organisation to its values, beliefs and ways in which it establishes and executes organisational practices and strategies. Daft (2010:72) is of the opinion that a suitable organisational culture together with strong visionary leadership can contribute to effective strategy implementation. Boada-Grau and Gil-Ripoll (2010:69) observe that when the organisational culture and values are shared by the employees, both quality standards and planning will be strengthened, thus having a possible positive impact on strategy implementation.

**Table 3: Results of the Factor Analysis of Organisational Culture**
Factor Analysis of Technology

Table 4 shows the results of the factor analysis in terms of factor loadings, Cronbach’s alpha values for each item as well as Eigenvalue and variance explained by the technology factor. The construct technology explains 41.33% of the variance in the data. Table 4 depicts that technology has an Eigenvalue of more than 1 (3.33) and all loadings are above the cut-off point of 0.3. The Cronbach's-alpha coefficient for technology is 0.847, suggesting that the instrument used to measure this construct is reliable. Naor (2008:676) notes that Information technology has increasingly become important as employees use it to acquire process and communicate information. According to Kinsey (2005:207), communication by email has revolutionized command and control in organisations. Taylor and Murphy (2004:285) point out that advanced technologies need more professionally qualified and well-educated employees, and may need different leadership and management styles which in turn can affect strategy implementation. Sekaran (2007:51) notes that managers who are working with and take full advantage of information technology, keep abreast of all the latest innovations.

Table 4: Results of the Factor Analysis of Technology

<table>
<thead>
<tr>
<th>Item no.</th>
<th>Statements</th>
<th>Factor loading</th>
<th>Item correlation</th>
<th>Cronbach’s alpha after deletion</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXT16</td>
<td>Has the latest Information Technology equipment to perform tasks</td>
<td>0.847</td>
<td>0.664</td>
<td>0.865</td>
</tr>
<tr>
<td>EXT17</td>
<td>Communicates with customers via latest technology e.g. Facebook</td>
<td>0.823</td>
<td>0.858</td>
<td>0.838</td>
</tr>
<tr>
<td>EXT18</td>
<td>Experiences few Internet disruptions</td>
<td>0.755</td>
<td>0.355</td>
<td>0.815</td>
</tr>
<tr>
<td>EXT19</td>
<td>Has adequate qualified Information Technology staff</td>
<td>0.727</td>
<td>0.672</td>
<td>0.851</td>
</tr>
</tbody>
</table>
Correlation Analysis

This section presents the testing of the hypotheses formulated in the study. Kerlinger (2004:15) maintains that although the Chi-square test is also known as a goodness of fit test, it tests the statistical relationships between two variables. It has limitations in that it does not show the direction and the strength of the association of the variables. Due to this shortcoming of the Chi-square test, Kothari (2004:87) and Norusis (2007:55) recommend the Spearman's Rho correlations test to assess the relationships and to measure the level of association between two or more variables since it overcomes the limitations of Chi-square test and shows the direction (whether positive or negative) and strength of the relationship between variables. A correlation analysis measures ranges between -1 and 1. The strength of the correlation values is guided by the following measures: strong relationship exists if $r \geq 0.7$; fairly strong relationship exists if $0.5 \leq r < 0.69$; average relationship exists if $0.3 \leq r < 0.49$; weak relationship exists if $0.1 \leq r < 0.29$, and slight relationship exists if $< 0.09$. In addition, a positive correlation value denotes direct linear relationships while negative correlation denotes inverse relationships. The results of the correlations analysis are discussed in Table 5.

**Table 5: Correlation Analysis**

<table>
<thead>
<tr>
<th>Factors</th>
<th>SI</th>
<th>CU</th>
<th>OC</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy Implementation (SI)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers (CU)</td>
<td>0.706</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Culture (OC)</td>
<td>-0.549</td>
<td>0.401</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Technology (T)</td>
<td>0.706</td>
<td>0.211</td>
<td>0.346</td>
<td>1</td>
</tr>
</tbody>
</table>

As can be seen in Table 5, strategy implementation has the strongest relationship with customers and technology. A negative relationship exists between strategy implementation and organisational culture. Taylor and Murphy (2004:285) note a direct relationship between technology and strategy implementation. These authors further argue that technological changes such as obsolescence, new discoveries, and speed of technology transfer impact to strategy implementation. Fugazzotto (2009:288) warns managers to take into account organisational culture, the environment, resources and distinctive competencies if strategic decisions are to be translated into actions.

**Results of the Multi-Collinearity Diagnostics Testing**

According to Trochim (2006:85), multi-collinearity exists when two or more variables are highly correlated with each other. Roux (2006:55) believes that proper multi-collinearity diagnostics are necessary since highly correlated variables designed to test different concepts usually measure the same theoretical concepts. Multi-collinearity diagnostics analysis facilitates the identification of measuring items or variables that have a high correlation among themselves. According to Campbell and Fiske (2009:88), when multi-collinearity exists within the data set, it can negatively affect the parameters of measurement, especially in a multiple regression model, and hence produce a misleading result. During multi-collinearity diagnostics analysis, Field (2009:66) suggests that a tolerance value of less than 0.1 indicates a serious collinearity problem. In addition, when the Variance Inflated Factor (VIF) values are greater than 10, then there is cause for concern. Table 6 indicates the results of the multi-collinearity diagnostics analysis test. As can be seen in Table 6, the tolerance values for the variables vary from 0.489 to 0.630, which are all higher than the acceptable limit of 0.1, while the VIF values for all the variables are less than 10.
demonstrating that the variables are not highly correlated among themselves, and therefore the data set is free from multi-collinearity problems.

**Table 6: Results of the Multi-Collinearity diagnostics**

<table>
<thead>
<tr>
<th>Dependent variable: Strategy implementation</th>
<th>Multi-Collinearity statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market variables</td>
<td>Tolerance value</td>
</tr>
<tr>
<td>Customers</td>
<td>0.489</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.630</td>
</tr>
<tr>
<td>Customers</td>
<td>0.489</td>
</tr>
</tbody>
</table>

**Multiple Regression Analysis**

The effect of each of the variables was tested through a regression analysis. Evidence was found of statistical significant relationships ($p < 0.001$ and $p < 0.05$) between the independent variables *customers and technology*. These independent variables therefore affect strategy implementation. As can be seen in Table 7, there is also evidence that the $t$-values exceed critical value, that is, $t \geq 3.09$ with $p < 0.001$ significance level. The independent variable *organizational culture* had a critical value of 0.877 which is below the 1.96 cut-off point ($P > 0.05$), so the hypothesis is rejected.

**Table 7 Multiple Regression Results**

<table>
<thead>
<tr>
<th>Dependent variable: Strategy implementation</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent variables</td>
<td>Beta</td>
</tr>
<tr>
<td>Customers</td>
<td>0.602</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>0.033</td>
</tr>
<tr>
<td>Technology</td>
<td>0.093</td>
</tr>
</tbody>
</table>

* $p < 0.001$, $P^* < 0.05$

**Conclusions**

A fairly strong, statistical significant relationship existed between customers and strategy implementation. This shows that managers in state corporations in Kenya have identified their customers’ primary needs and keep up-to-date with changing customer needs. They consult with customers on strategic issues and obtain their feedback on service delivery. They also ensure that there are strategies in place to retain customers. Paarlberg (2007: 202) cautioned organisations that in the rapidly changing and globally competitive environment, their organisational success in terms of strategy implementation is dependent on their ability to continuously collect information about customer needs and wants by creating greater value for customers, and so improve their organisational performance. Morgan and Rego (2006:426) observe that managers often use customer feedback data to set goals, formulate strategies and monitor performance metrics, believed to be leading indicators of future business performance.

A fairly strong statistically significant relationship existed between technology and strategy implementation. The managers of Kenya’s state corporations fully understand the importance of technology in strategy implementation. They have the latest IT equipment to perform tasks, and communicate with customers via the latest social media technology such as Facebook. These managers are of the opinion that they experience few Internet disruptions and have adequately qualified IT staff. Taylor and Murphy (2004:285) assert that the new technology can completely change the rules of competition in an industry. According to Peace et al. (2002:47), the Kenyan ICT sector is undergoing strong growth, which has changed people's lives and the way
they participate in development activities, using various information and communication devices such as mobile cellular phones, radios, faxes, televisions and computers. According to Kinsey (2005:207), communication by email has revolutionized command and control in organisations as it permits information to flow easily and quickly within organisations and facilitates quick decision-making because employees share information, which positively affects strategy implementation.

**Recommendations**

It is recommended that Kenyan state corporation managers: obtain client feedback data prior to strategy execution, to ensure they meet their clients’ specific demands. Ongoing feedback is also necessary to keep up-to-date with changing client needs. Public opinion is a fundamental requisite for improving government responsiveness by not merely reacting to client demands but by taking the initiative in proposing solutions for previously identified problems; be sensitive towards large key customers’ needs. Their bargaining power represents a major force to take into consideration and can negatively affect the success of the State Corporation and implementation of the chosen strategy; put in place a customer retention strategy to ensure that especially large customers do not move over to private sector competitors and monitor performance of a strategy during the strategy implementation process so that any deviations from the planned process can easily be detected and rectified.

It is recommended that managers of Kenyan state corporations: adapt the latest and appropriate technology in order to monitor the changing expectations of society, to enhance the implementation of strategic decisions. Using the latest technology can assist them in remaining competitive, and increase job effectiveness and efficiency; communicate to customers by email and utilise other modern methods like social media as it permits information to flow easily and quickly, and facilitates quick decision-making during strategy implementation because employees can share information; obtain a Management Information System (MIS) to detect problems at an early stage during the strategic implementation process. This will require employing qualified IT staff. The MIS can provide them with forecasting scenarios which help to improve the effectiveness of the strategic implementation process and overall profitability of the state corporation and provide for Internet disruptions and power failures by having back-up documentation in a hard copy version to aid business in times of interruption.

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