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Influence of a Lack of Clear Approach to Strategy Implementation on Performance of Commercial State Corporations in Kenya

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Abstract

Strategy implementation is one of the most fundamental steps in driving a company's direction without which no decisions can be executed. To make this happen, it is crucial that the company develops an approach to guide through the implementation process. This study sought to determine how lack of a clear approach to strategy implementation influenced the performance of commercial state corporations in Kenya. The study employed a positivism research philosophy and a descriptive research design objectively with multistage sampling method (homogenous purposive sampling, stratified random sampling, and simple random sampling). The study targeted middle level managers in selected state corporations from which a sample of 327 middle-level managers was drawn. Using linear regression analysis, this study established that lack of a clear approach to strategy implementation significantly influenced the performance of commercial state corporations in Kenya. The findings of this study indicated that having no preferences to strategy implementation had a significantly negative influence on the financial performance of commercial state corporations in Kenya (β = -0.233; $p < 0.05$) but having no routine and having no control system had no statistically significant influence on the financial performance (β -0.149; $p > 0.05$) and (β -0.035; $p > 0.05$) respectively. The findings of this study also indicated that having no preferences had a negative and significant influence on the customer satisfaction of commercial state corporations in Kenya (β = -0.258; $p < 0.05$), but no routine and no control systems had no statistically significant influence on the customer satisfaction (β = -0.137; $p > 0.05$) and (β = -0.038; $p > 0.05$) respectively. This research study concludes that lack of a clear approach to the implementation of strategy erodes the performance of commercial state corporations in Kenya, and therefore recommends that in order to enhance performance, the top management of commercial state corporations should ensure budget provisions for strategy implementation activities, develop a strategy implementation roadmap, ensure the engagement of all stakeholders in the development process, and identify the specific tasks required to realize strategic goals.

Introduction

Organizational performance refers to the way a firm makes use of its tangible and intangible resources to achieve its goals, which in essence are a culmination of the firm's activities and processes (Krumwiede et al., 2008). Obeidat (2016) refers to organizational performance as the actual output of a firm as measured against the expected outputs. In order to enhance the performance standards and capabilities of the public service, governments are now laying emphasis on efforts that promote the successful implementation of strategy (Mbaka, & Mugambi, 2014). Studies have however shown that between 50% and 90% of formulated strategies in public institutions are never fully implemented (Baroto et al., 2014; Candido & Santos, 2015).

Among the key factors that contribute to organizational performance is the strategy implementation style that an organization adopts in its implementation of strategic decisions (Arnoud, 2008). Andrews et al. (2017) posit that the style used in strategy implementation has a considerable influence on the success of the strategy implementation process. In this study, strategy implementation style refers to methods, approaches and practices used by organizations in putting plans and strategies into action in order to realize desired organizational goals. Andrews et al. (2017) and, Taylor and Buumba (2020) posit that strategy implementation styles include rational, mostly incremental, logically, or incremental. The scholars further posit that some organizations lack a clear approach to the implementation of strategy. It is for this purpose that this paper seeks to establish how lack of a clear approach to strategy implementation influences the performance of an organization.

Lack of clear approach to strategy implementation is aligned to the French school of thought advanced by Cantillon. This school of thought focuses on the risk-taking characteristic of entrepreneurs (Brown & Mark, 2013). The lack of clear approach to strategy implementation has been considered least useful by several authors and it encompasses no control system, preferences, nor routine (Mazur & Inków, 2017; Tosun & Treib, 2018).

Problem Statement

The implementation of strategies is an important foundation both in the performance of an organization and in its service-delivery. While there are a number of studies that have been done on strategy implementation styles and organizational performance, the findings vary and thus are inconsistent for generalization. In a research conducted by Andrews et al. (2011) on the influence of strategy implementation styles on the performance of service departments in Welsh local authorities, the scholars found that lack of clear approach had no considerable influence on performance. Andrews et al. (2017) also studied the association between strategy implementation style and the effectiveness, efficiency and equity of Turkish municipal government departments and found that lack of clear approach was linked with relatively lower performance in Turkish municipal government departments when compared to other strategy implementation styles. While these studies were conducted in Turkey and Wales, scholars posit that similar research based on other national and regional contexts would add knowledge and contribute to this key area of research, especially in a non-Western setting (Andrews et al., 2017; Andrews et al., 2011). Further, the findings of these research studies vary in terms of the variables used in the studies and in their methodology, which advances the need for further research. Besides, due to the differences in the socioeconomic and political environment, and the public sector policies and strategies used in Kenya, the findings of these studies may not be applied in the Kenyan context hence the current study which is more focused on the Kenyan context among commercial state corporations.

While public institutions in Kenya have formulated strategic plans that have been implemented at varied levels (Government of Kenya, 2013), performance in the public sector remains low, and in most cases continues to decline (Public Service Commission, 2016; Public Service Commission, 2017; Public Service Commission, 2018; Public Service Commission, 2019). This research study sought to determine how lack of clear approach to the implementation of strategy influenced the performance of commercial state corporations in Kenya.

The following null hypothesis was tested:

> **H_{01}**: Lack of clear approach to strategy implementation has no significant influence on performance of commercial state corporations in Kenya.

Theoretical Review

This research study was anchored on the stakeholder theory which postulates that a firm has relations with many stakeholders and that it is vital for an organization to safeguard its association with the various stakeholders by ensuring that their needs and interests are well-taken care of (Barrane et al., 2021; Bridoux & Stoelhorst, 2016). This study employed the balanced scorecard framework in operationalizing the performance of organizations. The Constitution of Kenya 2010, under Article 232, indicates that the measures of performance include efficient, effective and economic use of resources, as well as the effective provision of public services (Kenya Law, 2010). This study therefore focused on the financial perspective (efficient, effective as well as the economic use of resources), and the customer perspective (effective provision of public services) of the balanced scorecard framework.

Conceptual Framework

Figure 1 shows the conceptual framework adopted for this study, depicting the relationship between the independent and dependent variables. The independent variable in this study was lack of clear approach to strategy implementation, where a lack of clear approach implied that there was no routine, no preferences, and no control system to guide the strategy implementation process. On the other hand, the dependent variable was performance of commercial state corporations in Kenya.

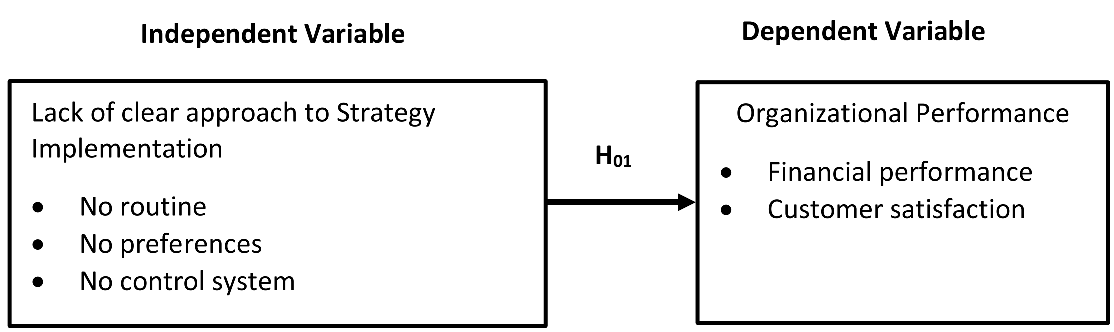

Figure 1: Conceptual Framework

The concept of "strategy absence" propounds the argument that organizations can have no apparent strategy implementation style. Such organizations therefore lack a "taken-for-granted" or a preferred routine for the implementation of strategic decisions (Mazur & Inków, 2017). The absence of a clear approach to the implementation of strategy may therefore lead to poor performance given that those involved in the formulation of strategy have no framework to draw upon or are not encouraged to take part in the strategic decision-making process (Theodore, 2013; Yuliati et al., 2018). This paper uses no routine, no preference and no control system as dimensions of lack of clear approach to strategy implementation (Mazur & Inków, 2017).

Empirical Review

The performance of an organization is affected by the depth and rigor of its strategic management process. Lack of strategic planning therefore has a negative effect on organizational performance, which could either be in terms of financial performance or the level of customer satisfaction. Adopting a descriptive methodology, Khalid (2019) studied the association between poor planning and the performance of construction projects in Jordan and found that lack of planning led to poor performance. In Indonesia, Yuliati et al. (2018) conducted a research on problem solving skills on current electricity using inquiry-based learning and established that individuals who used specific approaches in solving problems performed better than those who lacked a clear approach to problem solving. Using a survey research design, Ikoro and Nwosu (2017) examined the association between strategic planning and organizational performance at Nigerian Bottling Company in Enugu State and found that strategy absence negatively affected the performance of an organization.

The absence of routines impacts the implementation of strategy and thus the performance of an organization. A study by Schneider and Harknett (2019) on the effect of routine work-schedule instability on the health and well-being of workers in the United States found that routine improves performance and leads to the reduction of costs related to healthcare. In Turkey, Andrews et al. (2017) studied how 'no routine' affected public service efficiency, effectiveness as well as equity. The research study established that no routine to strategy implementation had the lowest level of influence on performance. In Indonesia, Haskara and Sudhartio (2020) studied the influence of organizational routine on team performance among firms in the financial service industry and established that routine has a significant influence on team performance.

A lack of organizational strategy preferences influences the performance of an organization as a whole. Using an explanatory research design, Warren et al. (2019) examined the relationship between task sequence and preference, and on-task behavior among individuals with disabilities in the United States. The results showed that task sequences and task preferences among individuals with disabilities influenced their performance on various tasks. Jueyu et al. (2022) on the other hand assessed the influence of preferences on employee perceptions of workplace participation among firms in China and found that the preference of employees for workplace participation had a significant influence on productivity. Using a descriptive design, Anyieni and Areri (2016) examined the factors that had an effect on the execution of strategies in Kenya's secondary schools and established that lack of strategy preference had a negative impact on performance.

The establishment of a control system impacts organizational performance. In Malaysia, Dewi et al. (2020) examined the relationship between management control system and firm performance and found that management control system had a significant influence on customer satisfaction, environmental performance and financial performance. In Germany, Goebel and Weißenberger (2017) studied the association between management control mechanisms and organizational performance and established that informal control mechanisms significantly influenced the general outcomes in an organization. In Brazil, Junqueira et al. (2016) examined the effect of management control systems on organizational performance and found that lack of management control negatively affected organizational performance.

Methodology

This study employed the positivism research philosophy and a descriptive research design. This research design is very reliable in providing answers to questions of where, who, how and when, that are related to the phenomenon under investigation (Viechtbauer et al., 2015). The target population was 1813 employees in middle-level management (job groups N-Q) in 30 commercial state corporations in Kenya that participated in the 2019 Public Service Commission performance evaluation. This research applied the multistage sampling method (homogenous purposive sampling, stratified random sampling, and simple random sampling) due to the various groups in the population. Yamane (1967) sample size formula was employed to determine the size of the sample, which resulted in a sample size of 327.

This study used both secondary and primary data where secondary data was obtained from annual reports by various state corporations whereas semi-structured questionnaires were used to gather primary data. Qualitative data was analyzed using thematic analysis. The Statistical Package for Social Sciences (SPSS version 24) statistical software was employed to analyze quantitative data. Descriptive statistics included percentages, mean and standard deviation. Pearson correlation coefficient, Analysis of Variance (ANOVA), and linear regression analysis were the inferential statistical methods used.

Findings of the Study

Of the 327 questionnaires administered to the study sample, 321 questionnaires were received back translating to a response rate of 98.17% which was sufficient for analysis, reporting and making conclusions.

Demographic Information

As part of the general information, the findings showed that 43.3% of the participants in this study specified that they had served in their state corporation for 11 to 20 years whereas 27.4% indicated 5 to 10 years. Further, the results showed that most of the middle-level managers in commercial state corporations (61.7%) had a master's degree and 26.8% had an undergraduate degree. Besides, the findings showed that 67.9% of commercial state corporations had been in operation for 55 years and above. Further, the results indicate that 84.7% of commercial state corporations had more than 300 employees. The results also depict that 38.9% of the respondents supervised between 5 and 10 employees, 19.1% of the respondents supervised 10-15 employees and 13.1% supervised less than 5 employees. The findings further established that 26.5% of the middle-level managers had served for 9 to 11 years and 25.2% had served for 6 to 8 years.

Descriptive Statistics for Lack of Clear Approach to Strategy Implementation and Organizational Performance

In descriptively addressing this objective, various statements were presented through the questionnaire to the respondents for which they were expected to respond on a Likert scale agreeing or disagreeing with the statements. The results of the descriptive statistics established that most of the respondents disagreed with the statement that their organizations do not identify the tasks required to implement its goals (M=1.421, SD=0.576). Most of the respondents also disagreed with the statement indicating that their organizations do not have a mechanism for anticipating changes in its operating environment (M=1.430, SD=0.577). In addition, most of the respondents disagreed with the statement that their organizations do not encourage the participation of stakeholders in the implementation of strategy (M=1.505, SD=0.638). Further, most of the respondents disagreed with the statement that their organizations do not follow any road map during the implementation of strategy (M=1.511, SD=0.667). Most of the respondents also disagreed with the statement indicating that their organizations have no specific budget for strategy implementation. (M=1.520, SD=0.666).

In addition, most of the respondents disagreed with the statement that organizations do not employ any specific routine during the implementation of strategy (M=1.489, SD=0.608). Most of the respondents also disagreed with the statement that their organizations' tasks are not clearly defined (M=1.567, SD=0.682). Also, most of the respondents disagreed with the statement that their organizations do not have fixed timelines for the implementation of strategy (M=1.489, SD=0.628). Moreover, most of the respondents disagreed with the statement that their organizations extend strategy implementation timelines (M=1.548, SD=0.684). Most of the respondents also disagreed with the statement that their organizations change the scope of a strategy during implementation (M=1.489, SD=0.628).

Further, most of the respondents disagreed with the statement that their organizations do not have specific preferences during the implementation of strategy (M=1.446, SD=0.678). Also, most of the respondents disagreed with the statement that their organizations take a break from implementing strategy before it is fully implemented (M=1.474, SD=0.607). Moreover, most of the respondents disagreed with the statement that their organizations lack the focus needed to achieve the goals of the organizational strategy (M=1.548, SD=0.697). Most of the respondents also disagreed with the statement that their organizations do not provide a budget for the implementation of strategy (M=1.576, SD=0.834). They also disagreed with the statement indicating that their organizations do not have a clear vision for the future (M=1.583, SD=0.763). Also, most of the respondents disagreed with the statement that their organizations do not budget for special projects (M=1.536, SD=0.750). Most of the respondents also disagreed with the statement that employees in their organizations do not understand the organizational strategy (M=1.530, SD=0.779).

Moreover, most of the respondents disagreed with the statement that their organizations do not have a mechanism to control the implementation of strategy (M=1.530, SD=0.707). Also, most of the respondents disagreed with the statement that their management do not guide the implementation of strategies (M=1.564, SD=0.752). They also disagreed with the statement that their management does not monitor the implementation of strategies (M=1.474, SD=0.694). Most of the respondents also disagreed with the statement that in their organizations there is inefficient use of resources during the implementation of strategy (M=1.474, SD=0.689). In addition, most of the respondents disagreed with the statement that the management in their organizations make poor decisions (M=1.511, SD=0.694). Also, most of the respondents disagreed with the statement that their organizations experiences a high rate of product errors (M=1.558, SD=0.727).

Correlation Analysis: The results, as presented in Table 1 indicate that no routine had a significant but weak negative correlation with the financial performance of commercial state corporations in Kenya ($r = -0.289$, p-value = 0.000). Besides, no preferences ($r = -0.312$, p-value = 0.000), and no control system (r = -0.245, p-value = 0.000) both had a significant but weak negative association with the financial performance of commercial state corporations in Kenya. Moreover, the findings indicate that having no routine (r = -0.293, p-value = 0.000), no preferences (r = -0.326, p-value = 0.000), and no control system (r = -0.253, p-value = 0.000) had a weak negative association with customer satisfaction in commercial state corporations in Kenya.

Table 1: Correlation Coefficients for Lack of clear Approach and Organization Performance

		1	**2**	**3**	**4**	**5**
1. No routine	Pearson Correlation	1				
	P-value					
2. No preferences	Pearson Correlation	.704**	1			
	P-value	.000				
3. No control system	Pearson Correlation	.690**	.760**	1		
	P-value	.000	.000			
4. Financial performance	Pearson Correlation	-.289**	-.312**	-.245**	1	
	P-value	.000	.000	.000		
5. Customer satisfaction	Pearson Correlation	-.293**	-.326**	-.253**	.756**	1
	P-value	.000	.000	.000	.000	

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

Regression Analysis of Lack of Clear Approach to Strategy Implementation on Organizational Performance

Preliminary tests for assumptions of regression were first conducted before fitting the regression model. The preliminary tests include the test of linearity, test of heteroscedasticity, test of normality of residuals, and test of autocorrelation.

Linearity Test: The lack of clear approach in strategy implementation has a negative/inverse linear relationship with organizational performance in commercial state corporations in Kenya. The results further indicate that the lack of clear approach in strategy implementation could explain 10.3% of organizational performance in commercial state corporations in Kenya. This implies that the assumption of linearity between the lack of clear approach in strategy implementation and organizational performance in commercial state corporations in Kenya was not violated.

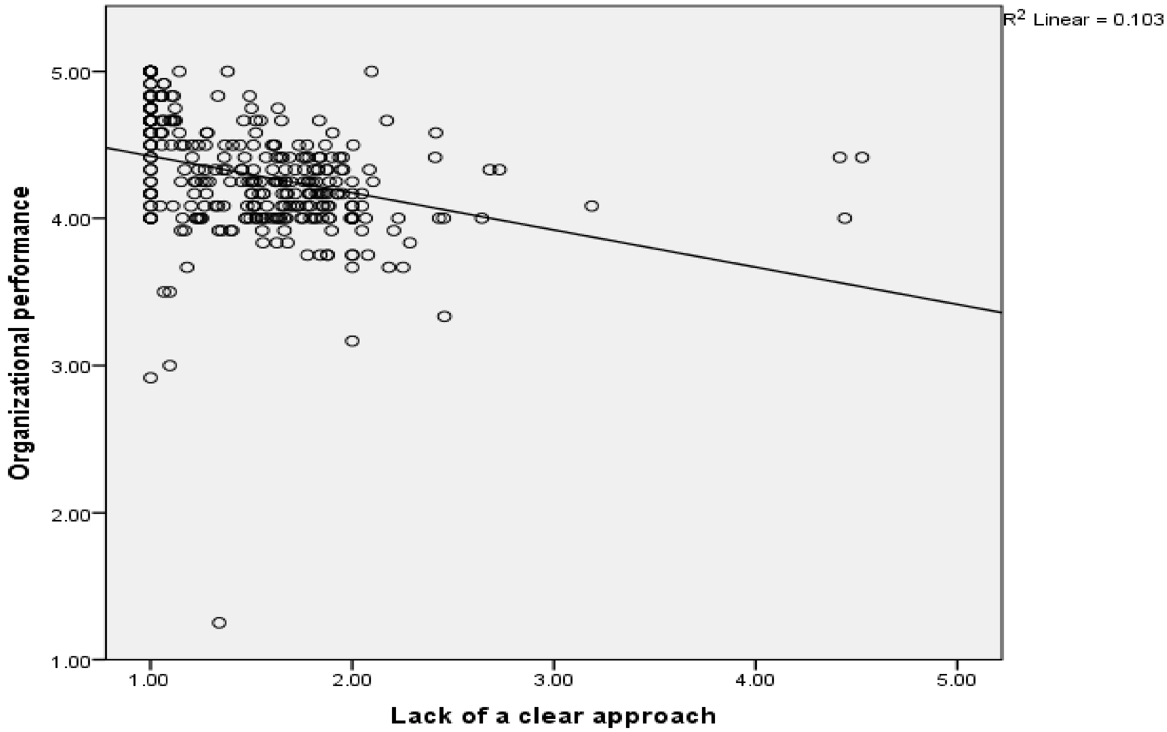

Figure 2: Scatter Plot for Lack of Clear Approach and Organizational Performance

Test of Heteroscedasticity: The test of heteroscedasticity was conducted after fitting the model. The p-value was 0.195, which was greater than the significance level of 0.05. This implies that there was homoscedasticity in the variance of the errors of the regression model.

Table 2: Breusch-Pagan Test for Heteroscedasticity

Ho: Constant variance	
Variables: Fitted with values of Organizational performance	
Chi2 (1)	1.605
Prob>chi2	0.195

Kurtosis and skewness: The test of the assumption of homoscedasticity was followed by the normality test. Kurtosis and skewness were used in the study. The values for kurtosis of the regression residuals were 4.933 while that of skewness was 1.558. These values did not exceed the absolute values of 7 for kurtosis and 2 for skewness as indicated by Kumar (2019) as the recommended normality threshold levels. Therefore, the inference was that the regression residuals had a moderately normal distribution.

Autocorrelation Test: The last assumption tested was the autocorrelation assumption which was tested using the Durbin-Watson statistic. A Durbin-Watson value of 1.5 to 2.5 indicates that a dataset has no autocorrelation (Jolivétte, 2015). In this research, the Durbin-Watson statistic was 1.727. Since this result is between 1.5 and 2.5, it indicates that the regression model's errors do not have serial correlation.

Regression Analysis of Lack of Clear Approach to Strategy Implementation on Financial Performance

Model Summary: The R-squared for the relationship between lack of clear approach to strategy implementation and the financial performance of commercial state corporations in Kenya was 0.107. This indicated that lack of clear approach to strategy implementation can explain 10.7% of the financial performance of commercial state corporations in Kenya. This further implies that 89.3% of the financial performance of commercial state corporations in Kenya is accounted for by the error term and other factors not considered in the model.

Table 3: Model Summary for Lack of Clear Approach and Financial Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.328[a]	.107	.099	.40403

a. Predictors: (Constant), No routine, No preferences, No control system
b. Dependent variable: Financial performance

Analysis of Variance: The F-calculated (12.697) was higher than the F-critical (3.871), and the p-value (0.000) was less than the significance threshold (0.05). This indicates that the model fits the data well. The null hypothesis was hence rejected and thus the alternative hypothesis that lack of clear approach to strategy implementation significantly influenced the financial performance of commercial state corporations in Kenya was accepted.

Regression Coefficients: The research study assessed the significance of the constructs of lack of clear approach to strategy implementation in predicting financial performance of commercial state corporations in Kenya. From the research study findings (Table 2) the regression model is:

$$\text{Financial Performance} = 4.690 - 0.233\,(\text{No preferences}) + \varepsilon$$

The findings, as presented in Table 2, indicate that the coefficient (β = -0.233) for no preferences was negative and significant at 5% significance level (p = 0.009). This means that a unit change in no preferences would cause an inverse change of 0.233 units in the financial performance of commercial state corporations in Kenya. However, no routine and no control system had no significant influence on the financial performance of commercial state corporations in Kenya.

Table 4: Regression Coefficients for Lack of Clear Approach and Financial Performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.690	.073		64.166	.000
	No routine	-.120	.064	-.149	-1.880	.061
	No preferences	-.181	.069	-.233	-2.643	.009
	No control system	.026	.063	.035	.405	.686

a. Predictors: (Constant), No routine, No preferences, No control system
b. Dependent Variable: Financial performance

Regression Analysis of Lack of Clear Approach to Strategy Implementation on Customer Satisfaction

Model Summary: The R-squared for the relationship between lack of clear approach to strategy implementation and customer satisfaction in commercial state corporations in Kenya was 0.115. This indicates that lack of clear approach to strategy implementation can explain 11.5% of customer satisfaction in commercial state corporations in Kenya. This further implies that 88.5% of customer satisfaction in commercial state corporations in Kenya is accounted for by the error term and other factors not considered in the model.

Table 5: Model Summary for Lack of Clear Approach and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.338[a]	.115	.106	.37142

a. Predictors: (Constant), No routine, No preferences, No control system
b. Dependent variable: Customer satisfaction

Analysis of Variance: The F-calculated (13.669) was higher than the F-critical (3.871), and the p-value (0.000) was less than the significance threshold (0.05). This indicated that the model is both well-fitting and statistically significant. The null hypothesis was hence rejected and thus the alternative hypothesis that lack of clear approach to strategy implementation significantly influenced customer satisfaction in commercial state corporations in Kenya was accepted.

Regression Coefficients: The researcher assessed the significance of constructs of lack of clear approach to strategy implementation in predicting customer satisfaction in commercial state corporations in Kenya. From the results in Table 3, the regression model is:

$$\text{Customer satisfaction} = 4.692 - 0.258\,(\text{No preferences}) + \varepsilon$$

The findings, as presented in Table 3, indicate that the coefficient (β = -0.258) for no preferences was negative and significant at 5% significance level (p = 0.004). This means that a unit change in no preferences would cause an inverse change of 0.258 units in customer satisfaction in commercial state corporations in Kenya. However, having no routine and no control system had no significant influence on the customer satisfaction of commercial state corporations in Kenya.

Table 6: Regression Coefficients for Lack of Clear Approach and Customer Satisfaction

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.692	.067		69.821	.000
	No routine	-.102	.059	-.137	-1.739	.083
	No preferences	-.185	.063	-.258	-2.929	.004
	No control system	.025	.058	.038	.437	.663

a. Predictors: (Constant), No routine, No preferences, No control system

b. Dependent variable: Customer satisfaction

Qualitative Results for Lack of Clear Approach: Regarding absence of a documented procedure for strategy implementation, the respondents in most of the commercial state corporations indicated that their organizations had documented procedures for the implementation of strategy. In addition, they indicated that commercial state corporations had a clear roadmap for pursuing opportunities in their operating environment. Concerning allocations of resources, the respondents indicated that resources in their organizations were tied to deliverables/objectives/plans, and that the organizations always allocated resources for the implementation of strategies. Regarding lack of a plan for strategy implementation in commercial state corporations, the respondents also indicated that there existed a proper plan for strategy implementation in their organizations.

Discussion of Findings

This study developed a model for predicting how lack of a clear approach to strategy implementation influenced the performance of commercial state corporations in Kenya. It was established that lack of clear approach to strategy implementation significantly influenced the financial performance of commercial state corporations in Kenya, depicting a negative impact on customer satisfaction. The findings agree with the observation by Kabiru et al. (2018) that lack of planning during the implementation of a strategy negatively influences the performance of state-owned corporations. The findings further support the contingency theory which argues that different situations, events and circumstances necessitate the use of different approaches to manage, handle or solve issues (Friedberg, 1997). The results are also aligned to the French school of thought which focuses on the risk-taking characteristic of entrepreneurs (Brown & Mark, 2013).

Previous studies on lack of clear approach to strategy implementation have used different dependent variables including management of Non-Communicable Diseases (NCD) and individual performance. In addition, some of these research studies were conducted in other countries while some focused on a private sector context. The present study attempted to fill research gaps by examining how lack of clear approach to strategy implementation influenced the performance of commercial state corporations in Kenya. Organizations that lack a clear approach to the implementation of strategy ordinarily have no pre-defined routines and procedures, often lack strategic preferences, and operate without controls. The findings of this study imply that failure to budget for strategy implementation activities, lack of a road map for the implementation of strategy, limited and unstructured participation of stakeholders in the strategy implementation process, and failure to identify the tasks required to implement strategic goals leads to diminished performance of commercial state corporations.

The current study further established that lack of clear approach to strategy implementation positively and significantly influenced the financial performance of commercial state corporations in Kenya. In addition, the present study found that lack of clear approach to strategy implementation significantly influenced customer satisfaction in commercial state corporations in Kenya. The findings concur with the observation by Kabiru et al. (2018) that lack of planning during the implementation of strategy negatively influences the performance of state-owned corporations. However, the findings of this study contradict the observation by Herriott (2014) that lack of clear approach to strategy implementation has a positive influence on organizational performance. This study found that lack of routine had no significant influence on the financial performance of commercial state corporations in Kenya. Further, this study established that lack of routine had no significant influence on the customer satisfaction of commercial state corporations in Kenya. The findings contradict the observation by Andrews et al. (2017) that lack of routine has a negative effect on organizational performance. Further, the findings contradict the observation by Herriott (2014) that lack of routine has a positive effect on organizational performance.

According to Warren et al. (2019), lack of preference had a negative association with organizational performance. These findings are in line with the present study which revealed that lack of preferences had a negative and significant influence on the financial performance of commercial state corporations in Kenya. In addition, these findings are in line with the present study which revealed that lack of preferences had a negative and significant influence on the customer satisfaction of commercial state corporations in Kenya. This research study established that lack of a control system had no significant influence on the financial performance of commercial state corporations in Kenya. Further, the findings of this research study revealed that lack of a control system had no significant influence on customer satisfaction in commercial state corporations in Kenya. The findings of the present research contradict the observation by Jamil and Mohamed (2013) that poor control systems had a negative impact on organizational performance.

Conclusions and Recommendations

This study concludes that the lack of a clear approach to the implementation of strategy erodes financial performance and therefore recommends that in order to enhance financial performance, the top management of commercial state corporations should ensure budget provisions for strategy implementation activities, develop a strategy implementation roadmap, ensure the engagement of all stakeholders in the development process, and identify the specific tasks required to realize the strategy goals. The present study further recommends that in order to develop clear strategic goals, the top management in commercial state corporations should come up with a clear vision for the organization and ensure that the same is owned by all stakeholders.

This study also concluded that the level of customer satisfaction is diminished where an organization lacks a clear approach to the implementation of strategy and therefore recommends that in order to enhance customer satisfaction, the top management of commercial state corporations should ensure budget provisions for strategy implementation activities, develop a strategy implementation roadmap, ensure the engagement of all stakeholders in the development process, and identify the specific tasks required to realize the strategy goals. Further the study recommends that in order to develop clear strategic goals, the top management in commercial state corporations should come up with a clear vision for the organization and ensure that the same is owned by all stakeholders.

Besides, policymakers such as the State Corporations Advisory Committee (SCAC) should make it mandatory for all commercial state corporations to adopt a clear approach to strategy implementation. This is because a clear approach to the implementation of strategy ensures that the tasks required to implement strategic goals are clear, and that a mechanism is in place to anticipate changes in the operating environment. Further, having a clear approach to strategy implementation ensures that commercial state corporations allocate budgets for the implementation of strategic activities. In addition, the parent ministries of these commercial state corporations should ensure that adequate resources are provided in a timely manner in order to facilitate the implementation of adopted strategies.

Implications of the Study to Theory and Policy

The findings of the present research study support the contingency theory which argues that different situations, events and circumstances necessitate the use of different approaches to manage, handle or solve issues. The findings of the present study are also aligned to the French school of thought which focuses on the risk-taking characteristic of entrepreneurs. Policymakers, such as the State Corporations Advisory Committee (SCAC), should make it mandatory for all commercial state corporations to adopt a clear approach in the implementation of strategy. This is because a clear approach to the implementation of strategy ensures that the tasks required to implement strategic goals are clear, and that a mechanism is in place to anticipate changes in the operating environment. Further, having a clear approach to strategy implementation ensures that commercial state corporations allocate budgets for the implementation of strategic activities. In addition, the parent ministries of these commercial state corporations should ensure that adequate resources are provided in a timely manner in order to facilitate the implementation of adopted strategies.

Suggestions for Further Research

This study was conducted among commercial state corporations in Kenya and hence its findings may not be generalizable among other state corporations in Kenya. Therefore, the present study recommends further research on lack of clear approach to strategy implementation and organizational performance among other organizations in Kenya that are not necessarily state owned. Future research could also be conducted among ministries, departments, and agencies. In addition, this research study found that lack of clear approach to strategy implementation could explain 10.7% of the financial performance, and 11.5% of customer satisfaction in commercial state corporations in Kenya. As such, more studies could be conducted to investigate other factors that could influence the performance of commercial state corporations in Kenya.

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