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## INFLUENCE OF ORGANIZATIONAL FACTORS ON IMPLEMENTATION OF STRATEGIC PLANS AMONG INDEPENDENT REGULATORY PARASTATALS IN KENYA

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### Abstract

The study set out to examine the factors influencing implementation of strategic plans of selected Kenyan parastatals. The study specific objectives were to examine the effect of resources, top management commitment, business dynamics and communication on implementation of strategic plan of selected Kenyan parastatals. Implementation of strategic plans in parastatals involves use of resources both financial and staff in the existing business environment to remain relevant and competitive. To deal with the unprecedented level of change, sufficient preparation is necessary for successful implementation of strategic plan. Despite a lot of efforts and resources being channeled into implementation of strategic plans in parastatals face imminent failure. This implies that, implementation of strategic plan still remains a challenge for parastatals in Kenya. To implement strategic plans in parastatals, allocate sufficient human, financial and other resources such as equipment and IT support to each step of the action plan. Assigning adequate resources shows that the parastatal's leadership is serious about the plan and helped motivate employees to accomplish their assigned tasks. To strengthen the conceptual framework the study adopted the following theories; dynamic capability view theory, human capital theory, general systems theory and management theory. The target population was 2,238 employees at industry regulators consisting of top managers and middle level managers. The sample size was 339. A pilot study was carried out to refine the instrument. The quality and consistency of data was further assessed using Cronbach's alpha. Data analysis was through Statistical Package for Social Science (SPSS Version 23) for Windows. Descriptive analysis was done using frequency counts, percentages, means and standard deviation, regression, inferential statistics, correlation and the information generated was presented in form of graphs, charts and tables. On resources, the study findings established that independent regulatory parastatals in Kenya allocate sufficient financial resources, manpower and time to enable successful implementation of strategic plans in Kenya. On top management commitment, the study results showed that they are committed in implementation of strategic plans of independent regulatory parastatals in Kenya. On business dynamics, the study results revealed that parastatal prefer to implement strategic plans during economic boom. Frequent changes in top management in parastatals affect implementation of strategic plans. Changes in technology affects implementation of strategic plan in parastatals. On communication, the study results revealed that employees are full involved in the implementation of strategic plan of independent regulatory parastatals in Kenya. The study Pearson correlation demonstrates that there is a positive correlation between the independent variable's and the dependent variable implementation of strategic plan in independent regulatory parastatals in Kenya. In answering the research question as to whether resources, top management commitment, business dynamics and communication have an effect of implementation of strategic plans in independent regulatory parastatals in Kenya, the study findings established that resource affects implementation of strategic plans in independent regulatory parastatals in Kenya.

Key words: *Strategic Plans, Parastals, Kenya*

### 1. Introduction

Implementation of strategic plans in parastatals involves use of resources both financial and staff in the existing business environment to remain relevant and competitive. To deal with the unprecedented level of change, sufficient preparation is necessary for successful implementation of strategic plan (Olson, Slater, & Hult, 2017). Despite a lot of efforts and resources being channeled into implementation of strategic plans in parastatals face imminent failure. This implies that, implementation of strategic plan still remains a challenge for parastatals in Kenya. To implement strategic plans in parastatals, allocate sufficient human, financial and other resources such as equipment and IT support to each step of the action plan. Assigning adequate resources shows that the parastatal's leadership is serious about the plan and will help motivate employees to accomplish their assigned tasks. (Kiplagat, 2017). Communicate the plan clearly showing the requirements of your action plan throughout the implementation process, making sure that employees understand how the plan delivers on the parastatals vision. Continuously monitor implementation of strategic plans progress towards milestones and other performance measures you have set down in the action plan. Finally update and adjust your implementation of strategic plan as condition change over the course of during of

implementation of strategic plan.

Different parastatals have developed their own strategic plans depending on their status, needs, and objectives. Kenya government in the year 2013 Presidential Task Force on Parastatal Reforms made it mandatory for parastatals to develop their domesticated strategic plans to guide the parastatal's development. It is difficult for any management team to formulate a consistent strategy and it's even more difficult to implement the strategic plan in the whole organization any factors can affect the process of turning strategies into organizational action (Noble & Mokwa, 2017). In Kenya there are 139 parastatals clustered into commercial parastatals, strategic functions parastatals, state agencies parastatals, independent regulatory parastatals and research parastatals (PTPR, 2017). Majority of parastatals have failed to implement strategic plans because of merged functions, transferred functions, performance of devolved functions and some are earmarked for dissolution (Bett, 2018). Parastatals in Kenya are established within the provision of State Corporation Act Chapter 446 of the laws of Kenya and given the autonomy to run and concentrate on specific mandate in order to improve service delivery to the public. Although parastatals have board of directors to oversee the day-to-day operations, they operate with general supervision of respective Ministries under which they were created (PTPR, 2017).

In a global perspective, a case in point is Xerox Corporation. Chesbrough et al., (2014) states that even though Xerox contributed too many break-through technical revolutions, but failed to profit from them due to its failure to scan both internal and external environment. Some inventions which are based on knowledge such as the desktop terminal, Ethernet LAN, windows explicit boundary, script acknowledgement, updraft inkjet, image accomplished nets, live Board, HR flat panel display and 3Dimension information conception (that is, all these un settling machineries formed between 1970 to 1990) were not interpreted to industries or goods by Xerox (Loutfy & Belkhir, 2001). This failure is attributed to lack of strategic learning from external business environment and capture marketplace for its products. From a global perspective, Rajasekar (2014) examined the factors aspects influencing effective plan implementation in a facility industry in Oman. The research showed that successful strategic implementation is crucial for any organization to survive in the competitive environment. Organizations cannot bear a competitive advantage despite strong strategy design because of the lack of the procedures in executing the strategy.

Apple strategically planned for its iPhone device and it turned to be the keystone of the product line of the company. This made Steve Jobs, the CEO to declare that it was "plainly five years" in advance with the rest of the mobile companies (The Telegraph, n.d.). While the rest of the other systems dealt failure, the Apple Company deliberately planned for the iPhone in the most perfect way possible. Borrowing from this, Kenya postal corporation, mighty its resources and network could have capitalized to gain competitive niche in service sector. Instances of the execution of strategic statistical systems are predominant all over the modern philosophy, right from the ineffective publication of the leading US healthcare exchange site, healthcare.gov, to the extremely fruitful delivery of iPhone, for the apple company, which recurrently shoves the borderline of mobile gadgets ability and eminence. These binary systems play totally different roles; they both exceptionally exemplify effective and ineffective strategized planning and execution.

In the United Kingdom strategic plan implementation has also been found to have a significant impact on the functioning, performance and effectiveness of an organization, and is essential for its success (Schaap, 2017; Noble and Mokwa, 2017). Furthermore, the cost of strategy implementation plan failure could sometimes be fatal for an organisation in terms of benefits lost, formulation expenses, and the firm's sustainability (Nutt, 2016). That is why strategy implementation plan has been considered a vital concern in managing strategic changes (Thomas, 2016).

At the same time, formal strategic plan implementation could potentially enable public service organizations to better manage the support from stakeholders that is needed to achieve strategic objectives (Pfeffer and Salancik, 2018). This is especially important in the public sector, since the context in which public organizations operate has a massive influence on organizational behaviour and outcomes (O'Toole and Meier, 2016). In particular, the ways in which public organizations respond to stakeholders has become increasingly important as those organizations have needed to do more to collaborate and co-operate with the diverse actors who have a stake in the process of strategy implementation (and formulation) (Osborne, 2016).

During the past two decades, strategic planning in Canadian governments has gained importance in response to increasing public demands for accountability and transparency. For example, since the late 1990s, the federal government has required government departments and agencies to produce annual Reports on Plans and Priorities (RPP) (Pollitt and Bouckaert, 2016). The RPPs, which detail departmental priorities by strategic outcome, program, and expected results for a three-year period, play an important role in the Government's planning and resource management processes, as well as provide a basis for ministerial accountability to Parliament by allowing comparisons of the actual results published in annual performance reports against the plans (Treasury Board Secretariat Canada, 2016). To further improve the efficiency and effectiveness of such administrative functions, the Priorities and Planning Sub-Committee on Government Administration was created in 2012 (Office of Prime Minister of Canada, 2012). At the provincial level, although implementation can vary significantly, all ten Canadian provinces also have priority-setting/strategic planning, budgeting, and performance reporting functions as key elements of their performance management and accountability frameworks (Canadian Institute of Chartered Accountants, 2016). Hence, the increasing importance of strategic planning practices across Canadian governments makes the Canadian public sector a highly relevant and contemporary context in which to examine the strategy planning-implementation relationship.

A study by Jousté and Fourie (2019) in South Africa concluded that leadership and especially strategic leadership role of providing direction during strategy implementation is important in influencing organization performance. Noble & Mokwa (2019) found out that manager's commitment to strategy (which refer the extent to which a manager comprehends and supports the goals and objectives of a strategy) and individual 38 manager's role performance (the degree to which a manager achieves goals and objectives of a particular role) positively influences the success of strategy implementation effort and performance in an organization.

Pressman and Wildavsky (2016) state that implementation of strategic plans in parastatals could not be successful if it is divorced from Planning. They further argue that good implementation of strategic plan must begin in the actual planning of the policy. Policy makers tend to divorce themselves from the actual implementation of strategic plans and as a result they misestimate the amount of time and detail that is required to be successful. This comes in many forms. Pressman and Wildavsky (2016) note leaders make decisions and in thinking about the finish line, often fail to contemplate all the intricacies of getting there. They expect those under them to figure out the sequence of events. Implementation of strategic plan is an evolutionary process, not a revolutionary. There must always be evaluation and tweaking occurring for implementation of strategic plan to be successful. This must be an ongoing process, or the project will hit a wall and may not recover. The longer the players take to implement the policy the more difficult it is to be successful. The key to a successful implementation of strategic plan is by aligning the initiatives, having a full and active executive support, widespread perceived need for the strategic planning effective communication, through engaging employees, thorough organizational planning and competitive analysis, aligning budgets and performance, and by monitoring and adapting.

Poor strategy execution has caused about 70% of planned strategy to fail, whereby managers lacked commitment and were indecisive of strategic content or decision itself (Lynch, 2012; Wanjiku and Ombui, 2013; George and Desmidt, 2014). Also, other studies anticipated the failure rate to be between 50% and 90% (Gebhardt & Eagles, 2014). Hence, wise and informed decisions from top management are needed when approaching certain strategic issue that could affect people and their overall implementation (Muchemi, 2013; Gebhardt & Eagles, 2014); uncertain business environment often centres around CEOs given their ultimate responsibility on the strategic direction of organisation (Lynch, 2012; George & Desmidt, 2014).

Furthermore, divisional and functional managers work in developing programs, budgets, and procedures for executing strategy with their colleague managers (Cherop, 2012; Mavhiki, 2012). Moreover, the most important pre-condition for successful execution of 8 strategies is the commitment of executives at top level to follow the direction of the strategy (Lynch, 2012; Wanjiku & Ombui, 2013). Top managers, therefore, need to show their willingness to give loyalty and energy to the execution process (Mutuku, 2012; Waititu, 2016). To ensure the strategy is executed as planned, top executives should not consider that lower level managers have the same perceptions about executing strategies, and their importance and urgency, but rather, they must work together with employees to attain these goals (Mavhiki, 2012; Koech & Were, 2016).

## 2. Statement of the Problem

Parastatals reforms are long overdue and the Presidential Taskforce on parastatals reforms has not been implemented (PTPR, 2017). Lack of implementation of the strategic plans in parastatals results in low staff morale, wastage of financial resources which would have otherwise is put to productive activities and poor performance (Kiplagat, 2017). Parastatals have a second cycle of five-year strategic plans running through the year 2018 to 2022.

In this era of performance-based management, Kenyan parastatals are currently implementing their strategic plans for 5 years developed for the period of between 2013 - 2018. Some researchers have noted that parastatals fail to implement up to 70% of their strategic initiatives in the first two years (Miller 2017). To survive, parastatals have to implement strategic plan to aid them to succeed in the competitive environment in which they operate (Madegwa, 2017).

Wairimu (2016) examined the influence of implementation of strategic plans in the service industry while Juma (2017) evaluated the influence of implementation of strategic plans in Non-Governmental organizations. Kariuki (2017) examine the influence of implementation of strategic plans on performance of National Government Constituency Development Fund for Gachoka Constituency and Messah and Mucai (2018) examined the factors influencing the implementation of strategic plans in Government Tertiary institutions.

Though parastatals struggle to implement strategic plans, their efforts tend to pull and diffuse apart since less has been done to uncover the problems they face during implementation. It is against this premise, which formed the purpose of the study to examine the extent to which resources, top management commitment, business dynamics and communication influences implementation of strategic plans among selected Kenyan parastatals.

## 3. Purpose of the Study

To examine the factors influencing implementation of strategic plans among independent regulatory parastatals in Kenya.

## 4. Literature Review

### 4.1 Theoretical Review

#### 4.1.1 Dynamic Capability View Theory

The dynamic capabilities view of a firm was launched Teece in early 1990s. The framework is based on the works of (Teece, 1997). The theoretical framework is an advancement of the resource-based view of the firm which views resources as the key to superior organization performance. If a resource exhibits the VRIO attributes, it enables an organization to achieve a competitive advantage (Barney, 2001; Rothaermel, 2012).

According to Barney (2001), the dynamic capability view theory framework emerged in 1980s and 1990's after the major works published by Teece. Barney, J. (Firms resource and sustained competitive advantage). However, the dynamic capability view theory failed to recognize the fact that environment in which organizations works today is not static but dynamic and turbulent in nature (Priem & Butler, 2001). The effort to rethink about the applicability of the dynamic capability theory in a dynamic environmental context that characterizes today's organizations is what gave birth to the Dynamic Capabilities Theory or approach to organizations.

According to Teece (2014), a capability is the capacity to utilize resources to perform a task or an activity, against opposition of circumstance. Capabilities flow from astute bundling or orchestration of resources. Dynamic capability theory refers to physical, human and organizational assets (Eisenhardt & Martin, 2000), as well as learned and stable patterns of behavior through which a firm systematically generates and modifies its way of doing things, so that it can become more effective (Zollo & Winter, 2002). The dynamic capability theory (Eisenhardt & Martin, 2000) is based on the concept that organizations will always attempt to renew their resources in a way that suits the changes taking place in a dynamic environment. According to Teece, Pisano and Shun (1997), dynamic capability approach examines how firms are able to integrate, build, and reconfigure their specific competencies (internal or external) into new competencies that match changes taking place in a turbulent environment (Helfat, Finkelstein, Mitchel, Peteraf, Singh, Teece & Winter, 2016).

The dynamic capability framework assumes that firms with greater dynamic capabilities will always outperform those with smaller dynamic capabilities. Therefore, operations in a dynamic environment call for firms to continuously renew, re-engineer and regenerate their internal and external firm's specific capabilities in order to remain competitive (Teece, 2007). The dynamic capabilities are hard to develop and difficult to transfer because they are tacit and are embedded in a unique set of relationships and histories of a firm. Ordinary capabilities, according to RBV (Grant, 2001), are about doing things right whereas dynamic capabilities are about doing right things at the right time based on unique processes, organizational culture and prescient assessments of the business environment and technological opportunities surrounding a firm (Teece, 2014). Managerial functions are relevant to dynamic capabilities in areas of co-ordination, guided learning, and reconfiguration or transformation. Dynamic capabilities reside in at least part, in managerial entrepreneurship and leadership skills of the firm's top management and in managerial ability to design, develop, implement and modify their daily organizational routines (Teece *et al.*, 1997).

The dynamic capability theory underpins three independent variables in this study. Leadership is a dynamic capability and a change in leadership skills is required as the environment of business changes. Organizational structures keep on changing with changes in strategies necessitated by the market changes. Structural capabilities and adaptability are required for organizations to survive in a complex and dynamic environment. Technology is a dynamic capability and keeps on changing with changes in the environment. Human resource is not a dynamic capability, but new capabilities can be created in human resources through training and acquisition of new knowledge and skills in line with environmental changes.

#### 4.1.2 Human Capital Theory

Human Capital Theory founded by Becker's (1993) noted that the most valuable of all capital is that of investment in human being. The theory distinguishes firm-specific human capitals from general-purpose human capital. Examples of firm-specific human capital include expertise obtained through education and training in management information systems, accounting procedures, or other expertise specific to a particular firm. General-purpose human capital is knowledge gained through education and training in areas of value to a variety of firms such as generic skills in human resource development (Onyango, 2012). Baron and Armstrong (2017) suggest that human capital arises out of any activity able to raise individual worker productivity. In practice full-time education is, too readily, taken as the principal example. For workers, investment in human capital involves both direct costs, and costs in foregone earnings (Odongo, Owuor, 2015). Okumus and Roper (2017) affirm that workers making the investment decisions compare the attractiveness of alternative future income and consumption streams, some of which offer enhanced future income, in exchange for higher present training costs and deferred consumption. Returns on societal investment in human capital may in principle be calculated in an analogous way (Njau, 2016).

A major strength of HCT is that it helps policymakers and researchers evaluate the relationships between education and training as inputs and economic and social benefits as outputs. Extensive empirical research within the HCT framework suggests that increased amounts of schooling are associated with higher individual wages, GDP growth, higher rates of civic participation,



lower crime rates, and better health outcomes. This research offers policymakers a lens for evaluating the relative efficiency of public investments in programs that encourage more schooling. The framework can also contribute to more effective policy development by helping policymakers understand the amounts and characteristics (e.g. quality) of education and training that matter most for achieving desired outcomes such as economic growth and increased levels of civic participation.

Another strength of HCT is that it provides a useful lens for understanding how policy can be developed to incentivize individuals' investment in their own education. Pursuing education involves both costs (e.g., forgoing potential earnings in the present) and benefits (e.g., higher wages in the future) at the individual level. By using HCT to understand what these costs and benefits are, policymakers can more effectively develop policies such as student loan and dual enrollment programs to change individuals' cost/benefit calculations (Becker, 1993).

A limitation of HCT is that it assumes education increases productivity in the workplace, resulting in higher individual wages, but it provides little insight into the processes through which education and training are translated into higher wages. In statistical models, education and training account for about 30 percent of the variance in individual wages, which suggests HCT leaves a significant percentage of wage variability unexplained. A variety of "middle range" theories (e.g., screening and credentials) attempt to explain the other 70 percent of individual wage variability and some of these theories examine the relationship between educational credentials (e.g., a bachelor's degree) and earnings. Many of these "middle range" theories focus on the social and cultural contexts in which employment decisions are made and suggest numerous factors besides productivity (e.g., cultural and social capital) are involved in the relationship between education and higher wages. It is thus critical for policymakers to consider alternative frameworks in conjunction with HCT to more fully understand the relationship between education and private economic returns such a higher wage (Becker, 1993).

Mwangu (2016) argues that human capital is 'generally understood to consist of the individual's capabilities, knowledge, skills and experience of the company's employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills, and experience through individual learning. Despite the important role of human capital in modern societies, there are still many unknowns about the process of educational production as well as individual and collective decisions concerning how much and what kind of education to obtain (Mweni, 2018). The theory applicable in this study on the premise that employee skills and knowledge will lead to quality decisions formulation and implementation to promote organizational performance. Organizations should invest in employee trainings in order implement strategies formulated without difficult. Employee training will minimize change resistance and enhance strategic planning process.

#### 4.1.3 General Systems Theory

According to Chen and Stoup (1993), the General Systems Theory (GST) emerged from the works of an Austrian biologist Ludwig von Bertalanffy in 1930's. The theory studies the structure and properties of a system in terms of relationships and interdependencies among various components from which the properties of the whole emerge. The system theory also views the world in terms of relationships and integration and emphasizes the principle of organization.

Bank, Carson and Nelson (2016) define a system as a group of objects that are joined together in some regular interaction or interdependence toward the accomplishment of some purpose. This implies that a system is made up of different components that work together in a regular relationship to accomplish a common goal. The system components include entities, objects of interest within the system, attributes, or defining properties of entities, states of the system's collective descriptive variables at a given time, activities taking place at a given time, and events that have the potential to change the state of the system (Bank *et al.*, 2016) Modern organizations qualify as open systems and within an organization as a system; there exist subsystems like human resource, administrative, management information systems, social-technical, structural and others (Swanson & Holton, 2016; Torraco, 2017) The common features of a system include the systems boundary, its external environment, and sensitivity to disturbances both within and outside the system.

The foundation of systems theory is that all the components of an organization are interrelated and changing one variable brings changes to other variables. Organizations are viewed as open systems where they are continually interacting with their environment. They are in a state of dynamic equilibrium as they adapt to environmental changes. A central theme of systems theory is that sometimes nonlinear relationships might exist between variables where small changes in one variable can cause huge changes in another and large changes in another variable might only have a nominal effect on another.

French, Kast and Rosenzweig (2018) underscored that the systems theory views organizational structure as the established pattern of relationships among different parts of the organization. The most important according to the theory are the patterns in relationships and duties which includes integration (the way activities are coordinated), differentiation (the way tasks are divided), the structure of the hierarchical relationships (authority systems), and the formalized policies, procedures, and controls that guide the organization (administrative systems).

The strength of systems theories lies in the interdependency, adaptability and exchange of resources and energy from the different systems. In the general systems theory, there is an emphasis on removing obstacles in the system of implementation of strategic plans in parastatals. Further, the theory focuses on inclusion of all stakeholders rather than separation. The general

systems theory is helps to synchronize how the top management of parastatals utilizes resources allocated to them in a most effective manner.

From a systems theory point of view, successful strategy implementation requires a well-coordinated effort and harmonious interactions among various components of an organization. The leadership component in an organization alone may not succeed in strategy implementation effort without creating proper structures and ensuring active participation of other subsystems like human resources (people), social-technical and information subsystem (technology). Moreover, organizations must also continuously interact with the dynamic environment to obtain the required resources that drive implementation of a strategy to success. The systems theory underpins all the variables in this study apart from strategic direction of the firm.

#### **4.1.4 Management Theory**

Management theory generally is known as Frederick Taylor's Scientific Management. In his theory he emphasizes on efficient training of workers (Harper, 2014). His major contribution was the idea of breaking down an intricate task into a unit (Work Breakdown Structure) to optimize the performance where management plays a role of execution of sciences and teaching and workforces in the labor sector, with each sector handling a task that it will do the best (Mulder, 2015). This is his strongest positive heritage of subdividing a complex task into numerous subtasks and improving the presentation and productivity of the subtasks. The theory gives a modest conceptual framework and a plan that can guide a firm to achieve their objectives. This is demonstrated by its contributions to business process outsourcing (BPO) a real-world application daily firms (Cole, 2014; DuBrin, 2016). It is this critical survival aspect and having the ability to adapt as a firm to cope and adapt to the dictates of changing business landscape as a result of rapid change of consumer needs, due to liberalization, globalization, de-regulation, technological advancement and dynamism in the market, calls for the corporation to re-cast its competitive strategies in order to deliver its core mandate.

In the words of Kimotho (2016) the concept of strategic management addresses three key questions namely; what the goals of the organization are, how they will be attained and how they will be evaluated. Strategized planning entails scanning of an organization's internal and external environment, strategic preparation, execution, assessment and regulation and in the words of Nwachukwu (2014) management theory has unquestionably captured the dynamism of being responsive and adaptive to the internal and external environmental needs of evolving organizations such as Kenya postal corporation. The impact of information technology and the internet that have significantly affected the way organizations, managers and workers performs (Hassan, 2015). The application of management theories in this view is technology especially service industry, the impact of technology advancement has changed the rules of engagement on how organizations conduct their business with regards to services delivery (Alkali, 2016).

#### **4.2 Discussion of Study Variables**

##### **4.2.1 Resources**

The availability of resources in terms of staff, skills, knowledge, finance and time, is thought to be a crucial part of strategy implementation (Alexander, 2015; Miller, 2012). In essence represent the strengths that forms can use to assist with the conception and implementation strategies (Barney, 2017). Therefore, appropriate allocation of resources is important to use survival and success of an organization. Examples of resource allocation could be the budgeting process, training and development of staff to increase level of skills within the organization and availability of physical resources such as assets for use in the organization (Miller, 2012). Resource allocation must be oriented to objectives achievements. Objectives should be clearly laid down with strategic priorities for resource allocation. Their preferences attract more resources for their pet reports (Chowrasta, 2017).

Budgets and resources allocated within the functional areas of an organization will affect whether plans will be achieved or not and the time it will take to achieve these targets. According to Jooste and Fourie (2019), the organizational workplace will also affect how smooth the implementation process moves. Organizations' cultures include a political component making all organizations to be political in nature. Managerial behavior cannot be purely rational, and this affects how implementation process progresses (Ohja, 2012).

Spender (2014) noted that organizations need resources (human and financial) to be able to implement formulated strategies to achieve identified goals and objectives. How effective these resources are allocated will influence how effective a strategy will be implemented. The main objective of a business entity is to generate profits providing products and services that meet the needs of the consumers. To meet their objectivity of profitability firms, adopt strategies like, adoption of new technology to enhance service delivery, reduction of staff occupying obsolete positions due to adoption of a new organization structure, hiring of professionals, all this require financial resources to be achieved. According to Spender (2014) how successful and effective a strategy will be implemented will depend on the organizations human resource and financial resources are allocated. If an organization implements a strategy without proper allocation of resources as per the strategic implementation schedule, challenges are bound to arise during implementation process.

Wangari (2016) argues that implementation of strategic plans fails because not enough resources were allocated to successfully implement them, and that lack of resources is generally a bigger threat to capital-intensive strategies. Hussey (2016) as cited by Jebukosia (2017) argues that deploying the requisite resources is critical for successful implementation of strategic plan. From strategic leadership, resources needed adequately to effectively implement organizational strategy include financial resources, human resources and technological resources.

Korir and Moronge (2017) evaluated drivers of implementation of corporate strategic plans in government parastatals. The study focused on resource allocation and leadership. The study concluded that that implementation of corporate strategic plans in the government parastatals in Kenya is affected by leadership followed by resources allocation management being the major factors that mostly affect implementation of corporate strategic plans in the government parastatals in Kenya. Okumus (2016) on the other hand identified that there should be a process of ensuring that all necessary time financial resources, skills and knowledge are made available. Resources are closely linked with operational planning and have a great deal of impact on communication and on providing training and incentives. In the implementation of strategic plans, the main areas to look into when allocating resources are the procedures of securing and allocating financial resources for the new strategy, information and knowledge requirements, the time available to complete the process and the political and cultural issues within the company and their impact on resource allocation. Sterling (2017) viewed that some strategies fail because not enough resources were allocated to successfully implement them.

#### **4.2.2 Top Management Commitment**

Thompson and Strickland (2017) further stated that strategic leadership keeps organizations innovative and responsive by taking special plans to foster, nourish and support people who are willing to champion new ideas, new products and product applications. Griffins (2015) identified leadership in an organization as one of the main factors influencing strategy implementation by providing a clear direction, up to date communications, motivating staff and setting up culture and values that drives organizations to better performance.

Van Maas (2008) identified leadership as an important variable affecting organization performance. Consequently, strategy implementation and superior performance requires a leader who drives the implementation effort successfully by motivating employees, by providing the overall direction for the implementation effort, by creating strategic vision and communicating that vision to organizational members, by actively leading the implementation effort as an example or a role model, by radiating and building confidence of the organizational members implementing the strategy, by taking decisive stand when confronted with problems of resistance to change or when they are forced to take tough decisions during implementation effort and by maintaining integrity, honesty and making just decisions during the strategy implementation effort.

Heracleous (2000) identified various roles played by leaders during strategy implementation process and classified them as a commander (a leader who attempts to formulate an optimum strategy), an architect (a leader who tries to designs the best way to implement a given strategy), a coordinator (a leader who attempts to involve other managers to get committed to a given strategy), a coach (a leader who attempts to involve everybody in the strategy implementation efforts) and a premise-setter (a leader who encourages other managers to come forward as champions of sound strategies).

Successful strategic implementation relies on knowledgeable employees, operational internal structural organization, resources strength and allocation, and prevailing market conditions (Kotter, 2014). Most people understand that strategic growth and strategic execution commences at the highest level of the organization. This is evidenced in recent research by Barrick, Thurgood, Smith, and Courtright (2015) who claimed and got support for the element that the implementation of strategy by firms originated from the fact that the executive management teams set goals, and worked towards ensuring that the set goals and objectives are accomplished. (And then sub goals) and setting in motion the actions needed to ensure that the goals would be achieved. One major step is to delegate part of the implementation responsibilities to middle (and lower) managers. In fact, those managers have the most responsibility for meeting the goals established in the implementation of the strategy. To meet the goals, these managers will have to garner and shape the resources needed to implement the plan. Unsuccessful implementation results from failure of the administration to understand the plan and vision of the company in addition to the lack of attention and positive influence on the on people. Kotter (2014) noted that managerial competency is critical to successful strategic implementation. According to Henri Fayol management is the coordination of all resources through the process of planning, organizing, directing, controlling and coordinating.

It is believed that the executive management commences that strategic implementation. This is evidenced in recent research by Barrick, Thurgood, Smith, and Courtright (2015) who claimed that the executives are responsible for setting goals and implementing ways that will ensure that at the end of the day, they are all achieved. (And then sub goals) and setting in motion the actions needed to ensure that the goals would be achieved. One major step is to delegate part of the implementation responsibilities to middle (and lower) managers. In fact, those managers have the most responsibility for meeting the goals established in the implementation of the strategy. To meet the goals, these managers will have to garner and shape the resources needed to implement the strategy. Management plays a vital role in guiding the organization through the process of strategic implementation. According to Kotter (2014), management not only develops the necessary strategies but also guides their organizations towards implementation of the strategy by ensuring the required human and financial resources are available and

develop a strategic implementation schedule to guide the process used as a control mechanism during implementation. The top management is responsible for planning the strategic implementation process. The level of managerial competence at the management of any organization has a direct influence as to whether a strategy will be successfully or unsuccessfully implemented (Huber, 2011).

#### 4.2.3 Business Dynamics

Ndegwa (2016) examine factors influencing implementation of strategic plans by SACCOs. The study focused on the influence of resources and business environment on implementation of strategic plans in SAACCOs. The study conclusions revealed that business dynamics affects implementation of strategic plans. During great economic boom it is easier to implement strategic plans and conversely when there is great depression it is difficult to implement strategic plans in an organization. Malei (2017) evaluated institutional factors influencing implementation of strategic plans in government hospitals. The study focused on business risk, top management leadership and communication. The study concluded that business risk affects implementation of strategic plans.

Kusimba (2017) examined implementation of strategic plans in Kenya's forestry department. The study concluded that business dynamics have created more challenges for public sector, with the emergence of the global economy, advances in technology, increased societal demands, and the need to provide more social services with fewer resources. As well, a widespread desire for increased organizational scrutiny has increased the pressure for change, given more accessible globalized information systems and heightened media attention critical of government inefficiencies in service delivery. New approaches to management in the public sector are therefore imperative.

Otiende (2017) examine factors affecting implementation of strategic plan in the public sector. The study focused on leadership commitment, information communication and technology, employee training and organizational cultural values. The study recommended that the institution should develop tangible mechanism to manage change to facilitate implementation of strategic plans. Personnel need to be adequately prepared through regular information sharing to eliminate misunderstanding of plans. A platform needs to be created whereby employees in teams are given the opportunity to express their fears, as well as an explanation to them in fewer details how the proposed change is going to affect them.

Dobni and Luffman (2017) evaluated the scope and impact of market orientation profiles on implementation of strategic plans of private company. The study solely focused on the effect of business/market dynamic on implementation of strategic plan. The study concluded that business/market dynamic has an effect on implementation of strategic plan. The ability to profile business/market orientation will also reduce the risk associated with joint venture, acquisition, strategic alliance, and diversification decisions. It is not unforeseeable that a profile assessment will form part of the due diligence performed. As important, being aware of ideal profiles may prevent managers from making ill-conceived and potentially devastating decisions. At the very least, it would be prudent for managers to consider implementation of strategic growth efforts that are coaligned.

Mugoi and Munyoki (2018) posited in their study effect of technology in strategy implementation at the Nairobi County Government. The study established the respondents were in favor of involvement of technology in the strategy implementation process. This indicated that IT was applied in large extent in the strategy implementation, evaluation and control. The study established that there must be well and organized structures in the organization which was to have people who have equal skills and knowhow. This would help define roles and responsibilities. The results revealed that the organization formulated appropriate strategies which were befitting its objectives. The study revealed that there were challenges in communications which were affecting strategy implementation and hence needed to be addressed through a well-defined organization structure. The study indicates that in order to enhance competitiveness in strategy implementation and management process, there was need to align technology with strategy. The study recommends that management can elicit more support for the technological ways in implementing strategies by having clear and communicated career paths for their employees, that the organization leaves room for improvement to ensure unity of efforts in support of strategy implementation.

#### 4.2.4 Communication

Alexander (2015) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks and duties need to be performed by the affected employees. Rapert, Lynch and Suter (2016) find that organizations where employees have easy access to management through open and supportive communication climates tend to outperform those with more restrictive communication environments (cited in Rapert, Velliquette and Garretson, 2012).

Findings of Peng and Litteljohn (2015) show that effective communication is a key requirement for effective strategy implementation. Organizational communication /plays dissemination and learning during the process of strategy implementation. In fact, communication is persuasive in every aspects of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. The communication issues may be influenced to some extent by the organizational structure. According to Heide, Gronhaug and



Johannessen (2015), they constitute the key barrier to the implementation process. The study of Schaap (2016) reinforces that frequent communication up and down in organization enhances strategic consensus through the fostering of shared attitudes and values.

The corporate communication function is the department or unit whose purpose is facilities strategy implementation through communication (For man and Argenti, 2015) Forman and Argenti (2015) find that the alignment between the corporate communication function and the strategic implementation process was particularly visible in those institutions that were going through fundamental strategic change. It has been argued that manager's effectiveness is closely related to the organization's ability to develop and sustain quality strategies for internal communication (Beer & Eisentat, 2015). The organization's ability to communicate is also a powerful tool to increasing levels of commitment to organization wide strategies by all staff at all levels (Floyd & Wooldridge, 2015b). Communication with employees encourage of viewpoints and provides opportunities for feedback (Sadler with the manner which a manager communicates to his/her staff, it is also about the flow information to all areas of an organization. However, effective communication within organizations takes time and effort (Miller, 2015).

The administrator should choose which medium works best to communicate updates, changes and mission. Newsletters are not effective, but email blasts are better in communication between teams. If one group of educators is part of a task force to reduce conflict, find a way to share what this team is doing with other teams, so everyone builds on each other's achievements. Parents want to be involved but can be hard to rally together. An institution needs to appoint facilitators and team leads to charge of communicating with specific groups (Drucker, 2011).

Many a times we find that managers who are supposed to be delivering performance to meet the strategic goals of the school do not have a clear idea of what the strategy is all about. They do realize what needs to be done to fulfill the strategic plan. Lack of proper communication of what is important for the strategy to be delivered may result in having your priorities wrong and the reported levels of returns will never be a reality (Jarzabkowski, 2015). Communication is very important as implementation involves many more people working for seemingly unrelated processes but with the same end goal, structure but the fact is that it is as much as function of voluntary involvement and spirit of the people in the institution.

It is this aspect of strategy deployment that differentiates initiates of two institutions pursuing similar strategy. Communication along with vigorous reviews is the key to efficient execution of strategy (Alegse, 2011). When we are communicating strategy, we are communicating change. The key for communicating strategy is to be able to align the extent and scope of the change and the approaches of implementation with the values and principles outlined in the related policy document (Jones, 2008). Some parastatals communicate their strategy really well. They manage to communicate what they want to achieve and how they will go about it. They get staff motivated and remove the blocks that have prevented the strategy from working in the past; blocks that may be embedded when the culture of the organization. They get parastatals staff, behind the strategy; adding to it and making it works in their part of the institution (Jones, 2008)

#### **4.2.5 Implementation of Strategic Plans**

The aim of strategy implementation is to turn plans into actions in order to accomplish strategic objectives and goals of the organization. Lynch (2012) identifies four elements of implementation: Identifying strategic objectives, formulating specific plans, allocating resources and budgets, and Monitoring and controlling the procedures. Implementation requires carefully planned activities for the organization to achieve its objectives. Within the implementation process, there are three major approaches: comprehensive (pushed through regardless of changes in the environment), incremental (in conditions of great uncertainty) and selective (compromises are made).

According to Pettigrew and Whipp (2012), implementation is a continuous and iterative process, not one that simply occurs after the formulation of the strategy. Hrebiniak and Joyce (2012) highlight two significant limitations in implementation: Bounded rationality (managers are bound by their own limitations in terms of options and will attempt to reduce implementation to bite size chunks; they may also make decisions that favour their own personal goals which are not necessarily the same as the organisation) and Minimum intervention (the philosophy of "if it aren't broke, don't fix it"; managers only change what they perceive to be necessary and sufficient).

Kimani (2012) examined the influence of leadership, communication and control on implementation of strategic plans at Caritas, Nyeri Archdiocese. The study established that the strategic plan was, to a large extent, implemented successfully. The leaders of Caritas Nyeri Archdiocese were committed to the implementation and had the necessary skills and experience. While most of the employees were aware of the 20 existence of the strategic plan, very few knew of its contents basically because sessions for communication of the content and staff roles in the plan implementation were non-existent or were far and in between. However, there was no feedback on implementation of the plan. Policies and performance targets to guide the implementation of the Strategic plan exist. However, performance was not measured against targets and many staff members did not know whether or not plan adjustments have been done based on feedback.

Mutuvi (2013) conducted a study on critical factors affecting NGOs while implementing their strategic plans and revealed that most of the factors were internal to the organization, thus easy to identify but psychologically challenging to solve. This was

because they were largely emanating from management practices which did not favour smooth implementation of strategic plans. The practices were in turn influenced by social and behavioral aspects of individuals within the organizations. Almost all the organizations contacted had strategic plans, but they were hardly implementing them rightfully. The organizations however shared the measures they were employing to deal with this common situation. Strategic plans were not being implemented, not because managers are deviant but rather because of the lack of the know-how and know-why. It was concluded that implementation of strategic plans was being approached as a onetime activity rather than a process demanding: effective communication; excellent remuneration packages; staff training and continuous motivation; stakeholders' involvement; budgeting, planning and resource mobilization; continuous monitoring and evaluation; effective recruitment; and engaging employees in decision making.

Although is a complex phenomenon, its s apparent that strategic implementation is a key organizations survival today. Machuli (2011) notes that the aspects which influence strategic implementation includes; individuals who interconnect or device the strategy, organization structure, schemes or instruments in place for organization and regulation, availability of both resources financial and non-financial. This can be viewed from different theoretic perceptions to discover complications in strategy execution (Li, Guohui &Eppler, 2010).

### 5. Conceptual Framework

The following figure shows the conceptual framework between the independent variables and the dependent variable.

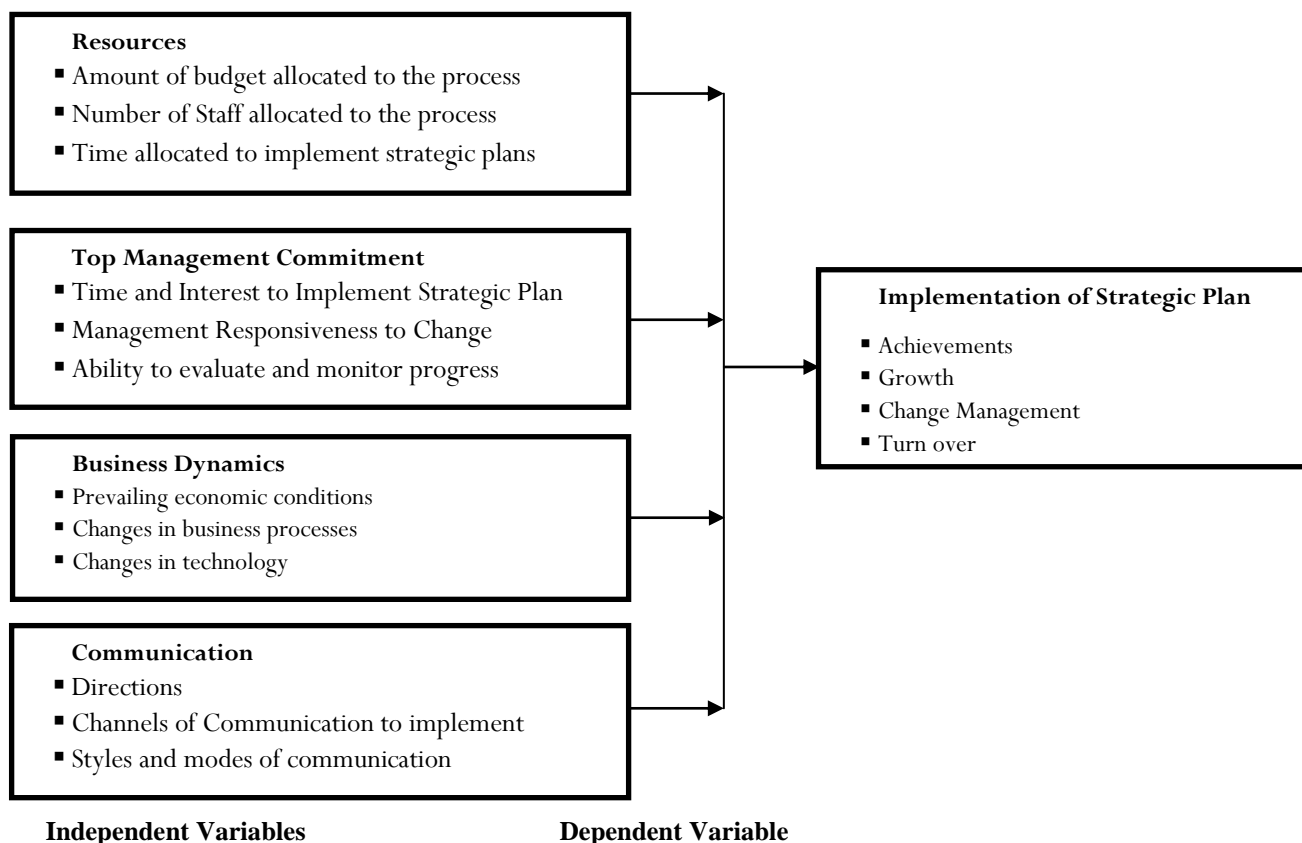


Figure 1 Conceptual Framework

### 6. Research Methodology

#### 6.1 Research Design

According to Kothari (2014), research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. Cooper and Schindler (2008) described research design as the arrangement of all conditions that affect a research ranging from data collection to data analysis. This study aimed at establishing the factors influencing implementation of strategic plans among independent regulatory parastatals in Kenya. To achieve this, the study employed a combination of both qualitative and quantitative designs. Part of the designs in this study was the exploratory design which was guided by the philosophy of logical positivism with the claim that a statement is only meaningful if it can be proven to be true or false (Gathenya, Bwisa & Kihoro, 2012) Under this philosophy, knowledge is accumulated through logical reasoning and empirical experience (Creswell, 2003; Scotland, 2012). This research study adopted a descriptive survey as its research design. Descriptive research studies seek to obtain pertinent and precise information concerning the current status of the phenomena aimed at drawing varied conclusions from the facts discovered (Saunder, Lewis, & Thornhill, 2016). Descriptive

design is considered appropriate for this research study because the study seeks to find new ideas and insights in the factors influencing implementation of strategic plans among independent regulatory parastatals in Kenya.

### 6.2 Study Population

Target population consists of all members of a real or hypothetical set of people, events or objects from which a researcher wishes to generalize the results of their research while accessible population consists of all the individuals who realistically could be included in the sample (Kothari, & Garg, 2018). There were 39 independent regulatory parastatals in the various sectors in Kenya with a collective staffing level of 2238 top and middle level managers (State Advisory Committee, 2016). The study targets all these 2238 top and middle level managers involved in the implementation of strategic plans in all the 39 industry regulators.

### 6.3 Sampling Method and Procedures

Sampling is an important activity in any research project and it is commonly used because it is cheaper to collect information from a small sample rather than the entire population, especially when the population is large. Cooper and Schindler (2013) define sampling as selecting a given number of subjects from a defined population as representative of that population. A sample is a set of entities drawn from a population with the aim of estimating characteristics of the population.

A formula was employed in calculating the sample size for the study. The inquiry made use of formula that was advanced by Saunders, *et al.*, (2016) having been made simpler and which served as an alternative of the formula that had been advanced by Cochran. As per the formula, at a confidence level of 95% and 0.05 significance level (p), the sample size is;

$$n = N / 1 + N(e^2)$$

Whereby;

- n = represented the size of the sample
- n = represented the population's size
- e = the error of 5% points

When the formula is used, a sample size of 339 is yielded as shown below;

$$n = 2238 / 1 + 2238(0.05^2)$$

$$n = 339$$

The study applied simple random sampling technique in selecting the 339 respondents.

## 7. Data Analysis Results and Discussion

### 7.1 Descriptive Analysis

#### 7.1.1 Resource

**Table 1 Resources**

	N	Mean	Std. Deviation
Parastatals allocate sufficient financial resources for implementation of strategic plan	260	4.80	.506
Parastatals allocate enough manpower to implementation of strategic plan	260	3.31	1.433
Parastatals allocate sufficient time for implementation of strategic plan	260	4.27	1.339
Valid N (listwise)	260		

The first objective was to examine the effect of resources on implementation of strategic plans among independent regulatory parastatals in Kenya. On a five-point Likert scale of 1-5 where; 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, and 5=Strongly Agree. The respondents were requested to state the extent to which resources affects implementation of strategic plan in government parastatals. The statement in agreement that parastatals allocate sufficient financial resources for implementation of strategic plan had a mean score of 4.80 and a standard deviation of 0.506. This result agrees with Korir and Moronge, (2017) that resource allocation management was the second important factors that affect implementation of corporate strategic plans in the government parastatals. Resources allocation management had a positive influence on implementation of corporate strategic plans in the government parastatals. The statement that parastatals allocate enough manpower to implementation of strategic plan had a mean score of 3.31 and a standard deviation of 1.433. The statement in agreement that parastatals allocate sufficient time for

implementation of strategic plan had a mean score of 4.27 and a standard deviation of 1.339. This study results agree with Nabwire and Njenga (2018) recommendationa that resources be equitably distributed for the effective implementation of strategy. It was also recommended that a reward system to be put in place to retain advocates and supporters of strategy.

### 7.1.2 Top Management Commitment

**Table 2 Top Management Commitment**

	N	Mean	Std. Deviation
Parastatals top management has the ability and acumen to implement strategic plans.	260	4.18	1.119
Parastatals top management drive implementation of strategic plans	260	4.08	1.301
Parastatals top management outsources consultants to help implement strategic plans	260	3.88	1.387
Valid N (listwise)	260		

The second objective was to examine the effect of top management commitment on implementation of strategic plans among independent regulatory parastatals in Kenya. On a five-point Likert scale of 1-5 where; 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, and 5=Strongly Agree. The respondents were requested to state the extent to which top management commitment affects implementation of strategic plan in government parastatals. The statement in agreement that parastatals top management have the ability and acumen to implement strategic plans had a mean score of 4.18 and a standard deviation of 1.119. The statement in agreement that parastatals top management drive implementation of strategic plans had a mean score of 4.08 and a standard deviation of 1.301. The statement that parastatals top management outsources consultants to help implement strategic plans had a mean score of 3.88 and a standard deviation of 1.387. This result agrees with Masava and Nawa (2018) recommends that the ministry administration should enhance relationships between top management and middle management in the context of strategic plans implementation so us to improve top management commitment on successful strategy implementation. The study also recommends that decision making for the Ministry of lands and physical planning in Kenya be based on a perception of itself and the environment so as to detect problems, gather information, and evaluating possible outcomes. The study recommends review of the strategic plans implementation by Ministry of lands and physical planning in Kenya through making a positive contribution commitment, creating awareness or understanding of the strategy, aligning organizational systems and resources and better coordination and sharing of responsibilities. Bourgeois and Brodwin (1998) identified a variety of leadership styles which are practiced by leaders during strategy implementation. This study found out that leadership approaches to strategy implementation varies from being an autocratic leader to a more participative style that involves active engagement of various stake holders in the implementation process. According to Bourgeois and Brodwin (2018), the five main categories of leadership styles practiced during strategy implementation include commander, collaborative, coercive, cultural and organizational change. The commander and organizational change styles are the traditional approach to strategy implementation where the leader first formulate strategy and think about implementation latter on. Collaborative and cultural styles are more current and capture clearly the aspect of stakeholder’s active participation during the implementation process while a coercive leader has the monopoly of driving the implementation agenda alone without involving other stakeholders.

### 7.1.3 Business Dynamics

**Table 3 Business Dynamics**

	N	Mean	Std. Deviation
Parastatal prefer to implement strategic plans during economic boom.	260	4.02	1.009
Frequent changes in top management in parastatals affect implementation of strategic plans.	260	4.68	.956
Changes in technology affects implementation of strategic plan in parastatals	260	4.02	1.235
Valid N (listwise)	260		

The third objective was to examine the effect of business dynamics on implementation of strategic plans among independent regulatory parastatals in Kenya. On a five-point Likert scale of 1-5 where; 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, and 5=Strongly Agree. The respondents were requested to state the extent to which business dynamics affects implementation of strategic plan in government parastatals. The statement in agreement that Parastatal prefer to implement strategic plans during economic boom had a mean score of 4.02 and a standard deviation of 1.009. The statement that Frequent changes in top management in parastatals affect implementation of strategic plans had a mean score of 4.68 and a standard deviation of 0.956. The statement in agreement that Changes in technology affects implementation of strategic plan in parastatals had a mean score of 4.02 and a standard deviation of 1.235. When a country is experiencing economic boom, it is easy to implement strategic plans and the converse is true. The study established that the respondents were in favor of involvement of



business dynamics in strategic implementation process. This indicates that IT was applied in large extent in strategy evaluation and control, that IT was used at all levels of strategy implementation and management process (Mugoi & Munyoki, 2018). Chin-Fu ho, (2016) suggests that business dynamics often provides a competitive advantage. Business dynamics can assist firms in developing their strategic roles. He later discusses a continuum of four strategic roles of the contribution of information technology in manufacturing firms. Any enhancement of a firm's competitive position tends to take place through systematic movement from one stage to an adjacent one, with the ultimate objective of becoming a world-class manufacturer.

7.1.4 Communication

Table 4 Communication

	N	Mean	Std. Deviation
Parastatals have an open-door policy in the implementation of strategic plan.	260	4.73	.655
Parastatals allow feedback from staff during implementation of strategic plan.	260	3.97	1.624
Parastatals have suggestion boxes for anonymous correspondence	260	3.89	1.325
Valid N (listwise)	260		

The fourth objective was to examine the effect of communication on implementation of strategic plans among independent regulatory parastatals in Kenya. On a five-point Likert scale of 1-5 where; 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, and 5=Strongly Agree. The respondents were requested to state the extent to which communication affects implementation of strategic plan in government parastatals. The respondents were requested to state the extent to which communication affects implementation of strategic plans in government parastatals in Kenya. The statement in agreement that parastatals have an open-door policy in the implementation of strategic plan had a mean score of 4.73 and a standard deviation of 0.655. This concurs with Brink Schroder (2018) views' that top down communication is essential in enabling senior management to share the strategized planning with employees to coordinate the common views, values and principles to accomplish the specific goals in the performance of the company. The statement that parastatals allow feedback from staff during implementation of strategic plan had a mean score of 3.97 and a standard deviation of 1.624. The statement that Parastatals have suggestion boxes for anonymous correspondence had a mean score of 3.89 and a standard deviation of 1.325. In agreement with this, Peng and Littlejohn (2017) add that effective communication elucidates the new tasks and responsibilities towards achieving set goals and objectives. On whether there is strong coordination among various departments in the organization had a (mean= 4.38, SD=.709). Their views were agreement with (Waiganjo, Odhiambo & Gitau, 2017) that overall coordination in inter-departmental linkages and flow of communication supports strategy plan implementation. The statement that frequent communication is a major method to reach shared perceptions values and beliefs among workforce had a (mean=4.55, SD=.623). Finally, on whether strategized planning fail due to deficient communication system in the organization had a (mean=4.72, SD=.453). In support of this Onyango (2012) noted that bureaucracy and the hierarchy of command within the organization poses communication challenges that can influence the process of strategic implementation in a firm.

7.1.5 Implementation of Strategic Plan

Table 5 Implementation of Strategic Plan

	N	Mean	Std. Deviation
Parastatals Heads are committed to successful implementation of strategic plans	260	4.45	1.077
There is better monitoring and evaluation in place to measure achievement of each milestone	260	4.10	1.014
There is in place a strategic plan to implement strategic plan	260	4.32	1.049
Valid N (listwise)	260		

On a five-point Likert scale of 1-5 where; 1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree, and 5=Strongly Agree. The statement that Parastatals Heads are committed to successful implementation of strategic plans had a mean score of 4.45 and a standard deviation of 1.077. The statement that there is better monitoring and evaluation in place to measure achievement of each milestone had a mean score of 4.10 and a standard deviation of 1.014. The statement that there is in place a strategic plan to implement strategic plan had a mean score of 4.32 and a standard deviation of 1.049. In Spender, (2014) view, successful implementation of strategic plan is critical in a turbulent, complex, dynamic and unpredictable business environment. In agreement with this, Verwerine, (2014) noted that "the survival of a firm is largely determined by how successful that organization has implemented its strategies".

7.2 Correlation Analysis

To establish the relationship between the independent variables and the dependent variable the study conducted correlation analysis which involved coefficient of correlation and coefficient of determination.

**7.2.1 Coefficient of Correlation**

Correlation is a measure of association between two or more variables. Correlation analysis is a statistical technique used to indicate the nature and degree of relationship existing between one variable and the other(s). It is also used along with regression analysis to measure how well the regression line explains the variations of the dependent variable with the independent variable.

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (Implementation of Strategic Plan) and the independent variables (Resources, Top Management Commitment, Business Dynamics and Communication). According to Sekaran, (2015), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari & Gang, 2014).

**Table 6 Pearson Correlation**

	Implementation of Strategic Plan	Resources	Top Management Commitment	Business Dynamics	Communication
Implementation Of Strategic Plan	1				
Resources	.453**	1			
Top Management Commitment	.067	.475**	1		
Business Dynamics	.142*	.042	.375**	1	
Communication	.113	.280**	.384**	.139*	1
	.000	.000	.000	.025	.000
	260	260	260	260	260

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

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

In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson’s coefficient of correlation (r). This is as shown in Table 4.11 above. According to the findings, it was clear that there was a positive correlation between the independent variables, resources, top management commitment, business dynamics and communication and the dependent variable implementation of strategic plan. The analysis indicates the coefficient of correlation, r equal to 0.453, 0.067, .0142 and 0.113 for resources, top management commitment, business dynamic and communication respectively. This indicates positive relationship between the independent variable namely resources, top management commitment, business dynamics and communication and the dependent variable implementation of strategic plan. This result concurs with (Madegwa, 2017).

**7.2.2 Coefficient of Determination (R<sup>2</sup>)**

To assess the research model, a confirmatory factors analysis was conducted. The four factors were then subjected to linear regression analysis in order to measure the success of the model and predict causal relationship between independent variables (Resources, Top Management Commitment, Business Dynamics and Communication), and the dependent variable (Implementation of Strategic Plan).

**Table 7 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822 <sup>a</sup>	.675	.672	.60567

a. Predictors: (Constant), Communication, Business Dynamics, Top Management Commitment and Resources

The model explains 67.5% of the variance (Adjusted R Square = 0.672) on implementation of strategic plan. Clearly, there are factors other than the four proposed in this model which can be used to predict financial sustainability. However, this is still a good model as Bryman and Bell, (2018) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research. This means that 67.5% of the relationship is explained by the identified four factors namely resources, top management

commitment, business dynamics and communication. The rest 32.5% is explained by other factors in implementation of strategic plans not studied in this research. In summary the four factors studied namely, resources, top management commitment, business dynamics and communication or determine 67.5% of the relationship while the rest 32.5% is explained or determined by other factors.

7.2.3 Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model was as per Table 4.13 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting factors of implementation of strategic plan. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at F = 20.551, p = 0.000

Table 8 Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	168.115	4	42.029	20.551	.000 <sup>b</sup>
Residual	80.944	255	2.045		
Total	249.059	259			

a. Dependent Variable: Implementation of Strategic Plan

b. Predictors: (Constant), Communication, Business Dynamics, Resources, Top Management Commitment

7.2.4 Regression Coefficients

The researcher conducted a multiple regression analysis as shown in Table 4.14 so as to determine the relationship between implementation of strategic plans and the four variables investigated in this study.

Table 9 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.291	1.088		9.459	.000
	Resources	.440	.054	.518	8.145	.000
	Top Management Commitment	.184	.043	.016	4.178	.000
	Business Dynamics	.121	.055	.200	2.211	.003
	Communication	.199	.046	.383	4.358	.000

a. Dependent Variable: Implementation of Strategic Plan

The regression equation was:

$$Y = 10.291 + 0.440X_1 + 0.184X_2 + 0.121X_3 + 0.199X_4$$

Where;

Y = the dependent variable (Implementation of Strategic Plan)

X<sub>1</sub> = Resources

X<sub>2</sub> = Top Management Commitment

X<sub>3</sub> = Business Dynamics

X<sub>4</sub> = Communication

The regression equation above established that taking all factors into account (Implementation of Strategic Plan in independent regulatory parastatals) constant at zero implementation of strategic plans will be 10.291. The findings presented also showed that taking all other independent variables at zero, a unit increase in resources would lead to a 0.440 increase in the scores of Implementation of Strategic Plan in independent regulatory parastatals; a unit increase in top management commitment would lead to a 0.184 increase in Implementation of Strategic Plan in independent regulatory parastatals; a unit increase in business dynamics would lead to a 0.121 increase in the scores of Implementation of Strategic Plan in independent regulatory parastatals

and a unit increase in communication would lead to 0.199 increase in score of Implementation of Strategic Plan in independent regulatory parastatals.

This therefore implies that all the four variables have a positive relationship with implementation of strategic plan with resources contributing most to the dependent variable and top management contributing lowest to the dependent variable. From the table we can see that the predictor variables of resources, top management commitment, business dynamics and communication got variable coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

From the table we can see that the predictor variables of resources, top management commitment, business dynamics and communication got variable coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

The coefficient of Top Management is 0.440. This implies that one-unit change in Top Management Competence increases the chances of Strategy Implementation by 0.440 units holding other factors constant. This explains Mbaka and Mugambi (2014) findings that there is a strong correlation between management leadership and strategy implementation.

The coefficient of resources utilization is 0.184, thus a one unit increase in Resources Utilization would lead to 0.184 increases in Strategy Implementation, holding other factors constant. Resource allocation and utilization, managerial skills greatly affected strategy implementation (Ndegwah 2014). Proper management of these factors has a great influence on strategy implementation in an organization

And the coefficient for business dynamics was 0.121. This implies that a unit increase in business dynamics would lead to an increase in Strategic Implementation by 0.121 units. Adoption of business dynamics with good inter-departmental linkages for proper coordination that supports strategy implementation coupled with training of middle managers and on the new strategy being introduced has great influence on the success of strategy implementation (Waiganjo et al., (2017).

The coefficient of Communication is 0.199. The result implies that one unit increase in Communication leads to increase in Strategy Implementation by 0.199 units. Communication is a managerial process that aims to generate information to support decision-making and to stimulate cost reduction, value improvement and continuous improvement in the organization (Loudon, 2012). According to Čater & Pučko (2010) the biggest obstacle to strategy execution and implementation is poor communication techniques and lack of commitment, motivation and support are some of the issues that employees face from management during strategic implementation.

## 8. Conclusions and Recommendations

### 8.1 Conclusion

#### 8.1.1 Resources

The study established that resources are essential in strategy implementation. The positive link between resource and strategy implementation suggests that resources utilization plays a significant role in strategy implementation in government parastatals. The study also concluded that availability of resources will contribute to success of strategy implantation in an organization. This concurs with Nkosi (2015) observations that “lack of adequate financial resources, inadequate structure, weak continuous professional development policies and resistance to change as key factors affecting strategic implementation”. In support of this Magambo (2012) confers that insufficient funding and premature expenditure of resources is an obstacle to successful execution of strategies in public establishments.

#### 8.1.2 Top Management Commitment

The study established that there is a positive link between top management competence and strategy implementation. The study concluded that management plays a vital role in organization through of strategic implementation as argued by Smith and Courtright, (2015). This concurs with Kotter (2014) that management not only develops the necessary strategies but also guides their organizations towards implementation of the strategy by ensuring that the required human and financial resources are available, but also to develop a strategic implementation schedule to guide the process used as a control mechanism during strategy implementation. Additionally, the level of managerial competence at the management of any organization has a direct influence as to whether a strategy will be successfully or unsuccessfully implemented (Huber, 2011).

#### 8.1.3 Business Dynamics

From the regression results it was concluded that business dynamics affects implementations of strategic plans in government parastatals in Kenya.

#### 8.1.4 Communication



The study found that communization strategy plays a significant role in implementation of strategic plan in an organization. The study concludes that type of management leadership and the communication effectiveness affects strategy implementation, and low or lack of communication between the middle class and the executive management negatively impacts on the overall results. This concurs with Lingard, Francis, & Turner (2012) observations that effective communication among the executives on planning is essential during implementation of strategic plan.

## 8.2 Recommendations

From the study findings the following are the recommendations:

- i. That independent regulatory parastatals should increase resources allocated to the implementation of strategic plans;
- ii. The corporation should be adequately funded for successful implementation of strategic plan. Insufficient funding and premature expenditure of resources was found to an obstacle to successful execution of strategies in public establishments
- iii. That top management should be maintained within the independent regulatory parastatals to complete implementation of strategic plans;
- iv. That Implementation of strategic plan should be institutionalized rather than depend on an individual;
- v. That there should be suggestion of implementation of strategic plans from employees of any cadre to enrich the implementation process.
- vi. That there should be communication before, during and after implementation of strategic plans.
- vii. The corporation should address the issue of bureaucracy and the hierarchy of command that poses communication challenges within the corporation. Management commitment, clear identification of activities and to be streamlined.

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