

## Influence of Rational Strategy Implementation Style on Performance of Commercial State Corporations in Kenya

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### Abstract

*This study sought to examine how the rational strategy implementation style influenced the performance of commercial state corporations in Kenya. This study employed the positivism research philosophy and a descriptive research design. The target population was 1813 staff working in middle-level management (job groups N-Q) in commercial state corporations in Kenya. The multistage sampling method was applied to draw 327 respondents from the target population. Data was collected using semi-structured questionnaires. Using linear regression analysis through the SPSS statistical software, this research study established that the rational strategy implementation style had a positive and significant influence on the performance of commercial state corporations in Kenya. Further, this study found that a control system, clear strategic objectives and following pre-arranged activities positively and significantly influenced the financial performance of commercial state corporations in Kenya. In addition, a control system and following pre-arranged activities positively and significantly influenced the customer satisfaction of commercial state corporations in Kenya, but clear strategic objectives had no statistically significant influence on the customer satisfaction of commercial state corporations in Kenya. This study concludes that adoption of the rational strategy implementation style enhances the performance of commercial state corporations in Kenya, and therefore recommends that in order to improve performance, the management of commercial state corporations should ensure that control systems are in place, that strategic objectives are clear, and that the implementation of strategy follows pre-arranged activities.*

**Keywords:** Rational Strategy Implementation Style, Organizational Performance, Commercial State Corporations, Kenya.

### Introduction

Among the key factors that contribute to organizational performance is the strategy implementation style that an organization adopts in its implementation of strategic decisions. In order to enhance the performance standards and capabilities of the public service, governments now lay 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, Arvand, & Ahmad, 2014; Candido & Santos, 2015; Kaplan & Norton, 2001; Mintzberg, 1994). Arnoud (2008) further argues that the ways in which strategies are implemented (strategy implementation style) is important to the successful implementation of strategic decisions. This argument is further advanced by Andrews, Beynon and Genc (2017) who posit that strategy

implementation style has a considerable influence on the successful implementation of strategy, which in turn influences the performance of an organization.

Strategy implementation styles refer to how people behave, do things and act in an organization. Different implementation styles are considered suitable for different purposes in an organization. The Miles and Snow topology of strategies categorizes organizations based on their style of strategy implementation (Miles et al., 1978). Boyne and Walker (2010) on the other hand, argue that organizations often use different styles during the implementation of a strategy, and are at times likely to pursue a mix. One of the styles used in the implementation of strategy is the rational strategy implementation style.

The rational strategy implementation style is aligned to the planning school of thought as advanced by Andrews (1987) and Chandler (1990). This school of thought considers strategy formulation and implementation as two separate stages (Sarbah & Otu-Nyarko, 2014). The rational strategy implementation style involves the use of control systems and entails clearly indicating strategic objectives. The reason behind this is to ensure that employees in the organization follow a prescribed set of implementation steps and prearranged strategic activities (Andrews et al., 2011).

### **Problem Statement**

In Kenya, public institutions, and more specifically state corporations, have formulated strategic plans that they are required to implement (GoK, 2013). However, while some of these institutions have implemented these strategic decisions either partially or fully, performance in the public sector remains low, and in most cases, continues to decline (GoK, 2013; Public Service Commission, 2016; Public Service Commission, 2017; Public Service Commission, 2018; Public Service Commission, 2019). In 2017, the performance index of state corporations in Kenya was at 68%, which decreased to 57.3% in 2018, and further dipped to 44.3% in 2019 (Public Service Commission, 2017; Public Service Commission, 2018; Public Service Commission, 2019). In addition, the performance index on the efficiency, effectiveness and economic use of resources in state corporations in Kenya declined from 88.7% in 2016 to 68% in 2017 and to 57.3% in 2018 (Public Service Commission, 2016; Public Service Commission, 2017; Public Service Commission, 2018; Public Service Commission, 2019).

While there are a number of studies that have been done on strategy implementation style and organizational performance, the findings vary. In a study by Andrews et al. (2011) on the influence of the rational implementation style on the performance of service departments in Welsh local authorities, the scholars found that a rational implementation style had no considerable influence on performance. In Turkey, Andrews, Beynon and Genc (2017) examined the association between strategy implementation style and the effectiveness, efficiency and equity of municipal government departments and found that the strategy implementation style adopted significantly impacted departmental performance. These contradictory findings advance the need for further research. Further, and due to the differences in the socio-economic and political environment, and the public sector policies and strategies used in Kenya, the findings of these research studies may not be applied in the Kenyan context.

Further, studies in Kenya have mainly focused on strategy implementation and organizational performance, and not on the style adopted in the implementation of strategy. In their study, Njagi and Kombo (2015) focused on operationalization and institutionalization as the elements

of strategy implementation. The research study by Mailu, Ntale and Ngui (2018) focused on organizational structure, organizational culture and organizational resources as elements of strategy implementation. This research study sought to determine how the rational strategy implementation style influences the performance of commercial state corporations in Kenya.

The following null hypothesis was tested:

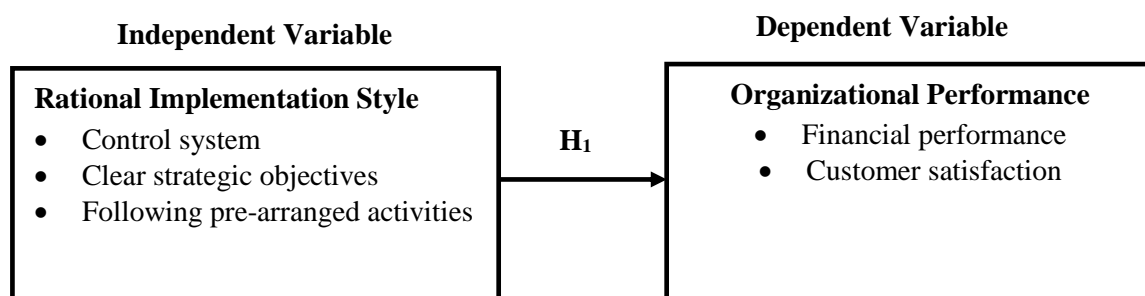
**H<sub>1</sub>:** A rational strategy implementation style has no significant influence on performance of commercial state corporations in Kenya.

### Theoretical Review

The research study applied the contingency theory as the guiding theory. The contingency theory postulates that the best way to lead an organization is dependent (contingent) on the external (or extrinsic) and internal (or intrinsic) circumstances of the organization in question (Govindarajan, 2017; Scott, 1981; Friedberg; 1997). A contingent leader effectively utilizes their own leadership style in an event or situation (Shonhadji & Maulidi, 2020). Contingent leaders are considered flexible, and therefore, choose and adapt specific strategy implementation styles in order to match a specific event, at a particular time (Morgan, 2007). The theory explains the use of the rational strategy implementation and its influence on the performance of commercial state corporations in Kenya. Pai and Yeh (2008) argue that in line with the contingency theory, the effectiveness of managerial styles and practices vary according to the specific circumstances of a situation. The rational strategy implementation style is characterized by having in place a control system, clear objectives and a set of pre-arranged activities (plan) for the implementation of strategy.

### Conceptual Framework

Figure 1 shows the conceptual framework for this performance study, and the relationship between the independent and dependent variables. The independent variable in this study was the rational strategy implementation style and the dependent variable was performance of commercial state corporations in Kenya.



**Figure 1: Conceptual Framework**

The rational strategy implementation style focuses on ensuring that people follow precisely defined procedures during the introduction of new policies and strategies, and that organizational changes are controlled by following a pre-planned set of steps (Lambert, Paoline, & Hogan, 2006). According to Ogola and Theuri (2016), a rational strategy implementation style features the use of formal administrative processes to secure compliance, centralized control and the separation of strategy formulation and strategy implementation. A

key feature of this approach is that the formulation and implementation of strategy are sequential and distinct activities. The two main characteristics of a rational strategy implementation style are a statement of clear strategic objectives and use of control systems (Tsai & Melia, 2019). The reason behind the use of control systems and a statement of clear objectives is to ensure that employees in an organization follow specific implementation steps. Andrews et al. (2011) found that the rational implementation style is also characterized by following pre-arranged activities. This study focused on control systems, clear strategic objectives and following pre-arranged activities as indicators of the rational strategy implementation style.

### **Empirical Review**

The rational strategy implementation style involves the use of control systems and entails clearly indicating an organization's strategic objectives. The reason behind this is to ensure that employees in an organization follow prescribed implementation steps and prearranged strategic activities (Genc, 2017). According to the scholar, the rational strategy implementation style significantly influences the performance of organizations in the public service. In a research study on how strategy implementation influences public service performance in Welsh local authorities, Andrews et al. (2011) found that the rational implementation style, which is characterized by the separation of strategy formulation and implementation, the use of formal means to secure compliance, and centralized control, significantly influenced performance. In Kenya, Ogola and Theuri (2016) studied the determinants of implementing strategic changes and established that a rational strategy implementation style significantly and positively influenced the performance of clubs that were privately owned.

Centralized control significantly influences organizational performance. Alkhafaji et al. (2018) assessed how control systems affected organizational performance in Malaysia and found a strong linkage between management control systems and organizational performance. In a cross-sectional study, Ongâ and Abbey (2019) examined the relationship between control systems and the quality of service delivery in the public health sector in a local government in Uganda. The scholars established that the association between internal control systems and the quality of health service delivery was positive and significant. In an exploratory study, Lambert, Paoline and Hogan (2006) examined the relationship between centralization and formalization, and correctional staff job satisfaction. The research study found that centralization, or centralized control during strategy implementation, had a significant negative influence on employee commitment, job satisfaction and the general performance of an organization.

Clear strategic objectives significantly influence organizational performance. In India, Singh (2017) examined the influence of strategic objectives and project implementation and found that formulating well-defined strategic goals and objectives enhanced the achievement of the desired mission and vision. Using a survey design, Innocent and Levi (2017) studied the effects of clear strategic objectives on performance in a Nigerian Bottling Company and found that effective and clear strategic objectives, positively influenced organizational performance. In the United States, Parnell (2010) conducted a research study on how strategy clarity and business strategy influenced performance in retail businesses. The results established that the degree to which a single strategy reflects on an organization's strategic objective is linked to its performance. The research study also found that businesses with a high or low level of strategy clarity outperformed those with a moderate level of strategy clarity.

Following pre-arranged activities significantly influences performance. In the United States, Khoshtaria (2018) conducted a descriptive study on how following pre-arranged strategic activities influenced firm performance. The scholar established that rational, comprehensive strategic planning contributes significantly towards better organizational performance. The research study also revealed that companies which focus on comprehensive and rational strategic planning have better performance indicators as compared to those that were less focused. In Kenya, and using a correlation research design, Makokha, Samson and Kamau (2018) examined how following pre-arranged activities influenced service delivery in the Nairobi County Government. The scholars determined, that pre-arranged activities involving strategic planning significantly influenced service delivery.

## **Research Methodology**

### ***Research Philosophy and Design***

This research 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, Smits, & Kotz, 2015).

### ***Target Population and Sampling Technique***

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 study applied the multistage sampling method (homogenous purposive sampling, stratified random sampling and simple random sampling) due to the various groups in the population. The Yamane (1967) sample size formula was employed to determine the size of the sample, which resulted in a sample size of 327.

### ***Data Collection and Data Analysis Methods***

The authors used both secondary and primary data. Secondary data was obtained from annual reports by various state corporations. Semi-structured questionnaires were adopted for gathering 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 statistics used.

## **Results**

This research study collected 321 of the 327 questionnaires administered, translating to a response rate of 98.17%.

### ***General Information***

As part of the general information, the findings indicated 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. In addition, most of the middle-level managers in commercial state corporations (61.7%) had a master's degree and 26.8% had an undergraduate degree. The findings also 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 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 revealed that 26.5% of the middle-level managers had served for between 9 and 11 years and 25.2% had served for between 6 and 8 years.

### ***Descriptive Statistics for Rational Strategy Implementation Style and Organizational Performance***

The results of the descriptive statistics presented in Table 1 established that most of the respondents agreed that in their organizations, authority was centralized to ensure compliance with procedures ( $M=4.396$ ,  $SD=0.567$ ). Besides, most respondents agreed that in their organizations, strategy formulation and strategy implementation were two separate activities ( $M=4.336$ ,  $SD=0.585$ ). Further, most participants agreed that the management in their organizations ensured the coordination of activities across the organization ( $M=4.377$ ,  $SD=0.579$ ). Most respondents also agreed that their organizations used strategic objectives as a basis for evaluating performance ( $M=4.349$ ,  $SD=0.610$ ). Besides, most participants agreed that their organizations used clearly pre-defined tasks when implementing strategies ( $M=4.355$ ,  $SD=0.580$ ).

**Table 1: Descriptive Statistics for Rational Strategy Implementation Style**

<b>Statements on rational strategy implementation style</b>	<b>Mean</b>	<b>Std. Deviation</b>
In our organization, the formulation of strategy and the implementation of strategy are two separate activities	4.336	0.585
Our organization ensures that organizational changes follow a pre-planned sequence of steps	4.302	0.547
Our organization ensures that the objectives of various strategies are clear to all stakeholders	4.333	0.534
In our organization, authority is centralized in order to ensure compliance with procedures	4.396	0.567
Our organization ensures that employees implement prearranged strategic activities	4.293	0.566
The management in our organization ensures compliance with organizational policies	4.206	0.555
The management in our organization ensures compliance with the organizational strategic plan	4.340	0.592
The management in our organization ensures the coordination of activities across the organization	4.377	0.579
The management in our organization ensures the integration of activities across the organization	4.324	0.582
The management in our organization communicates general expectations to the employees	4.346	0.549
In our organization, strategy implementation is done through a hierarchy of activities	4.368	0.577
In our organization, processes are institutionalized over time	4.408	0.552
Our organization has precise procedures for achieving strategic objectives	4.221	0.522
Our organization uses a project/business plan to implement strategies	4.277	0.608
Our organization uses clearly defined targets when implementing strategies	4.315	0.540
When implementing strategies, our organization ensures regular review of progress against targets	4.256	0.589

Statements on rational strategy implementation style	Mean	Std. Deviation
Our organization uses strategic objectives as a basis for evaluating performance	4.349	0.610
Our organization uses strategic objectives as a basis for setting budgets	4.324	0.576
In our organization, strategic objectives are to be achieved within a specific period of time	4.305	0.536
Our organization ensures that the organizational strategic objectives are clear to employees	4.221	0.557
Our organization follows specific laid-down procedures during the implementation of strategy	4.305	0.576
Our organization uses clearly pre-defined tasks when implementing strategies	4.355	0.580
Our management ensures that the main strategic goals of the organization are in sync with various organizational policies	4.190	0.655
Our management establishes a team for the implementation of strategy	4.315	0.605
Our organization ensures that pre-arranging activities does not lead to budget overruns	4.293	0.566
Our organization ensures that pre-arranging activities does not lead to team frustration	4.308	0.555
Our organization ensures that pre-arranging activities does not lead to decreased morale	4.333	0.557
Our organization ensures that pre-arranging activities does not lead to complacency	4.305	0.548

*Correlation Analysis:* The results, as presented in Table 2, indicate that control system ( $r = 0.538$ ,  $p\text{-value} = 0.000$ ), clear strategic objectives ( $r = 0.501$ ,  $p\text{-value} = 0.000$ ) and following pre-arranged activities ( $r = 0.499$ ,  $p\text{-value} = 0.000$ ) had a moderate positive association with the financial performance of commercial state corporations in Kenya. Additionally, control system ( $r = 0.470$ ,  $p\text{-value} = 0.000$ ), clear strategic objectives ( $r = 0.419$ ,  $p\text{-value} = 0.000$ ) and following pre-arranged activities ( $r = 0.505$ ,  $p\text{-value} = 0.000$ ) had a moderate positive association with customer satisfaction in commercial state corporations in Kenya.

**Table 2: Correlation Coefficients for the Rational Strategy Implementation Style and Organizational Performance**

		1	2	3	4	5
1. Control system	Pearson Correlation Sig. (2-tailed)	1				
2. Clear strategic objectives	Pearson Correlation Sig. (2-tailed)	.645**	1			
3. Following pre-arranged activities	Pearson Correlation Sig. (2-tailed)	.645**	.689**	1		
4. Financial performance	Pearson Correlation Sig. (2-tailed)	.538**	.501**	.499**	1	
5. Customer satisfaction	Pearson Correlation Sig. (2-tailed)	.470**	.419**	.505**	.756**	1

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

### ***Regression Analysis of the Rational Strategy Implementation Style on Organizational Performance***

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

*Linearity Test:* The rational strategy implementation style had a positive linear relationship with the organizational performance of commercial state corporations in Kenya. The results further indicate that the rational strategy implementation style could explain 33.3% of the variance in the organizational performance of commercial state corporations in Kenya. This indicates that the assumption of linearity between the rational strategy implementation style and organizational performance in commercial state corporations in Kenya was not violated.

*Heteroscedasticity Test:* After fitting the model, the heteroscedasticity test was conducted. Table 6 provides results that show that the p-value was 0.497, 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.

*Kurtosis and Skewness:* After satisfying the assumption of homoscedasticity, the researcher conducted the normality test. The values for kurtosis of the regression residuals were 4.735 while that of skewness was -1.471. 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 due to its robustness in small, as well as large samples. A Durbin-Watson value of 1.5 to 2.5 indicates that there is no significant autocorrelation in a given dataset. In this research, the Durbin-Watson statistic was 1.756, which indicates that the errors in the regression model do not auto-correlate. As a result, the residuals showed no serial association.

### ***Regression Analysis of the Rational Strategy Implementation Style on Financial Performance***

*Model Summary:* The results of this research study, as shown in Table 3, indicate that the R-squared for the relationship between the rational strategy implementation style and the financial performance of commercial state corporations in Kenya was 0.344. This indicates that the rational strategy implementation style can explain 34.4% of the financial performance of commercial state corporations in Kenya. This further shows that 65.6% of the financial performance of commercial state corporations in Kenya is accounted for by other factors that were not included in the model, and the error term.

**Table 3: Model Summary for the Rational Strategy Implementation Style and Financial Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.587 <sup>a</sup>	.344	.338	.34629

- a. Predictors: (Constant), Control system, Clear strategic objectives, Following pre-arranged activities.  
 b. Dependent Variable: Financial performance.

*Analysis of Variance:* Table 4 shows that the F-calculated (55.454) was higher than the critical F-value (3.871), and the p-value (0.000) was below the significance level (0.05). This indicates that the model fits the data well. The null hypothesis was therefore rejected and thus, the conclusion was that the rational strategy implementation style significantly influenced the financial performance of commercial state corporations in Kenya.

**Table 4: ANOVA for the Rational Strategy Implementation Style and Financial Performance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.950	3	6.650	55.454	.000 <sup>b</sup>
	Residual	38.015	317	.120		
	Total	57.965	320			

- a. Predictors: (Constant), Control system, Clear strategic objectives, Following pre-arranged activities.  
 b. Dependent Variable: Financial performance.

*Regression Coefficients:* This research study also assessed the significance of the rational strategy implementation style constructs in predicting the financial performance of commercial state corporations in Kenya. The research study results, as presented in Table 5, indicate that the regression model is:

$$\text{Financial Performance} = 0.871 + 0.308 (\text{Control system}) + 0.183 (\text{Clear strategic objectives}) + 0.174 (\text{Following pre – arranged activities}) + \varepsilon$$

The findings in Table 5 and the regression equation show that the beta coefficient for control system ( $\beta = 0.308$ ) was positive and significant at 5% significance level ( $p = 0.000$ ). This means that a unit change in control system would cause an increase of 0.308 units in financial performance. Moreover, the beta coefficient for clear strategic objectives ( $\beta = 0.183$ ) was positive and significant at 5% significance level ( $p = 0.007$ ). This means that a unit change in clear strategic objectives would cause an increase of 0.183 units in financial performance. Additionally, the beta coefficient for following pre-arranged activities ( $\beta = 0.174$ ) was positive and significant at 5% significance level ( $p = 0.010$ ). This means that a unit change in following pre-arranged activities would cause an increase of 0.174 units in financial performance.

**Table 5: Regression Coefficients for Rational Strategy Implementation Style and Financial Performance**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.871	.266		3.270	.001
	Control system	.367	.076	.308	4.817	.000
	Clear strategic objectives	.227	.084	.183	2.717	.007
	Following pre-arranged activities	.194	.075	.174	2.588	.010

- a. Predictors: (Constant), Control system, Clear strategic objectives, Following pre-arranged activities.
- b. Dependent Variable: Financial performance.

**Regression Analysis of the Rational Strategy Implementation Style on Customer Satisfaction Model Summary:** The research study results, as shown in Table 6, indicate that the R-squared for the relationship between the rational strategy implementation style and customer satisfaction in commercial state corporations in Kenya was 0.291. This indicates that the rational strategy implementation style can explain 29.1% of the customer satisfaction in commercial state corporations in Kenya. This further implies that 70.9% of the customer satisfaction in commercial state corporations in Kenya is accounted for by the error term and other factors not considered in the model.

**Table 6: Model Summary for the Rational Strategy Implementation Style and Customer Satisfaction**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.540 <sup>a</sup>	.291	.285	.33225

- a. Predictors: (Constant), Control system, Clear strategic objectives, Following pre-arranged activities.
- b. Dependent Variable: Customer satisfaction.

**Analysis of Variance:** The research study results, as presented in Table 7, indicate that the F-calculated (43.465) was higher than the critical F-value (3.871), and the p-value (0.000) was below the significance threshold (0.05). This indicates that the model fits the data well. The null hypothesis was therefore rejected and thus, the conclusion was that the rational strategy implementation style significantly influenced customer satisfaction in commercial state corporations in Kenya.

**Table 7: ANOVA for the Rational Strategy Implementation Style and Customer Satisfaction**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.395	3	4.798	43.465	.000 <sup>b</sup>
	Residual	34.994	317	.110		
	Total	49.389	320			

- a. Predictors: (Constant), Control system, Clear strategic objectives, Following pre-arranged activities.
- b. Dependent Variable: Customer satisfaction.

**Regression Coefficients:** The researcher further assessed the significance of the rational strategy implementation style constructs in predicting customer satisfaction in commercial state corporations in Kenya. From the results in Table 8, the regression model is:

$$\text{Customer Satisfaction} = 1.529 + 0.230 (\text{Control system}) + 0.324 (\text{Following pre-arranged activities}) + \varepsilon$$

The findings, as presented in Table 8, and the regression equation show that the beta coefficient ( $\beta = 0.230$ ) for control system was significant and positive at 5% significance level ( $p = 0.001$ ). This means that a unit change in control system would cause a direct change of 0.230 units in customer satisfaction. Besides, the beta coefficient ( $\beta = 0.324$ ) for following pre-arranged activities was significant and positive at 5% significance level ( $p = 0.000$ ). This means that a unit change in following pre-arranged activities would cause a direct change of 0.324 units in customer satisfaction. However, the clear strategic objectives construct had no significant influence on the customer satisfaction of commercial state corporations in Kenya.

**Table 8: Regression Coefficients for Rational Strategy Implementation Style and Customer Satisfaction**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.529	.256		5.983	.000
	Control system	.253	.073	.230	3.461	.001
	Clear strategic objectives	.054	.080	.047	.671	.503
	Following pre-arranged activities	.334	.072	.324	4.638	.000

- a. Predictors: (Constant), Control system, Clear strategic objectives, Following pre-arranged activities.  
 b. Dependent Variable: Customer satisfaction.

*Qualitative Results for the Rational Strategy Implementation Style:* Regarding monitoring of strategic activities, the respondents indicated that strategic plan implementation was monitored by designated departments, as well as through committees and sub-committees. The respondents further indicated that monitoring the implementation of strategy also ensured the efficient and effective use of resources, and the timely completion of activities. Concerning whether the commercial state corporations ensured that the goals of the organization are understandable, the respondents indicated that strategic goals were very clear to all stakeholders as they cut across departments, functions and regions. On whether the commercial state corporations followed a specified plan during the implementation of strategy in their organizations, the respondents indicated that a specific plan was followed during the implementation of strategies.

## Discussion

This research study developed a model for predicting the influence of the rational strategy implementation style on the performance of commercial state corporations in Kenya. The results of this research study are in line with the observation by Andrews et al. (2011) that a rational implementation style significantly influenced the performance of service departments in Welsh local authorities. The findings also concur with the argument by Ogola and Theuri (2016) that a rational strategy implementation style significantly and positively influenced the performance of clubs that were privately owned.

The present study established that the rational strategy implementation style significantly influenced the financial performance of commercial state corporations in Kenya. In addition,

the research study findings indicated that the rational strategy implementation style significantly influenced the customer satisfaction of commercial state corporations in Kenya. The findings are similar to the observation by Opano, Shisia and Sang (2015) that the rational strategy implementation style significantly influences organizational performance. Further, the findings support the contingency theory which argues that the effectiveness of managerial styles and practices vary according to the specific circumstances of a situation (Pai & Yeh, 2008). The research study findings also support the planning school of thought which considers strategy formulation and strategy implementation as two separate and distinct activities (Sarbah & Otu-Nyarko, 2014).

Previous studies conducted on the rational strategy implementation style were in other countries such as Turkey and the Wales, and focused on different measures of performance like job satisfaction and employee commitment. These gaps were filled by determining how the rational strategy implementation style influenced the performance of commercial state corporations in Kenya, where performance was measured in terms of the financial perspective and customer satisfaction. The research study findings imply that for commercial state corporations to improve on their performance, the organization needs to ensure that the implementation of strategies follows a pre-planned sequence of steps that the objectives of the various strategies are clear to all stakeholders, and that authority within the organization is centralized in order to ensure control and compliance with procedures.

Notably, control system positively and significantly influenced the financial performance of commercial state corporations in Kenya. In addition, this research study found that control system positively and significantly influenced the customer satisfaction of commercial state corporations in Kenya. The research study findings concur with the argument by Alkhafaji et al. (2018) who found a strong linkage between management control systems and the performance of an organization. The research study findings also agree with the observation by Ongâand Abbey (2019), that the association between internal control systems and the quality of health service delivery was positive and significant.

The study found that clear strategic objectives positively and significantly influenced the financial performance of commercial state corporations in Kenya. The research study findings concur with the argument by Singh (2017) who examined the influence of strategic objectives and project implementation and found that formulating well-defined strategic objectives enhanced the achievement of the desired organizational vision and mission. The findings also agree with the argument by Innocent and Levi (2017) who found that effective and clear strategic objectives positively influenced organizational performance. This research study also found that clear strategic objectives had no significant influence on the customer satisfaction of commercial state corporations in Kenya. This study's findings contradict the observation by Almasri, Alsaraireh and Bader (2013) that clarity in strategic business objectives significantly affects organizational performance. The findings are also contrary to the observation by Bora, Borah and Chungyalpa (2017) that developing strategic objectives is a key element of crafting strategy and the exercise was key to ensuring that the long-term organizational goals and plans are attained.

This study revealed that following pre-arranged activities positively and significantly influenced the financial performance of commercial state corporations in Kenya. Further, this study established that following pre-arranged activities positively and significantly influenced

the customer satisfaction of commercial state corporations in Kenya. The findings of the present research study agree with the observation by Khoshtaria (2018) that comprehensive strategic planning contributes significantly towards better organizational performance. The findings also concur with Makokha, Samson and Kamau (2018) who established that pre-arranged activities involving strategic planning significantly influenced service delivery.

### **Conclusions and Recommendations**

This research study concluded that adopting the rational strategy implementation style enhances financial performance and therefore, recommends that in order to increase financial performance, the top management of commercial state corporations should ensure that all stakeholders have a good understanding of strategic objectives, and that there is strict compliance with organizational procedures. This is because, having a good understanding of strategic objectives facilitates employee motivation, establishes a baseline for evaluating performance and informs the setting of budgets, which in turn enhances the economic use of resources, thus reducing the cost of strategy implementation. In addition, strict compliance with organizational procedures helps in ensuring organizational efficiency and that resources are appropriately allocated to various activities in the organization.

Further, this research study recommends that in order to have an effective control system, top management in commercial state corporations should ensure that the activities within the organization are well coordinated, and that employees are aware of their roles and responsibilities. This will enable executives to monitor the financial performance of the organization in order to identify any areas of concern, and thus allow management to take appropriate corrective action towards ensuring the efficient, effective and economic use of financial resources.

In addition, this research study recommends that in order to ensure the clarity of strategic goals and objectives, the top management of commercial state corporations should adopt a project management approach in the implementation of strategy which includes establishing project teams, and monitoring and reviewing progress against targets. In addition, this research study recommends that top management in commercial state corporations should ensure that the process of implementing strategy is well defined and adhered to, and is overseen by a strategy implementation team. This will facilitate coordination and collaboration, and minimize errors during the strategy implementation process leading to enhanced utilization of organizational resources such as finances.

This study also concluded that adopting the rational strategy implementation style enhances customer satisfaction and therefore, recommends that in order to increase the level of customer satisfaction, top management in commercial state corporations should ensure that all stakeholders have a good understanding of strategic objectives, and that there is strict compliance to organizational procedures. This is because having a good understanding of strategic objectives facilitates employee motivation and establishes a baseline for evaluating performance, which in turn enhances the effective delivery of services. In addition, strict compliance with organizational procedures helps in ensuring organizational efficiency and thus enhanced service delivery.

Further, the present study recommends that in order to have an effective control system, top management in commercial state corporations should ensure that the activities within the

organization are well coordinated, and that employees are aware of their roles and responsibilities. Besides, the present research study recommends that top management in commercial state corporations should ensure that the process of implementing strategy is well defined and adhered to, and is overseen by a strategy implementation team. This will enhance collaboration during the implementation of strategy and enable the executive to monitor the level of customer satisfaction in order to identify any areas of concern, and thus allow management to take appropriate corrective action towards ensuring the effective delivery of services.

### ***Implications of the Study on Theory and Policy***

The present study findings support the contingency theory which argues that the effectiveness of managerial styles and practices vary according to the specific circumstances of a situation. The findings of the present study also support the planning school of thought which considers strategy formulation and strategy implementation as two separate activities. Policymakers, such as the State Corporations Advisory Committee (SCAC), should make it mandatory for all commercial state corporations to adopt a clear approach in their implementation of strategy. In addition, policy makers should develop policies to ensure strategy implementation is guided by a control system, that organizational strategic objectives are clear, and that the implementation of strategy follows a set of pre-arranged activities. This will help in ensuring enhanced utilization of resources, efficient budgetary resource allocation, that there is value for money and that public services are effective.

### ***Suggestions for Further Research***

This research 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 the rational strategy implementation style and organizational performance among other state corporations in Kenya. In addition, future research could also consider aggregation of the context so that studies are conducted across all state corporations in Kenya. It could also be conducted among ministries, departments and agencies. In addition, this research study found that the rational strategy implementation style could explain 34.4% of the financial performance, and 29.1% 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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