

Influence of Logical-Incremental Strategy Implementation Style on Performance of Commercial State Corporations in Kenya

Vincent I. Ngundi* and Damary Sikalieh

United States International University - Africa

**Corresponding Author's E-mail: vincent@ngundi.me.ke*

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Abstract

This research study sought to determine how the logical-incremental strategy implementation style, and each of its three constructs (goal clarity, employee commitment and continuous steady improvements), influenced the performance of commercial state corporations in Kenya. This research study employed the positivism research philosophy and a descriptive research design. The multistage sampling method (homogenous purposive sampling, stratified random sampling and simple random sampling) was applied to draw 327 middle-level managers from the target population. Using linear regression analysis, this research study established that the logical-incremental strategy implementation style positively and significantly influenced the performance of commercial state corporations in Kenya. Further, this research study found that goal clarity, employee commitment and continuous steady improvements positively and significantly influenced the financial performance of commercial state corporations in Kenya ($p < 0.05$). In addition, the present study established that goal clarity and continuous steady improvements had a positive and significant influence on the customer satisfaction of commercial state corporations in Kenya ($p < 0.05$), but employee commitment had no statistically significant influence on customer satisfaction ($p > 0.05$). This study concludes that adoption of the logical-incremental strategy implementation style enhances the performance of commercial state corporations in Kenya, and therefore, recommends that in order to achieve enhanced performance, the management of commercial state corporations should ensure that strategic objectives are clear, that employees are committed, and that the organization continuously improves its processes and procedures in order to enhance organizational effectiveness.

Keywords: Logical-incremental Strategy Implementation Style, Organizational Performance, Commercial State Corporations, Kenya

Introduction

Organizational performance refers to the way a firm makes use of its tangible and intangible resources to achieve its goals, which in essence, is a culmination of activities and processes (Krumwiede, Eaton, & Eggett, 2008). Obeidat (2016) refers to organizational performance as the actual outputs of a firm as measured against the intended outputs. 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).

This research study was anchored on stakeholder theory, which was operationalized using the balanced score card framework. While the stakeholder theory postulates that all stakeholders

should be satisfied, the balanced score card explains how these stakeholders should be satisfied (Rosenbaum, More & Steane, 2018). The balanced score card and its four components (the financial perspective, learning and growth, internal organizational processes and customer satisfaction) are built around the principle of ensuring the satisfaction of all stakeholders (Andersen, 2015). According to the Public Service Commission (2019), the measures of the performance of state corporations encompass the efficient, effective and economic use of resources, as well as the effective provision of public services. These measures are anchored under Article 232 of the Constitution of Kenya 2010 and inform the development of the public service performance index. This research study therefore focused on the financial perspective (efficient, effective as well as the economic use of resources), and the customer perspective (effective provision of public services) of the balanced scorecard framework.

Among the key factors that contribute to organizational performance, is the strategy implementation style that an organization adopts in its implementation of strategic decisions (Arnoud, 2008). Genc (2017) posits that strategy implementation style is a key driver of the strategic management process. In this research study, strategy implementation style was defined as the methods, approaches and practices used by organizations in putting plans and strategies into action in order to realize desired organizational goals. Andrews, Beynon and Genc (2017) and Taylor and Buumba (2020) posit that strategy implementation styles include mostly rational, mostly incremental, logical-incremental and no clear approach. This research study focused on the logical-incremental strategy implementation style.

The logical-incremental strategy implementation style views strategic management as an iterative process made up of small steps that are geared towards realizing organizational strategic goals. This style is aligned to the configuration school of thought as advanced by Johnson and Scholes (1993), and Mintzberg (1990). The scholars advanced this school of thought in order to get the best of the learning and planning schools of thought, and to eliminate the weaknesses of both schools (Elkhdr, 2019). This school of thought advances the argument that in an organization, every level of management should participate in both formulating and implementing strategy. This research study looked at the logical-incremental strategy implementation style from three dimensions: goal clarity, employee commitment and continuous steady improvements. Goal clarity refers to the ability to define clear and precise strategic goals and objectives that all stakeholders can understand and implement (Anderson & Stritch, 2015). Employee commitment encompasses how attached an employee is to an organization, which is informed by their experience with the organization (Bandula & Jayatilake, 2016). Continuous steady improvements refer to the ongoing effort of improving all elements of an organization's processes, tools, products and services (Fukeyet al., 2015). According to Flynn (2013), one of the weaknesses of the configuration school is that it operates in shades of grey and is usually impractical beyond the conceptual stage.

Problem Statement

The implementation of strategies is an important foundation both in the performance of an organization and in service-delivery. While there are a number of studies that have been done on the logical-incremental strategy implementation style and organizational performance, the findings vary. Joshi, Sherman and Schermerhorn (2004) examined strategy implementation styles among Thai, Malaysian and Hungarian middle managers and found that in proactive change situations, middle-level managers are likely to use an authoritative style. A research study by Taylor and Buumba (2020) on strategy implementation styles adopted by local

authorities of Copperbelt Province in Zambia found that most of the local authorities adopted a logical-incremental style, which considerably improved performance. However, 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.

Strategy implementation has, over the years, been considered as one of the most problematic and complicated areas in strategic management. According to Krumwiede, Eaton and Eggett (2008), while the formulation of a strategy may be considered hard, its implementation is even harder. Further, different studies conducted all over the world highlight the high failure rate of strategy implementation (Katamei, Omwono, & Wanza, 2015; Mbaka & Mugambi, 2014). In Kenya, public institutions, and more specifically state corporations, have formulated strategic plans, among other policies, that they are required to implement (Government of Kenya, 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 (Government of Kenya, 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).

Studies conducted on goal clarity and organizational performance have been limited to specific countries and different sectors. Le and Nguyen (2020) conducted a research study among Vietnamese small and medium enterprises while Tanjung and Basr (2017) conducted their research study in the service industry in Pekanbaru, Indonesia. Besides, while various studies have been conducted on employee commitment and organizational performance (Heydari & Lai, 2019; Dost et al., 2011), the context and the sector differs from that of the present study. While the research study by Heydari and Lai (2019) was conducted in China's hospitality industry, the study by Dost et al. (2011) was carried out in Islamabad, Lahore and Rawalpindi regions in Pakistan. A number of research studies have also been conducted on continuous improvements and organizational performance (Yuen, Thai, & Wong, 2016; Chang, 2015). While Yuen, Thai and Wong (2016) conducted their study in China, the research study by Chang (2015) was conducted in Taiwan. 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 studies may not be applied in the Kenyan context.

Organizations in different countries and sectors have different missions and objectives, are characterized by different operating environments and organizational structures, and are governed by different policies. Therefore, the findings of these research studies may not conclusively be the basis of generalization to all state corporations in Kenya. This research study sought to determine how the logical-incremental strategy implementation style influences the performance of commercial state corporations in Kenya. This research study also sought to determine how goal clarity, employee commitment and continuous steady improvements influenced the performance of commercial state corporations in Kenya.

Theoretical Review

This research study applied the contingency theory as the guiding theory. The 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 (Friedberg, 1997; Govindarajan, 2017; Scott, 1981). 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 logical-incremental strategy implementation style 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. In order to lead their team effectively, supervisors and managers in an organization may therefore adapt to a specific style depending on the situation at hand or combine aspects of different strategy implementation styles. The logical-incremental style of strategy implementation combines aspects of the rational and incremental approaches.

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

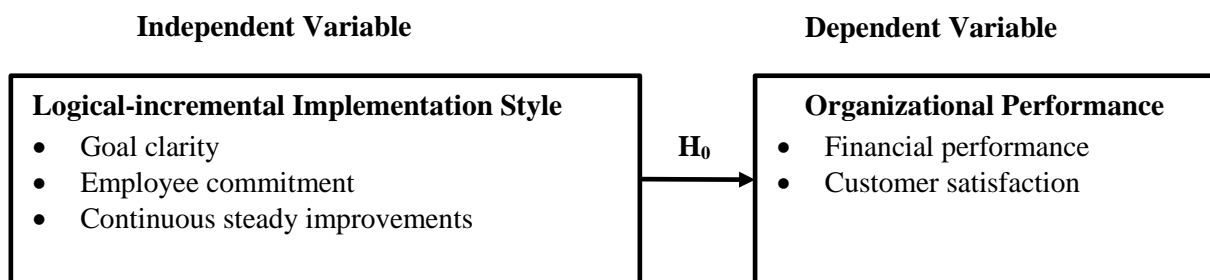


Figure 2: Conceptual Framework

A logical-incremental strategy implementation style borrows from both the rational style and the incremental style by viewing strategic management as an iterative process made up of small steps that are geared towards realizing the broader organizational strategic goals (Andrew, 2017; Mintzberg et al., 2001). According to the scholars, this “dual” approach (rational and incremental) focuses on ensuring the clarity of strategic goals (rational) and the continued commitment of stakeholders to the organizational strategy (incremental). Such a “dual” approach, which is centered around identifying challenges to the successful implementation of strategy, may therefore lead to enhanced financial performance and customer satisfaction as compared to when organizations largely adopt either a rational or an incremental strategy implementation style (Andrew, 2017; Mintzberg et al., 2001; Rajagopalan & Rasheed, 1995). Indicators of the logical-incremental strategy implementation style include goal clarity, employee commitment and continuous steady improvements (Theodore, 2013).

In this research study, goal clarity was looked at in terms of the provision of information related to performing a task, involvement in goal setting and development of a goal-setting criteria;

and how these measures influenced financial performance and customer satisfaction. In addition, employee commitment was measured in terms of attachment to the organization and its activities, level of employee engagement and employee satisfaction; and how these dimensions influenced financial performance and customer satisfaction. Further, continuous steady improvement was viewed from the following perspectives: sequence of small steps during strategy implementation, ongoing effort in improving various elements of an organization's processes, commitment of time and effort, empowerment of individual employees, training, rewarding performance and communication; and how financial performance and customer satisfaction was influenced by these measures.

Empirical Review

Adopting a logical-incremental strategy implementation style influences the performance of an organization. In Wales, Andrews et al. (2011) studied the association between strategy implementation and the performance of organizations in the public service. The scholars established that the dual-approach to the implementation of strategy had a positive and higher correlation with organizational performance as compared to purely using either an incremental or rational style of strategy implementation. In a research study on strategy formulation and performance, Theodore (2013) observed that logical-incremental decision-making, which entails commitment, learning and experimentation, negatively influenced productivity and financial performance, and thus the performance of organizations. In Turkey, a research study by Genc (2017) on how strategy implementation influences local government performance (measured in terms of effectiveness, efficiency and equity) established that the logical-incremental style of strategy implementation was the most successful as it combines the best of the incremental and the rational strategy implementation styles. The next section presents empirical literature on the influence of goal clarity, which is one of the dimensions of the logical-incremental strategy implementation style, on organizational performance (financial performance and customer satisfaction).

Goal Clarity

The clarity of strategic goals plays a fundamental role in improving organizational performance. In the United States, Anderson and Stritch (2015) examined the relationship between goal clarity and performance, they found that goal clarity had a positive association with organizational performance when performance was measured in terms of customer satisfaction, employee performance and financial performance. Using a survey research design, Le and Nguyen (2020) examined the relationship between budgetary goal and the financial performance of Vietnamese small and medium enterprises. The results indicated that budgetary goal has a significant influence on the financial performance (measured in terms of profit growth and revenue growth) of Vietnamese small and medium enterprises. In Indonesia, Hutama and Yudianto (2019) studied the influence of budget goals clarity and internal control systems implementation on customer satisfaction in local government. The results indicated that budget goals clarity had a positive association with customer satisfaction in local governments. In a descriptive study, Tanjung and Basr (2017) examined how goal clarity impacted customer satisfaction in the service industry in Pekanbaru, Indonesia, and found that initiating a structure leadership style had a significant effect on goal clarity which enhanced customer satisfaction. The next section covers the influence of employee commitment, which is among the dimensions of the logical-incremental strategy implementation style, on organizational performance.

Employee Commitment

The commitment of employees influences their level of performance, and thus, the performance of the organization. In an evaluation of the effect that employee commitment has on service performance in China's hospitality industry, Heydari and Lai (2019) established that employee commitment positively influenced service performance, and thus the satisfaction of customers. In Nigeria, Ebikeseye and Dickson (2018) investigated the relationship between employee commitment and delivery of services by select firms in Bayelsa State, Nigeria. The scholars established that there was a significant association between employee commitment to work, and an increase in the level of customer satisfaction. Using a causal research design, Dost, Zulfiqar, Noman and Wasim (2011) examined the association between employee commitment and financial performance in Islamabad, Lahore and Rawalpindi regions in Pakistan. The results established that employee commitment significantly influenced financial performance (profitability). In Nigeria, Ikyanyon and Agber (2020) studied the relationship between employee commitment and organizational performance among cement manufacturing companies. The results indicated that affective and continuance commitment positively and significantly influenced the financial performance of cement manufacturing companies. The next section covers empirical literature on how continuous steady improvements, which is an indicator of the logical-incremental strategy implementation style, influences the performance of organizations.

Continuous Steady Improvements

Continuous steady improvement influences financial performance and customer satisfaction. Using an in-depth case study design, Chang (2015) assessed the influence of continuous improvement and performance among organizations in Taiwan and found that continuous improvement positively and significantly influences performance. Kiruja and Kimencu (2020) examined the relationship between continuous improvement and the financial performance of commercial banks in Kenya and established that continuous improvement significantly influenced financial performance. In Pakistan, Khan, Ali and Hongqi (2018) studied the association between continuous steady improvement and the performance of organizations. The researchers observed that promoting workplace innovation led to an increase in efficiency and a reduction in the defect rate which resulted in enhanced customer satisfaction. In Singapore, Yuen, Thai and Wong (2016) investigated how the capacity to perform continuous improvement impacted on the association between business performance, measured in terms of customer satisfaction, and corporate social performance. The results indicated that the level of customer satisfaction in a business is maximized when continuous improvement practices that are aimed at corporate social performance are done gradually and regularly.

Research Methodology

Research Philosophy and Design

This research study employed the positivism research philosophy because it is scientific in nature, which enables the testing of hypothesis, as well as the analysis of associations between predictor variables and the outcome variable. This research study also employed 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 research study applied the multistage sampling method (homogenous purposive sampling, stratified random sampling and simple random sampling) due to the various groups in the population. Yamane (1967) sample size formula was employed to determine the size of the sample, which resulted in a sample size of 327.

Data Collection and Data Analysis Methods

This research study used both secondary and primary data. Secondary data was obtained from annual reports by various state corporations. This research study used semi-structured questionnaires to gather primary data. Qualitative data was analyzed using thematic analysis. The Statistical Package for Social Sciences (SPSS version 24) statistical software was employed to analyze quantitative data. Descriptive statistics included percentages, mean and standard deviation. Pearson correlation coefficient, Analysis of Variance (ANOVA) and linear regression analysis were the inferential statistics used. Pearson correlation coefficient was employed because it shows the statistical association between two variables. ANOVA was used in hypothesis testing as it enables the comparison between the independent variables and the dependent variable. Linear regression was employed in this research study because it can be used in predicting the value of a dependent variable for a given value of an independent variable by effectively modeling a linear relationship between an input variable and an output variable in a given dataset.

The Study Findings

This research study collected 321 of the 327 questionnaires administered, translating to a response rate of 98.17%. 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, while 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 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 length of service, the level of education and supervision of employees may influence the ability to implement strategies among commercial state corporations in Kenya.

The results of the descriptive statistics established that most of the respondents agreed that in their organizations, the top management participated in formulating strategy ($M=4.268$, $SD=0.722$). In addition, most respondents agreed that their organizations ensured collaborative relationships among stakeholders during the implementation of strategy ($M=4.249$, $SD=0.548$). Most respondents also agreed that in their organizations, middle management participates in formulating strategy ($M=4.175$, $SD=0.738$). Further, most respondents agreed that in their organizations, the lower management participates in formulating strategy ($M=3.729$, $SD=1.193$). In addition, most respondents agreed that in their organizations, the top-level management participates in the implementation of strategy ($M=4.159$, $SD=0.709$). Most respondents further agreed that in their organizations, the middle level management participates in the implementation of strategy ($M=4.196$, $SD=0.668$). Most respondents also agreed that in their organizations, the lower-level management participates in the implementation of strategy ($M=4.184$, $SD=0.652$). Most respondents also agreed that the

management of their organizations ensure readiness of team members during strategy implementation (M=4.019, SD=0.908).

In addition, most respondents agreed that their organizations ensured organization goals were time-bound (M=4.346, SD=0.619). Besides, most respondents agreed that their organizations ensured that strategic objectives were achievable (M=4.343, SD=0.587). Most respondents also agreed that their organizations ensured that strategic objectives were measurable (M=4.253, SD=0.634). Moreover, most respondents agreed that organizations ensure that strategic objectives are understood by all the stakeholders (M=4.252, SD=0.634). Further, most respondents agreed that organizations make sure that organizational goals are action-oriented (M=4.224, SD=0.758). Most respondents also agreed that organizations ensure that organizational goals are clear to all employees (M=4.218, SD=0.686). Most respondents further agreed that their organizations have developed a set of strategic goals to be achieved during the implementation of strategy (M=4.181, SD=0.702).

Further, most respondents agreed that their organizations ensured that employees worked in a conducive environment (M=4.224, SD=0.702). The findings show that most respondents agreed that in their organizations there was a low employee turnover (M=4.280, SD=0.682). Most respondents also agreed that organizations ensure consistent satisfaction of employees (M=4.199, SD=0.777). Most respondents further agreed that the management of their organizations ensure that employees are attached to the organization (M=4.196, SD=0.653). Also, most respondents agreed that employees in their organizations complete their assignments on time (M=4.181, SD=0.646). Further, most respondents agreed that employees in their organization love their job (M=4.177, SD=0.705). In addition, most respondents agreed that in their organizations employees are self-confident (M=4.162, SD=0.724).

Most respondents agreed that their organizations rewarded employee performance (M=4.386, SD=0.623). In addition, most respondents agreed that their organizations ensured commitment of time by management (M=4.259, SD=0.728). Further, most respondents agreed that their organizations ensured effective communication during the implementation of strategy (M=4.231, SD=0.659). In addition, most respondents agreed that their organizations follow a sequence of small steps during the implementation of strategy (M=4.221, SD=0.660). Most respondents agreed that their organizations train employees on strategy implementation (M=4.187, SD=0.718). Most respondents further agreed that their organizations ensure consistent development of organizational capabilities (M=4.143, SD=0.636). Also, most respondents agreed that their organizations ensure continuous improvement of organizational processes during the implementation of strategy (M=4.069, SD=0.619).

Correlation Analysis: The results, as presented in Table 1, indicate that there exists a moderate positive correlation between goal clarity ($r = 0.517$, $p\text{-value} = 0.000$), employee commitment ($r = 0.486$, $p\text{-value} = 0.000$), continuous steady improvements ($r = 0.495$, $p\text{-value} = 0.000$) and the financial performance of commercial state corporations in Kenya. The implication of these research study findings is that when organizational strategic goals are clear, when employees are committed and when significant improvements are done on organizational procedures and processes, it is expected that the financial performance of commercial state corporations in Kenya will moderately improve. Additionally, the findings indicate that there is a moderate positive correlation between goal clarity ($r = 0.524$, $p\text{-value} = 0.000$), employee commitment ($r = 0.475$, $p\text{-value} = 0.000$), continuous steady improvements ($r = 0.542$, $p\text{-value} = 0.000$) and

customer satisfaction in commercial state corporations in Kenya. The implication of these research study findings is that when organizational strategic goals are clear, when employees are committed and when significant improvements are done on organizational procedures and processes, it is expected that the level of customer satisfaction in commercial state corporations in Kenya will moderately improve.

Table 1: Correlation Coefficients for Logical-Incremental Strategy Implementation Style and Organizational Performance

		1	2	3	4	5
1.Goal clarity	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	321				
2. Employee commitment	Pearson Correlation	.746**	1			
	Sig. (2-tailed)	.000				
	N	321	321			
3. Continuous steady improvements	Pearson Correlation	.751**	.720**	1		
	Sig. (2-tailed)	.000	.000			
	N	321	321	321		
4. Financial performance	Pearson Correlation	.517**	.486**	.495**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	321	321	321	321	
5. Customer satisfaction	Pearson Correlation	.524**	.475**	.542**	.756**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	321	321	321	321	321

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

Regression Analysis of the Logical-incremental Strategy Implementation Style on Organizational Performance

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

Linearity Test: The findings show that the logical-incremental strategy implementation style has a positive linear relationship with organizational performance in commercial state corporations in Kenya. The results further indicate that the logical-incremental strategy implementation style could explain 33.1% of organizational performance in commercial state corporations in Kenya. This implies that the assumption of linearity between the logical-incremental strategy implementation style and organizational performance in commercial state corporations in Kenya was not violated.

Heteroscedasticity Test: The findings indicated that the p-value was 0.216, 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. The implication to this study is that the regression model was reliable and efficient.

Kurtosis and Skewness: After satisfying the assumption of homoscedasticity, the researcher conducted the normality test. The values for kurtosis of the regression residuals were 5.316 while that of skewness was -1.092. 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. The fitted linear regression model was hence considered reliable and efficient.

Autocorrelation Test: The last assumption tested was the autocorrelation assumption which was tested using the Durbin-Watson statistic. A Durbin-Watson value of 1.5 to 2.5 implies that a dataset does not have significant autocorrelation (Mitchell & Jolley, 2017). The Durbin-Watson statistic was 1.911 in this study. The fact that the result is between 1.5 and 2.5 means that the regression model's errors are not serially correlated.

Regression Analysis of the Logical-Incremental Strategy Implementation Style on Financial Performance

Model Summary: The R-squared for the logical-incremental strategy implementation style and financial performance of commercial state corporations in Kenya was 0.304. This indicates that the logical-incremental strategy implementation style can explain 30.4% of the financial performance of commercial state corporations in Kenya. This indicates that variables not included in the model and the error term account for 69.6% of the financial performance of commercial state corporations in Kenya.

Analysis of Variance: The F-calculated (46.064) was higher than the F-critical (3.871), and the p-value (0.000) was less than the significance threshold (0.05). This indicates that the model fits the data well. The null hypothesis (a logical-incremental strategy implementation style has no significant influence on performance of commercial state corporations in Kenya) was hence rejected and thus the conclusion that the logical-incremental strategy implementation style has a significant influence on the financial performance of commercial state corporations in Kenya.

Regression Coefficients: The researcher assessed the significance of the logical-incremental strategy implementation style constructs in predicting financial performance of commercial state corporations in Kenya. From the results (Table 2) the regression model is:

Financial Performance

$$= 1.819 + 0.259 (\text{Goal clarity}) + 0.159 (\text{Employee commitment}) \\ + 0.187 (\text{Continuous steady improvements}) + \varepsilon$$

The findings, as summarized in Table 2, indicate that the coefficient ($\beta = 0.259$) for goal clarity was positive and significant at 5% significance level ($p = 0.001$). This means that a change in goal clarity would cause a corresponding change in the financial performance of commercial state corporations in Kenya. Moreover, the coefficient ($\beta = 0.159$) for employee commitment was positive and significant at 5% significance level ($p = 0.036$). This means that a change in employee commitment would cause a corresponding change in the financial performance of commercial state corporations in Kenya. Besides, the coefficient ($\beta = 0.187$) for continuous steady improvements was positive and significant at 5% significance level ($p = 0.015$). This means that a change in continuous steady improvements would cause a corresponding change in the financial performance of commercial state corporations in Kenya.

Model Summary: The R-squared of the logical-incremental strategy implementation style and

customer satisfaction in commercial state corporations in Kenya was 0.328. This indicated that the logical-incremental strategy implementation style can explain 32.8% of customer satisfaction in commercial state corporations in Kenya. This further implies that 67.2% of the customer satisfaction of commercial state corporations in Kenya is accounted for by other factors not considered in the model, and the error term.

Table 2: Regression Coefficients for Logical-Incremental Strategy Implementation Style and Financial Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.819	.210		8.680	.000
	Goal clarity	.255	.078	.259	3.261	.001
	Employee commitment	.149	.071	.159	2.104	.036
	Continuous steady improvements	.175	.071	.187	2.449	.015

a. Predictors: (Constant), Goal clarity, Employee commitment, Continuous steady improvements

b. Dependent Variable: Financial performance

Regression Analysis of the Logical-Incremental Strategy Implementation Style on Customer Satisfaction

Analysis of Variance: The F-calculated (51.474) was higher than the F-critical (3.871), and the p-value (0.000) was less than the significance threshold (0.05). This indicates that the model fits the data well. The null hypothesis (a logical-incremental strategy implementation style has no significant influence on performance of commercial state corporations in Kenya) was hence rejected and therefore the alternative hypothesis that the logical-incremental strategy implementation style has a significant influence on customer satisfaction in commercial state corporations in Kenya was accepted.

Regression Coefficients: The researcher assessed the significance of the logical-incremental strategy implementation style constructs in predicting customer satisfaction in commercial state corporations in Kenya. From the results (Table 15) the regression model is:

Customer Satisfaction

$$= 1.974 + 0.231(\text{Goal clarity}) + 0.313(\text{Continuous steady improvements}) + \varepsilon$$

The findings, as summarized in Table 3, indicated that the coefficient ($\beta = 0.231$) for goal clarity was positive and significant at 5% significance level ($p = 0.003$). This means that a change in goal clarity would cause a corresponding change in customer satisfaction in commercial state corporations in Kenya. Moreover, the coefficient ($\beta = 0.313$) for continuous steady improvements was positive and significant at 5% significance level ($p = 0.000$). This means that a change in continuous steady improvements would cause a corresponding change in customer satisfaction in commercial state corporations in Kenya.

Table 3: Regression Coefficients for Logical-Incremental Strategy Implementation Style and Customer Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.974	.190		10.384	.000
	Goal clarity	.210	.071	.231	2.960	.003
	Employee commitment	.067	.064	.078	1.047	.296
	Continuous steady improvements	.271	.065	.313	4.182	.000

a. Predictors: (Constant), Goal clarity, Employee commitment, Continuous steady improvements

b. Dependent Variable: Customer satisfaction

Qualitative Results for the Logical-incremental Strategy Implementation Style: Regarding commitment of employees to the implementation of strategy, the respondents indicated that the employees were highly motivated and committed to the implementation of strategies. The respondents indicated that employees are expected to be committed because their duties, on which appraisals are performed, are based on organizational strategy and other organizational objectives. On whether the commercial state corporations in Kenya ensured that organizational goals are understood by all affected parties, the respondents indicated that their organizations ensured that the goals were well understood by all parties. Regarding the periodic improvement of strategies during implementation in the commercial state corporations, the respondents indicated that their organizations ensured there was periodic improvement of strategies during implementation.

Discussion

This research study developed a model for predicting the influence of the logical-incremental strategy implementation style on the performance of commercial state corporations in Kenya. The findings of this research study are in line with the observation by Tosun and Treib (2018) that the logical-incremental strategy implementation style significantly influenced organizational performance. However, the findings of the research study contradict Theodore (2013) who observed that logical-incremental decision making, which entails commitment, learning and experimentation, negatively influenced productivity and financial performance, and thus the performance of organizations.

The present study established that the logical-incremental strategy implementation style significantly influenced the financial performance of commercial state corporations in Kenya. This research study also found that the logical-incremental strategy implementation stylesignificantly influenced customer satisfaction in commercial state corporations in Kenya. The findings concur with Genc (2017) who established that the logical-incremental style of strategy implementation significantly influenced local government performance. The findings also support the contingency theory which argues that problem solving in an organization should be based on both the situation at hand and the surrounding circumstances (Shonhadji & Maulidi, 2020). The findings of this research study are also aligned to the configuration school of thought which advances the argument that in an organization, every level of management should participate in both the formulation and implementation of strategy (Elkhdr, 2019; Joshi, Sherman, & Schermerhorn, 2004).

Besides producing mixed findings (some positive and others negative), research studies on the logical-incremental strategy implementation style have been conducted in other jurisdictions

such as Hungary, Malaysia, Thailand, Turkey and Zambia. In addition, some of these research studies have used different constructs of the logical-incremental strategy implementation style such as commitment, learning, and experimentation. This research study filled the contextual gap by establishing the influence of the logical-incremental strategy implementation style on the performance of commercial state corporations in Kenya. This research study also used goal clarity, employee commitment and continuous steady improvements as dimensions of the logical-incremental strategy implementation style.

According to Anderson and Stritch (2015), task-goal clarity has a positive influence on financial performance. The research findings concur with Le and Nguyen (2020) who established that budgetary goal has a significant influence on financial performance. These findings are in line with the results of the present study which found that goal clarity positively and significantly influenced the financial performance of commercial state corporations in Kenya. Hutama and Yudianto (2019) on the other hand established that budget goals clarity had a positive association with customer satisfaction in local governments. The research findings concur with Tanjung and Basr (2017) who determined that initiating a structure leadership style had a significant effect on goal clarity which enhanced customer satisfaction. These research findings also concur with the results of the present study which established that goal clarity had a positive and significant influence on the customer satisfaction of commercial state corporations in Kenya.

This research study found that employee commitment positively and significantly influenced the financial performance of commercial state corporations in Kenya. These research findings concur with the observation by Dost, Zulfiqar, Noman and Wasim (2011) that employee commitment significantly influenced financial performance (profitability). These research findings also concur with the observation by Ikyanyon and Agber (2020) that affective and continuance commitment positively and significantly influenced the financial performance of cement manufacturing companies. This research study also found that employee commitment had no statistically significant influence on the customer satisfaction of commercial state corporations in Kenya. These research findings contradict the observation by Heydari and Lai (2019) that employee commitment positively influenced service performance, and thus the satisfaction of customers. Besides, these research findings contradict the observation by Ebikeseye and Dickson (2018) who established that there was a significant association between employee commitment to work, and an increase in the level of customer satisfaction.

A research study by Chang (2015) determined that continuous improvement positively and significantly influences performance. The research findings concur with the observation by Kiruja and Kimencu (2020) who established that continuous improvement significantly influenced the financial performance of commercial banks in Kenya. These research findings are in line with the present study which established that continuous steady improvements positively and significantly influenced the financial performance of commercial state corporations in Kenya. Khan, Ali and Hongqi (2018) observed that promoting workplace innovation led to an increase in efficiency and a reduction in the defect rate which resulted in enhanced customer satisfaction. The research findings concur with the observation by Yuen, Thai and Wong (2016) that the level of customer satisfaction in a business is maximized when continuous improvement practices that are aimed at corporate social performance are done gradually and regularly. These research findings concur with the present study which found that continuous steady improvements positively and significantly influenced the customer satisfaction of commercial state corporations in Kenya.

Conclusions and Recommendations

This research study concluded that adopting the logical-incremental strategy implementation style enhances financial performance and hence recommends that in order to enhance financial performance, the top management of commercial state corporations should involve middle-level management in the formulation of strategy and further ensure that all levels of management are involved in the strategy implementation process. This will ensure that strategic goals are clear across the organization and that any feedback from the implementation process goes to enhance the organizational strategy. The involvement of other levels of management will also instill a sense of ownership and enhance their commitment to the organization. To ensure that all stakeholders are in sync on the strategic goals of the organization, the top and middle-level management should ensure that strategic objectives are attainable, measurable, clear, action-oriented and time-bound.

This research study also recommends that in order to enhance the commitment of employees to the organization, the top management in commercial state corporations should ensure a conducive working environment. To ensure that organizational processes are effective and efficient, this research study recommends that all levels of management (top, middle and low-level management) should continually develop organizational capabilities including training staff. Further, the top management should develop a performance management and rewards system in order to motivate employees, increase their commitment to organizational goals and thus enhance their productivity and performance.

This research study also concluded that adopting the logical-incremental strategy implementation style influences customer satisfaction and therefore recommends that in order to enhance customer satisfaction, the top management of commercial state corporations should involve middle-level management in the formulation of strategy and further ensure that all levels of management are involved in the strategy implementation process. This will ensure that strategic goals are clear across the organization and that any feedback from the implementation process goes to enhance the organizational strategy. The involvement of other levels of management will also instill a sense of ownership and enhance their commitment. To ensure that all stakeholders are in sync on the strategic goals of the organization, the top and middle-level management should ensure that strategic objectives are attainable, measurable, clear, action-oriented and time-bound.

This research study also recommends that to ensure that organizational processes are effective and efficient, all levels of management (top, middle and low-level management) should continually develop organizational capabilities including training staff. Further, the top management should develop a performance management and rewards system. This is because performance management increases employee productivity as they strive to achieve their targets, thus improving customer satisfaction. In addition, a rewards system will motivate employees, stimulate their job effort, enhance their commitment and reduce absenteeism and employee turnover, which leads to enhanced customer satisfaction.

Implications of the Study to Theory and Policy

The present research study findings support the contingency theory which argues that problem solving in an organization should be based on both the situation at hand and the surrounding circumstances. The findings of the present study are also aligned to the configuration school of thought which advances the argument that in an organization, every level of management should participate in both the formulation and implementation of strategy. 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 clear goals, that employees are committed and that organizational processes and procedures are continuously improved. 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 logical-incremental 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, Future research could also be conducted among ministries, departments and agencies. Finally, this research study found that the logical-incremental strategy implementation style could explain 30.4% of the financial performance and 32.8% 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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