

STRATEGY IMPLEMENTATION AND PERFORMANCE OF ENERGY SECTOR INSTITUTIONS IN KENYA

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Abstract

The business environment is characterized by turbulence, unpredictability, and ever-changing circumstances. This compels organisations to revisit their strategic planning in order to adjust to the dynamic and complex environment that is ever changing. Strategy implementation is a highly complex and interactive process and the success in strategy implementation depends crucially on the human or people side of project management, and less on organization and systems related factors. Most organizations do not report good performance outcomes because the organizations and their managers forget the vital role of strategy implementation. Strategy implementation is a connecting loop between formulation and control. Implementing strategies require the identification of the gap in skills and figure out how to bring those skills into the organization. The concept and practice of implementing strategies has been embraced worldwide and across various sectors because of its perceived contribution to organizational effectiveness and improvement in performance by organizations. The process of implementing strategy involves aligning key organizational functions or factors with the chosen strategy. The objective of the paper was to establish the relationship between strategy implementation and organizational performance. The study was anchored on Resource based view theory. The population consisted of 68 institutions under the energy sector. The paper employed census method by including all the 68 institutions in the study. Data was collected by use of questionnaires. The paper employed both qualitative and quantitative techniques. Quantitative data was analysed using Statistical Package for Social Sciences (SPSS version 22). The study used both inferential and descriptive statistics. This paper found that the relationship between strategy implementation and performance is statistically significant. The paper recommends that future studies could be done on other sectors other than energy and compare the similarities and differences that will be established in these sectors. The paper also recommends future studies should consider introducing different study variables in establishing the relationship between strategy implementation and performance.

Keywords: Strategy implementation, Organizational performance, Leadership, Structure, Responsibility and Accountability, Culture

INTRODUCTION

Background

Strategy implementation is the process of apportioning resources with the objective of supporting the chosen strategies (Pearce & Robinson 2013). This process ordinarily involves various management activities that are essential in putting strategy in motion, establish strategic controls that evaluates progress, and the end achieve organizational goals (Pearce & Robinson 2013). Marginson (2012) pointed out number of problems in strategy implementation: for example weak and poor management roles in implementation, lack or insufficient of communication, unawareness or misunderstanding of the strategy, inadequate commitment to the strategy, unaligned organizational resources and systems, poor work coordination and sharing of responsibilities, competing activities, inadequate capabilities and uncontrollable environmental factors. Strategy implementation is an action phase of the strategic management process as stated by (Heracleous & Wirtz, 2012). Strategy implementation has been increasingly the focus of many numerous studies, particularly because the process from strategy formulation to strategy implementation is not effective and therefore not adequate in today's business environment (Sorooshian, Norzima, Yusof & Rosnah, 2010). Implementing strategy is putting the chosen strategy into practice, resourcing the strategy, configuring the organization's culture and structure to fit the strategy and managing change (Campbell, Edgar & Stonehouse, 2011). Strategy implementation is important but difficult because implementation activities take a longer time frame than formulation, involves more people and greater task complexity, and has a need for sequential and simultaneous thinking on part of implementation managers' (Hrebiniak & Joyce, 2001). In view of these factors, research into strategy implementation is also difficult for it entails the need to look at it over time; presents conceptual and methodological challenges as it involves multiple variables which interact with each other and show reciprocal causality (Fajourn, 2010).

Challenges faced by managers in implementing organizations' strategies is an issue that has been subject to investigation by Gebczynska (2016) and Radomska (2014). Manager characteristics play a critical role in determining the outcome of decisions made and the level of success in implementing strategies (Jespersen & Bysted, 2016). Successful managers spend valuable time in ensuring that strategies are implemented flawlessly given that an organization's output suffers when insufficient time and effort are expended on strategy execution or inappropriate execution actions thereof (Jiang & Carpenter, 2013). In addition, only about half of the ideas described in strategic plans ended up being implemented (Burlton, 2015). Managing undertakings internal to the firm is only part of the modern executive's tasks (Pearce & Robinson, 2013). Managers anticipate, monitor, assess and incorporate executive decision making to challenges posed by the firm's environment. In the face of the increasing uncertainty and complex economic and political circumstances that define today's world, the idea of implementing policies strategically has been brought into play by governments to enhance capacities and performance standards (Bryson, 2018; Ferlie & Ongaro, 2015). Strategy implementation is considered as a difficult task that demands persistence, draws attention to details and prepares the organization for the future (Joyce & Drumaux, 2014). Jenkins, Breen, Brew and Lindsay (2003) consider that the implementation of a strategy in an organization is akin to fighting a long and bloody battle.

Strategy implementation is seen as the most difficult phase of the whole strategy process. There is often a concern that strategic management will fail during the implementation phase. It has been also claimed that less than 50% of formulated strategies are actually implemented (Hambrick & Cannella, 1989; Nutt, 1995; Miller, 2001). The challenges and problems faced in implementing strategies and the key attributes of successful strategy implementation have been widely investigated (Alashloo, Castka & Sharp, 2005; Elbanna, Andrews & Pollanen, 2016). One of the most important reasons that makes this phase so problematic is the "implementation gap", in that formulating strategies and implementing them are frequently considered as entirely distinct processes (Noble, 1999). Most top managers are capable enough to create strategic documents that analyse existing situations and describe reasonable strategic practices for their improvement, but since key formulators of strategic decisions mostly play no active role in the implementation phase, the gap in implementation inhibits the acquisition of effective implementing strategies.

Research by Pettigrew (1988), Perry (1996) and Miller (1997) on emergent strategies highlight the way that strategies are actually implemented within organizations as being critical to their success, as well as the actual content of those strategies and the way in which they were initially formulated. In the same line, Hrebiniak and Joyce (2001) consider that implementation, as a challenging activity, takes a longer time than formulation, involves more people and greater task complexity, and implies the need for sequential and simultaneous thinking on the part of managers responsible for implementation. Without well planned strategy implementation program, no strategy would be implemented regardless of its superiority. Better strategy implementation assures companies of improved returns on investment (Lefort, McMurray & Tesvic, 2015). Effective strategy implementation enables an organization record great benefits in terms of improved customer satisfaction, loyalty and repeat purchase. Signs of poor strategy implementation could involve low

self-esteem among employees, low employee retention, low customer satisfaction and struggling organizational performance. This paper focuses on the literature examining the relationship between strategy implementation and organizational performance.

Strategy Implementation

The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is low at 10% (Denton & White, 2000). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. Research emphasizing strategy implementation is classified by Bourgeois and Brodwin (1984) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success. Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any marketing strategy implementation effort (Noble, 1999). Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In response, generalizations have been advanced in the form of encouraging: early involvement in the strategy process by firm members (Hambrick & Cannella, 1989); fluid processes for adaptation and adjustment (Drazin & Howard, 1984); and, leadership style and structure (Bourgeois & Brodwin, 1984). Poor strategy implementation results into overall reduced performance of an organization. Therefore, apart from developing strategies, every organization must ensure that such strategies are effectively implemented for it to remain competitive in the current era where competitiveness is very high. It is extensively acknowledged that no matter if a strategy is emergent or deliberate, planned or unplanned, it will have little effect on an organization's performance until it is implemented (Mintzberg, 1993). This means that the successful implementation of strategies depends on the particular style of implementation that an organization decides to adopt, which in turn has important implications for organizational performance.

The concept and practice of implementing strategies has been embraced worldwide and across various sectors because of its perceived contribution to organizational effectiveness and improvement in performance by organizations (Thompson & Strickland, 2010). Today, organizations both public and private have taken seriously to the practice of implementing strategic plans to guide the performance of those organizations. Matanda and Ewing (2012) indicate that organizations' strength, growth, and success depend on how well they implement their strategic plans. The process of implementing strategy involves aligning key organizational functions or factors with the chosen strategy (Matanda & Ewing, 2012). However, these strategies may not be fully implemented due to changes in the organizational environment. The concept and practice of implementing strategies has been embraced worldwide and across various sectors because of its perceived contribution to organizational effectiveness and improvement in performance by organizations (Thompson & Strickland, 2010). The process of implementing strategy involves aligning key organizational functions or factors with the chosen strategy. However, these strategies may not be fully implemented due to changes in the organizational environment. Strategy implementation involves allocation and management of sufficient resources, establishing a chain of command or some alternative structure, assigning responsibility of specific tasks or processes to specific individuals or groups (Pearce, Robinson, & Subramanian, 2000). Successful strategy implementation starts with a good strategy.

The influence of strategy implementation on organizational performance continues to be singled out as important in research and practice (Gaya, Struwig & Smith, 2013). For many years, there has been constant emphasis on strategy formulation and inadequate emphasis on strategy implementation (Khan, Tahir & Zafar, 2016; Nnamani, Ejim & Ozobu, 2015). This emphasis on the plan and little or none on the implementation has been the cause of under-performance in organizations. Noble (1999) asserted that most institutions' best-conceived strategies fail to generate premium performance due to poor implementation. Unless the desired financial and non-financial results dictated by an institutional strategy are achieved, the institution will be incapable of exploiting the future opportunities and combating threats effectively (Hrebiniak, 2006). According to Aladwani (2003), strategy implementation means executing the results of planning through operationalization of the day to day activities so that an organization can achieve its competitiveness. Mashhadi, Mohajeri, and Nayeri (2008) postulate that for an organization to implement the strategy successfully, adequate resources, decision-making processes, organization structure, culture, information and communication technology, reward and motivation systems, effective communication, education, capabilities and skills should be provided.

Performance

Performance is a measure of an organization's financial condition or financial outcomes resulting from management decisions and carried out by organization members. The level of performance achieved, reflects the strategic decisions, operational and financing (Fening, 2012). The analogy, finance is the heart of corporate, business strategy planning must be balanced by financial planning strategy. Any decision or business opportunity that is taken should be adjusted according to performance targets, whether it really profitable company or not. Significant information in financial statements can be used to assess performance during a specific time (Camisón & Villar-López, 2010). It was concluded that performance is part of financial statements which indicates the position of resource of the companies during the period, and financial statements describing company's financial performance and its ability to generate revenue from its available resources. Organizational performance is the actual productivity of an organization measured against its projected goals and objectives (Upadhaya, Munir, & Blount, 2014). The performance of an organization is based on the perception that the organization is comprised of valuable resources that include personnel, physical and capital assets that are used to achieve a shared goal. The performance can be measured in terms of productivity and outcome, profit, effectiveness of internal processes and procedures, staff attitudes and organizational responsiveness to the environment (William, 2002). These diverse constituents result in many different interpretations of successful or poor performance of organizations (Barney, 2002).

Organizational performance measurement is not only limited to economic outcomes governed by financial indicators such as accounting returns, stock market and growth measures, but also non-financial indicators such as customer contentment, personnel satisfaction and social performance (Combs, Crook & Shook, 2005). Therefore, organizational performance is the measure of internal performance results is normally linked with more efficient or effective processes and other external measures such as corporate social responsibility that relate to considerations that are broader than economic valuation (Richard, Devinney, Yip, & Johnson, 2009). The key performance indicators of an organization can be measured through efficiency which is marked by the degree of production costs, output of labour and capital; through quality which is measured by the number of faulty products returned inwards; innovativeness is measured against number of new products developed against the competitors and percentage generated from new products (Richard et al., 2009).

Literature Review

Theoretical Review

The paper was anchored on Resource based view theory which holds the propositions of organizational resources and contends that firm behaviors depend on resources. The theory emphasizes internally on assets, organizational processes, capabilities, knowledge, information, and other capacities controlled by an organisation that permits the development and implementation of effective strategies.

Empirical Review

This section highlighted the empirical studies on strategy implementation and performance.

Strategy Implementation and Performance

According to Aaltonen and Ikävalko (2002), strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation and planning. Alexander (1991) as cited by Aaltonen and Ikävalko (2002) argues that, strategy implementation is less glamorous than strategy formulation. People overlook it because of the belief that it is easy to do. People are not exactly sure of what strategy implementation includes and where it begins and ends. Speculand (2011) argues that leaders must admit that strategy implementation is extremely difficult and they habitually underestimate its challenges. Implementing strategy is just as tough as crafting the right strategy. When leaders start to appreciate that formulating and implementing strategy are equal challenges, then they will easily start to pay more attention to strategy implementation. Many leaders delegate their implementation responsibilities and do not follow through on their actions. When leaders stop paying attention to implementation, the staffs also relax and that is the beginning of its failure. A carefully prepared and solid strategic plan is no longer enough to ensure profitable success. It should link virtually every internal and external operation of an organization with a focus on customer needs (De Feo & Janssen, 2001). According to Davenport (2007), creating a brilliant strategy is not superior to executing it successfully. Execution is critical to organizational success, thus a carefully and well-planned approach to execution leads to attainment of strategic goals. Therefore, in order to achieve intended results, good strategies should be properly implemented. Implementing a strategy is as important, or even more important, than developing the strategy (Candido

& Santos, 2015). The critical actions of strategy implementation make a strategic plan stop being a document that lies on the shelf. This is realized through adopting actions that drive business growth. The purpose of a strategic plan is to provide a roadmap for the business to pursue a specific strategic direction and set of performance goals, deliver customer value, and be successful (Candido & Santos, 2015). However, this is just a plan that just provides a roadmap and doesn't guarantee that the desired performance is reached any more rather than having a roadmap that guarantees the traveler arrives at the desired destination. This means, a strategy only becomes relevant when it is implemented.

According to Ibrahim, Sulaiman, Kahtani, and Jarad (2012), previous research on organizational performance revealed that organizations that implement their strategies effectively also perform better than organizations that lack in implementing their strategies. Firms which implement strategic planning achieve better performances than those that don't implement (Al-Kandi, Asutay & Dixon, 2013). Strategic management process is important for a firm's success since it enables a firm to define a future direction, provides the means to achieve its mission, and ultimately leads to value creation (Porth, 2003). Powell (1992) also indicates that firms which adopts strategic management generally improve their performance. One of the most important management's tasks is to constantly search for the best strategy to enhance performance. Neely (2005) postulates that performance refers concurrently to the action, the action results, and to the triumph of the outcome matched to some standard. Kaplan and Norton (2012) defined performance, therefore as a set of factors that describe the procedure by which countless outcomes and results are attained. The importance of organizational performance can be seen from theoretical, empirical and managerial lenses (Venkatraman & Ramanujam, 2016).

The theoretical lens focuses on the effectiveness of strategies that influence the level of performance they cause while the practical lens brings to light the various constructs that have been utilized to capture performance (Mintzberg & Lampel, 2009). The managerial perspective focuses on the quality of the day-today decisions made by managers (Venkatraman & Ramanujam, 2016). Irrespective of this importance, the research outcomes on performance stay inconclusive, and several reasons have been advanced for the indecisive results including methodological defects, snubbing organizational characteristics in performance relationships and related application of models (Mugambi & K'Obonyo, 2017). Measuring performance is one of the utmost problematic issues in the study of strategic management. Strategic management scholars, in their mission for establishing performance associations of the strategic behavior of businesses, continue to measure performance of the business using a broad range of operationalizing schemes (Mugambi & K'Obonyo, 2017). However, there is no any research informed systematic deliberation among researchers as to what constitutes a valid set of criteria. Most of the strategic management studies have measured performance using traditional financial measures (Walsh, Weber & Margolis, 2003). The main issue associated with traditional performance measurement is the failure to embrace non-financial and less tangible aspects such as employee morale, quality, client satisfaction and (Kaplan & Norton, 2012).

Strategy implementation research mostly focuses on successful or failed strategy implementations, or deals more holistically with the relationship between implementation concepts and performance. Strategies and their implementation styles depend on specific internal and external environments in which organizations operate. The implementation of strategies must be tailored to each organization's unique situation in order to maximise the potential benefits of those strategies (Donaldson, 2001). This study explored the ways in which different approaches to strategy implementation relate to organizational performance, as only a small number of implementation studies have empirically explored this aspect of the problem. Extant literatures have linked strategy implementation on performance. This study established that the effect of strategy implementation on organization performance is actually mixed. Whereas several studies find a positive relationship (Čater & Pučko, 2010; Murgor, 2014; Genc, 2017; Kihara, 2017). Other studies find a negative relationship (Khaleji, 2019). Therefore, the relationship between strategy implementation and performance is inconclusive. Genc (2017) confirmed the presence of a significant positive relationship between rational strategy implementation and organizational performance. Kihara (2017) findings provided statistical evidence that a positive and significant influence exists between strategy implementation and performance. Čater and Pučko (2010) found out that while adapting the organisational structure to the selected strategy, strategy implementation had a positive influence on performance. Khaleji (2019) realized that by use of correlation between strategy implementation, strategic leadership and growth that there was a negative correlation between strategy implementation and growth. To date, most empirical studies have dealt with the relationship between implementation and organizational performance without reference to the contextual elements which may affect that relationship. This paper sought to establish the strategy implementation - performance link by reviewing their relationship.

Hypothesis

The following research hypothesis was developed in order to accomplish the aims of the study:

H₀: There is no significant relationship between strategy implementation and organizational performance

Conceptual Framework for the Study

The conceptual framework shows the relationship of the reviewed variables by looking at previous literatures and critiquing them. This study assessed the relationship between the study variables as presented in a diagrammatical form in Figure 2.1.



Figure 2.1: Conceptual Framework

RESEARCH METHODOLOGY

Research Design

This paper adopted a cross-sectional survey research design. Cross-sectional surveys are descriptive in nature and may support inferences of cause and effect. Cross-sectional surveys involve collecting data at a specific point in time unlike longitudinal studies which involve a series of observations of the study population over a period of time. This paper was guided by positivistic philosophy. This study adopted positivism view with the aim of predicting and generalizing about the relationship between strategy implementation and performance of Energy sector institutions.

Population

The study population comprised all key players under energy sector covering both public and private institutions listed in the register of Energy and Petroleum Regulation Authority in February 2019. According to Energy Regulatory Commission (ERC) (2019), there are 68 institutions under the energy sector. These 68 institutions formed the units of analysis.

Sampling Design

This paper employed census method owing to small target population and considered the entire population as supported by Cooper and Schindler (2014) who avers that census method is feasible when the population is small and necessary when the elements are quite different from each other. The size of the population of 68 suggests that a census is feasible and it eliminates sampling error and provides data on all the individuals in the population. The unit of observation comprised of the C.E.O or the Head of the Institution and two members of management involved in finance, operations or technical. This made it 3 respondents from each category which accumulated to 204 employees from all the institutions.

Data Collection

Data was collected by use of questionnaires. This paper used primary data and secondary data. Primary data was obtained from the selected respondents using questionnaires. The study employed both qualitative and quantitative techniques. Quantitative data was obtained through close-ended questions.

Data Analysis

The study used both inferential and descriptive statistics. Quantitative data was analysed using Statistical Package for Social Sciences (SPSS version 22). Qualitative data from open-ended questions were analysed using conceptual content analysis. The qualitative data from the open-ended questions were analysed using thematic content analysis and presented in narrative form. Pearson's product-moment correlation coefficient (r) was used for testing the hypothesis to show the strength of the linear relationships between the variables in the regression.

Results and Findings

Response Rate

The researcher distributed 204 questionnaires, out of which 166 responded positively by filling and returning the questionnaires. This represented an overall positive response rate of 81.37 percent. The remaining 18.63 percent were unresponsive even after several follow-ups and reminders. Table 4.1 give results for the response rate.

Table 4.1: Response Rate

Category	Questionnaires distributed	Questionnaires filled and returned	Percent
Respondents	204	166	81.37

Reliability

Reliability of the questionnaire was tested using Cronbach Alpha. The research instrument was reliable as the alpha for the variables was above 0.7. Table 4.2 shows the reliability results.

Table 4.2: Cronbach's Alpha Reliability Coefficients

Variable	Components of Variables	Cronbach's Alpha	Number of items	Decision
Strategy Implementation	-Leadership -Structure -Responsibility and Accountability -Culture	.906	20	Reliable
Performance	-General performance -Service delivery	.853	14	Reliable

Descriptive Statistics

Strategic Implementation

The study sought to establish the influence of strategic implementation on performance. The results were derived and discussed in Table 4.3

Table 4.3: Strategy Implementation Dimensions

Strategy Implementation	N	Mean	Std. Deviation	Coefficient of Variation (percent)
Leadership				
My leader ensures that employees have adequate knowledge, experience and skills to perform their work	166	4.27	.443	10
The vision of our leaders is aligned to our strategy	166	4.27	.443	10
My organization gives adequate information, encourages employee feedback and participation before a new strategy is implemented	166	4.23	.421	10
Employees have annual performance targets linked to our strategic goals	166	4.18	.416	10

Strategy Implementation	N	Mean	Std. Deviation	Coefficient of Variation
Adequate resources are allocated to support delivery of strategic goals	166	4.02	.373	9
My leader ensures that employees are rewarded equitably based on their work performance and achievement of set objectives.	166	4.01	.389	10
The leadership in my organization demonstrates commitment to strategy implementation in order to achieve the set strategic objectives	166	4.11	.355	9
Overall Mean	166	4.16	0.406	10
Structure				
My organization structure supports our strategy and is revised regularly to match the changes in strategy requirements.	166	4.03	.473	12
My organization is governed by a clear system of policies, rules, regulations, and procedures which guide implementation of strategy.	166	4.20	.400	10
My organization's structure allows quick timely decisions and feedback during implementation of strategy to ensure we achieve our goals	166	4.08	.412	10
Overall Mean	166	4.10	0.428	10
Responsibility and Accountancy				
Decision-making is mainly done by top management and managers must consult in most cases	166	4.01	0.561	14
The management encourage employees to conduct continuous research to improve products and services.	166	4.09	0.394	10
All employees of our company including those at the lower level are held accountable for achievement of the goals of the company	166	4.07	0.390	10
The middle managers are better in strategy implementation as compared to senior managers	166	3.02	0.572	19
Overall Mean	166	3.80	0.479	13
Culture				
The management encourages employees to be creative, try new methods and conduct continuous research to improve products and services	166	4.07	0.333	8
My organization is like a family where everyone is focused on smooth implementation of strategies in order to achieve set goals	166	3.93	0.689	18
My organization has precise rules, procedures and methods for implementing strategic objectives	166	4.01	0.412	10

Strategy Implementation	N	Mean	Std. Deviation	Coefficient of Variation
My organization regularly reviews and measures progress against set targets as teams when implementing strategies	166	3.98	0.460	12
My organization encourages teamwork among employees	166	4.14	0.466	11
In my organization problems affecting strategy implementation are addressed openly and resolved	166	4.08	0.440	11
Overall Mean	166	4.04	0.467	12
Grand Mean	166	4.03	0.445	11

The results from table 4.3 indicated that grand mean of statements depicting strategy implementation was 4.03, standard deviation of 0.445 and coefficient of variation of 11 percent, a high mean indicating that strategy implementation played a key role in influencing performance of institutions in the energy sector, that is, success of any organization depends on how strategy employed is implemented. The findings further indicated that on aspects of strategy implementation, leadership had the highest mean of 4.16, standard deviation of 0.406 and coefficient of variation of 10 percent. Leadership covers all aspects of dealing within and outside of an organization, handling or dealing with conflicts, helping and guiding the workforce to achieve and accomplish their tasks and appearing as a role model for all.

Regression test was done to establish the association between strategy implementation and performance. The regression results were presented in section 4.4

Table 4.4: Regression Test of the Effect of Strategy Implementation

Model		R	R Square	Model Summary		
				Adjusted R Square	Std. Error of the Estimate	
1		.716 ^a	.513	.510	.30712	
a. Predictors: (Constant), strategy implementation						
Model		Sum of Squares		ANOVA ^a		
				Df	Mean Square	F
1	Regression		16.309	1	16.309	172.902
	Residual		15.469	164	.094	
	Total		31.778	165		
a. Dependent Variable: performance						
a. Predictors: (Constant), strategy implementation						
Model		Unstandardized Coefficient		Coefficients		
		B	Std. Error	Standardized Coefficients	T	Sig.
1	(Constant)		1.771		.195	9.083
	Strategy implementation		.598	.046	.716	13.149
a. Dependent Variable: performance						

The results in Table 4.4 indicate that there is a strong association between strategy implementation and performance (R=.716). The coefficient of determination $R^2 = .513$ implies that strategy implementation explains 51.3 percent of the variation in performance. The other variables not included in this study explain the remaining 48.7 percent. This result shows a strong influence of strategy implementation and performance. The overall model was statistically significant (F = 172.902, P-value < 0.05). The results of the beta coefficient showed that a unit increase in strategy implementation will cause a .716 increase in performance (B=1.771, t=13.149, p<0.05) suggesting that the influence of strategy implementation on performance was statistically significant. This implies, overall, strategy implementation is a good

predictor of performance. The findings thus were sufficient to reject the first hypothesis *this implies that strategy implementation significantly influence performance and therefore the hypothesis that Strategy implementation has no significant effect on performance of energy sector institutions in Kenya was rejected.*

Conclusion

The findings show that the relationship between strategy implementation and performance is statistically significant. The findings in the study suggested that strategy implementation attributes that include leadership, structure, responsibility and accountancy and culture had a great influence on performance. The results of this study therefore provide a concrete reason to give more attention on strategy implementation to be able to achieve better outcomes. The study further concluded that effective strategy implementation should devise internal action approaches, develop effective strategies to improve organizational performance, attain clarity of future direction, assign team work and expertise based on resources, deal effectively with organizational changes and uncertainties in external environment, processes and people and make appropriate choices and priorities in order to achieve better organizational performance.

Recommendations

The paper concluded by providing recommendations and suggestions for future study. This paper recommends that researchers replicate this study in other studies. Future studies could be done on other sectors other than energy and compare the similarities and differences that will be established in these sectors. The paper also recommends future studies should consider introducing different study variables in establishing the relationship between strategy implementation and performance. Future research could also use longitudinal design set up to address this limitation and draw specific conclusions on the direction of causality. This could further widen the scope of the current study.

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