

# Journal of Public Policy & Governance



## **Effect of Strategy Execution on Performance of Parliamentary Service Commission of Kenya**

**Joel Omuyoyi Espirah & Dr. Murigi, Elishiba Muthoni**

**ISSN: 2616-8413**

# Effect of Strategy Execution on Performance of Parliamentary Service Commission of Kenya

<sup>1\*</sup>Joel Omuyoyi Espirah & <sup>2</sup>Dr. Murigi, Elishiba Muthoni,

<sup>1</sup>Masters Student, Kenyatta University-Department of Business Administration

\*E-mail Address: [ctvptjoel2015@gmail.com](mailto:ctvptjoel2015@gmail.com)

<sup>2</sup>Lecturer, Kenyatta University-Department of Business Administration

E-mail Address: [Murigi.elishiba@ku.ac.ke](mailto:Murigi.elishiba@ku.ac.ke)

**How to cite this article:** Espirah, O.J., & Murigi, E.M. (2019), Effect of Strategy Execution on Performance of Parliamentary Service Commission of Kenya, *Journal of Public Policy & Governance*. Vol 3(2) pp. 61-72.

## Abstract

The centrality of effective execution of processes has been an area of emphasis since pre-industrial revolution. Effectively executed organisational processes have a positive influence on overall performance. Although modern organizations do come up with good strategic plans, majority of them experience challenges in successful execution of their plans. The study sought to establish the relationship effective strategy execution and performance of the Parliamentary Service Commission of Kenya. The target population was a total of 71 employees/staff from Parliamentary Service Commission offices situated in Nairobi. The research design that was adopted for this study was descriptive research design. Data collected was analyzed using Statistical Package for Social Sciences (SPSS). Linear regression model was used to establish the relationship between the independent variables and the dependent variable and the strength upon which the independent variables affect the dependent variable. Effective strategy execution was found to have a positive and strong correlation with performance ( $r=0.739$ ;  $p=0.016$ ). A statistically significant relationship was found, leading to rejection of the null hypothesis ( $p=0.00$ ;  $p<0.05$ ). It was recommended that further studies should be done on other factors not studied herein that can affect performance in various sectors.

**Keyword:** *Strategy Execution, Performance, Parliamentary Service Commission, Nairobi.*

## **1.0 Introduction**

### **1.1 Background**

Strategy execution is the process of implementing action plans to achieve a desired outcome. Strategy execution comprises the actions of establishing policies and yearly objectives and assigning resources so that a formulated strategy can be accomplished. Barney and averred that positive organization performance depends on effective execution and rationalization of the basic strategic components. An organization's performance usually has been considered to be the outcome of a strategic management process which contains all possible circumstances and activities, comprising the external environment, and internal factors, including an organization's size, age and structure, and strategy. Execution is about turning weakness into strength so that an organization can neutralize threats and take advantage of existing opportunities in the environment. Executing strategies superbly is the key to taking advantage of existing opportunities in the environment yet execution is a time-consuming and complicated process (Schaap, 2006).

It is one thing to formulate superior strategic plans (Hrebiniak, 2006) but execution of the same is a different ball altogether. Several factors can affect strategy execution. These factors can be categorized into soft, hard and mixed factors (Li, Guohui Martin & Eppler, 2008). Soft factors are people-oriented factors such as styles, strategy executors, communication etc., hard factors are institutional such as structure, whereas mixed factors include relationships between various units, strategy planning etc. Cater and Pucko (2010) in their study found out that only 14% of firms studied, successfully implemented their strategies yet 80% of them had good strategies. This highlights the fact that translating strategy in action is challenging and is becoming number one challenge to various organizations.

Parliament of Kenya just like other organizations has a vision in that being a public institution; it has a responsibility to ensure that it carries out its constitutional mandate of representation, legislative and oversight roles to the public. The role of execution of its vision statement lies with the Parliamentary Service Commission (PSC) with assistance from the Board of Senior Management (BoSM) through staffs of Parliament. Being an institution full of elected leaders, it is expected to be the center of excellence in terms of public image and integrity. Recent reports have emerged painting a picture of an institution with serious challenges in public image, false financial claims and poor confidence rating in the ability to carry out the constitutional mandate. Currently the Kenyan Parliament has two parallel structures in one institution referred to as bicameral system.

### **1.2 Statement of the Problem**

Kenyan Parliament has two Speakers and two Clerks, one for each house (GoK, 2010). Both houses are managed by Parliamentary Service Commission (PSC) which comprise of membership from both houses. The extent to which such a structure is supportive in strategy management process particularly to strategy execution has not been clarified. Recently the public has been treated to supremacy battles between the two houses with frequent formation

of mediation committees to solve contentious issues. These disagreements create suspicion and may pose a big challenge in the quality of strategy execution.

Parliamentary institutions have not attracted much attention from the public management scholars in the same way that central executives and local authorities' organizations have. More importantly, academic literature on strategic management process on organization performance is rather silent within parliamentary institutions despite a significant modernization agenda affecting legislatures around the world. A study by Amollo (2011) on Challenges of Strategy Implementation in PSC established that the organization structure at Parliamentary Service Commission was not fully aligned with the strategic plan that had been adopted. Guchu (2014) carried a study on Strategic Management Practices in Parliament of Kenya and established that the institution's performance is closely linked to the planning strategy. A study by Kimathi (2011) on Implementation of Strategic Change at Parliamentary Service Commission established that the strategies were executed in a planned manner with support from the Board of Senior Management which was the top decision-making organ.

The studies highlighted above do not clearly link the relationship between strategy execution and performance because they concentrate only on one variable. Additionally, there has been very scanty research on the Kenyan Parliament on the linkage between strategy execution and organizational performance. To this effect, this study endeavours to empirically examine relationship between strategy execution and organization performance of the Parliamentary Service Commission.

### **1.3 Aim**

The aim of this study is to determine the effect of strategy execution on performance of Parliamentary Service Commission.

### **1.4 Significance**

This study contributes to existing theory for scholars who intend to carry out further research in this area. The scholars will find the research outcome useful as reference material. Further, the study reviews if the salient tactics, strategies and principles used by strategic managers for making a business stand out and overcome competition in the cutthroat environment hence high performance is influenced by proper planning, implementation and monitoring. To top managers as policy makers, the study is beneficial to the organizations so that they are able to understand the crucial role of proper planning, proper implementation and monitoring of strategic programs and their impact on organization performance.

## **2.0 Literature Review**

### **2.1 Theoretical Review**

#### **2.1.1 Value Chain Analysis Theory**

Value Chain Analysis (VCA) was developed and published by Michael Porter in his book, "Competitive Advantage" in 1985 as a competitive strategy. Porter argued that an organization has to look at its processes and to seek to improve efficiency and effectiveness in order to

improve organizational performance. In an organization, performance is measured both at individual and organizational level. On an individual level according to Campbell (1993) performance is what an organization hires one to do and do well, whereas Motowidlo, Borman, Schmit (1997) categorize individual performance into task performance and contextual performance.

In VCA Porter stressed the importance of an organization creating services and goods that have far greater value (McGuffog & Wadsley, 1999) than the cost of production by creating efficiency along the process chain. The process of transforming inputs into outputs to create value for customers is what is known as value chain (Hill & Jones, 2001) and are systematically interrelated (Sanchez & Heene, 2004). Combining great value and affordable price can be a source of competitive advantage. Competitive advantage is at the heart of strategic management. Parliamentary business consists of two main processes. The processes related to the core responsibility of MPs and staffs and processes related to Members and staff welfare. This theory is relevant to this study in that it helps to interrogate performance along the value chain of various processes in PSC which can result in necessary changes for improved performance.

### **2.1.2 Competency Ice Berg Theory**

This theory was originally introduced by David C. McClelland in 1973 in a paper titled "Testing for Competence rather than Intelligence". Competencies are defined as skills, abilities and personal characteristics required by an effective manager (Page & Wilson, 1994), which results in superior job performance." Spencer and Spencer (1993) explained that competency has two types of components. Just like an iceberg tip, the first types of components are few and easily visible but the second type are broad, hidden, difficult to notice and complex to understand. Spencer and Spencer (1993) explains that components such as knowledge and skills are easily noticeable and visible but forms a small part like an ice berg tip, while others which are behavioural in nature such as traits, attitude, self-image, thinking style and organizational fit are hidden but broader.

The theory according to Spencer and Spencer (1993) explains that in more complex jobs, the hidden components become more important than the visible components of knowledge and skills. For example, wrong attitude can influence an employee's decision either to use her skills and knowledge or not. According to Spencer and Spencer (1993), development of knowledge and skills is straight forward through training but more complex for behavioural competencies which are developed through mentorship, coaching, counselling etc. An example of a personal characteristic that shows competence is given by Seligman (1991) as optimism as compared to technical knowledge for insurance salespersons.

Iceberg competency theory has relevance to the study because it helps us to understand the place of recruitment in influencing organization performance. Organization can only grow if it adopts the culture of recruiting employees who score high in competence attributes such as rational attitude and right organizational behaviour to help drive strategy execution forward.



## **2.2 Empirical Review**

Many scholars have done a lot of the studies to understand importance of strategy formulation or planning. Assumption is made that once a good strategy or road map has been developed, the remaining process of implementation will follow automatically. The biggest fallacy in strategic management is to assume that great plans or strategies will lead to great organization performance. During planning or strategy formulation, certain assumptions are made about prevailing environmental conditions at the time of implementation. These include both internal and external conditions. The reality may be different when actualizations of the plans begin. One of the most crucial elements in implementation is the human resource factor, both management and employees. Therefore, harmonization of decisions and communication between the two categories of human resource is crucial for successful implementation (David 2003). According to David (2003), some of the elements that need harmonization include objectives, policies, resource allocation and organization culture to reduce conflict and resistance to change. Any new plans or strategies will bring the need to change some elements of organization operation, which can bring resistance by employees especially if enough conscientious was not build about the new programs.

Ogunmokun, Hopper and McClymont (2005), carried out a study on strategy implementation and organizational performance of private hospitals in Australia. The study concluded that how an organization carry out implementation activities has an impact on its performance. The various implementation activities mentioned include developing organization's policies to guide implementation, proper communication between management and employees, allocation of resources towards the implementation, enhancing organization culture, providing incentives to improve individual performance, managing conflicts amongst employees and where necessary altering the structures to accommodate implementation process.

In Indonesia, a study carried out by Ibrahim, Sulaiman, Kahtani and Jarad (2012) in the manufacturing sector concluded that there is significant relationship between strategy implementation and organization performance. The study also highlighted the important role of formalized structure as a moderating factor in the relationship. Formation of structures and restructuring in any organization is one of the roles of strategic managers. Similar conclusions were made in study done on Commercial banks in Kenya by Muchira (2013).

Winstone (2013) conducted a study on relationship between strategy implementation and performance in commercial banks in Kenya. Findings from the study indicated clear that strategy implementation influences organization performance where organizations use various measures such as projected performance of competitors, organization goals, Past performance of the business and projected performance of organization in other industries to access their performance. Additionally, the study established that strategy implementation improves corporate image, business excellence and operations management. Most studies done on the relationship between, implementation and organization performance show that there is to a positive correlation between the two.

## 2.3 Conceptual Framework

### Independent variable

#### Strategy Execution

Organization structure  
 Organization culture  
 Resource allocation

### Dependent variable

#### Organization Performance

Customer satisfaction,  
 Program completion  
 Quality of service  
 Efficiency in service delivery

(Source: Author)

**Figure 1: Conceptual framework**

## 3.0 Methodology

The research design that was adopted for this study was descriptive research design. According to Saunders, Lewis and Thornhill (2009), a descriptive research is concerned with the process of collecting information to answer questions on the present status of an occurrence. Kothari & Gaurav (2014) explain that a descriptive study gives a clear explanation of the characteristics of the population or situation being studied.

The Target population of the study was obtained from parliamentary service commission offices situated in Nairobi. The target population was total of 71 employees/staff working in the organization

**Table 1: Target Population**

Category	Number	Percentage
Senior Management	8	12.6
Directors	17	23.9
Head of departments	21	28.5
Others Staff	25	35.0
<b>Total</b>	<b>71</b>	<b>100</b>

(Source: PSC 2018)

The questionnaires was administered to the respondents using the drop and pick method. The researcher made regular follow ups to remind the respondents to fill the questionnaires in order to minimize delays in data collection. Questionnaires have advantage over other instruments because they are cheap, easy to administer and most often have standard answers making it easy to compile data. Reliability of the questionnaire was tested using Cronbach's Alpha with a target score of 0.70 and above. A prior test was done by giving the questionnaire to 7 suitably selected respondents to fill which is 10% of the population. The respondents were requested to evaluate the statement items for relevance, meaning and clarity. On the basis of their response, the instrument was adjusted appropriately before embarking on data collection.

A pretest (pilot) study was conducted on 7 respondents which was 10 % of the sample size. The 7 respondents chosen for pilot testing reduced the sample size from 71 to 64. The advantage of the study was to enable the researcher to foresee challenges in the questionnaire structure and flow, identify elements that can introduce bias and errors and from the feedback of the test, pinpoint areas of improvement in preparation for the actual survey.

Descriptive statistics was used to summarize the observation from the sample of the data collected. The study used Pearson's correlation coefficient (r) technique to analyze the degree of relation between independent (strategic planning, strategy execution and monitoring an evaluation) and dependent (performance) variables. The correlation coefficient enabled the researcher determine the magnitude and direction of the relationship between the independent variable and dependent variable and the bigger the co-efficient, the stronger the association between the two variables. The correlation analysis was done by use of SPSS computer programme.

Linear regression model was used to establish the relationship between the independent variables and the dependent variable and the strength upon which the independent variables affect the dependent variable. Before carrying out of regression analyses, diagnostic tests associated with regression (Linearity Test and Normality Test) were conducted to investigate on the basic assumptions of multiple linear regressions.

A linear regression model  $Y = B_0 + B_1X_1 + e$  was created.

y = dependent variable, (performance);  $B_0$  = Constant term;  $B_1$  = Coefficient of Independent Variable slope;  $X_1$  = strategy execution;  $\varepsilon$  = Stochastic Error Term

The ethical consideration of research that were taken into consideration included ensuring no harm to participants, respecting participants dignity, obtaining full consent from participants, protecting participants' privacy, avoiding deception or exaggeration and avoiding misleading information (ensuring honesty transparency in communication).

## **4.0 Findings**

### **4.1 Response rate and Reliability**

A response rate of 81% was achieved. Out of the targeted 64 respondents that were targeted, only 52 of them successfully participated in the study. Reliability analysis for strategy execution was 0.913. According to Garson (2012), the computed Coefficient Alpha Value of > 0.7 is considered acceptable in the test of reliability.

### **4.2 Demographic Characteristics**

Majority of the respondents 58% were male while 42% were female of the total respondents who participated in the study. This indicates that there are slightly more male employees than female in the parliamentary service commission. A large proportion of respondents 35.79 % had an experience of between 6 – 10 years; another proportion of 31.1% had worked with parliamentary service commission for between 11 – 15 years while 14.16% had worked for more than 15 years. Cumulatively 81.05% of the respondents had worked with parliamentary service commission for more than 5 years meaning they were competent to answer the



questions on relationship between strategic management process and organization performance. 44.4% had undergraduate degrees, while those with postgraduate were 39.7% and diplomas only 15.9 %.

### 4.3 Influence of strategy Execution on Performance of PSC

#### 4.3.1 Descriptive Analysis

The researcher sought response from the respondents on the statements relating to strategy execution on performance of Parliamentary Service Commission on the Likert scale of 1 to 5 Where: 5= Strongly Agree; 4= Agree; 3= Neutral; 2= Disagree 1= Strongly Disagree. The outcome is presented in table 2 below.

**Table 2: Strategic Execution in PSC**

Statements	N	Mean	Std Deviation
The culture of recruitment, promotion, and rewards as practiced in PSC has created a conducive environment for effective strategy execution	52	4.08	0.916
The current PSC organization structure in Parliament enhances successful strategic plan execution	52	4.20	0.904
Resources have been adequately allocated to facilitate execution of PSC strategic plans	52	3.95	1.007
The three services of PSC i.e. Senate, National Assembly and Joint Services are coordinated to carry out their programs	52	3.94	1.171
Organizational politics in Parliament have an effect on strategy execution	52	4.14	0.946
<b>Overall statistic</b>		<b>4.062</b>	<b>0.989</b>

(Source: Survey data, 2019).

The response on the statement are; The culture of recruitment, promotion, and rewards as practiced in PSC has created a conducive environment for effective strategy execution with a mean of 4.08 and standard deviation of 0.916, the current PSC organization structure in Parliament enhances successful strategic plan execution with a mean of 4.20 and standard deviation of 0.904, Resources have been adequately allocated to facilitate execution of PSC strategic plans with a mean of 3.95 and standard deviation of 1.207, The three services of PSC i.e. Senate, National Assembly and Joint Services are coordinated to carry out their programs with a mean of 3.94 and standard deviation of 1.171, and Organizational politics in Parliament have an effect on strategy execution with a mean of 4.14 and standard deviation of 0.946. The overall statistics of this section was a mean of 4.062 and a standard deviation of 0.989. This implies that strategy execution has influence on performance of Parliamentary Service Commission.

The study is supported by study done by Ogunmokun, Hopper and McClymont (2005), who concluded that how an organization carry out implementation activities has an impact on its performance. Further the study is supported by the study done by Winstone (2013) which indicated clear that strategy implementation influences organization performance where organizations use various measures such as projected performance of competitors, organization goals, Past performance of the business and projected performance of organization in other industries to access their performance.

#### 4.3.2 Inferential Analysis

Regression analysis was used to test all the three hypotheses. However, before the analysis were carried out, diagnostic tests were conducted to investigate on the basic assumptions of multiple linear regressions. Linearity was confirmed using Pearson's Correlation Coefficient ( $r=0.739$ ;  $p=0.016$ ) was normality was established using Kurtosis ( $-0.341$ ) and Skewness ( $0.563$ ).

The correlation between strategy execution and performance was strong and positive ( $r=0.739$ ;  $p=0.016$ ). From the regression analysis, Table 3 below was constructed.

**Table 3: Test of Direct Relationship Coefficient Table**

Model		Unstandardized Coefficients		standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	2.346	-	-	3.84	0.181
	Strategy Execution	.621	.073	.659	3.27	0.000**
a. Dependent Variable: Performance of Parliament Service Commission						

(Source: Survey data, 2019)

Using the figures in Table 3 above, a predicative regression model was constructed in the form:

$$\text{Performance of PSC} = 2.346 + 0.621 X_2 \dots\dots\dots(i)$$

The coefficient of strategy execution was 0.621 showing that by holding other factors constant, a unit increase in strategy execution would result in 62.1 % increase on organization performance.

The results in table 2 show that the coefficient of strategy execution was 0.621 with the t-statistic and corresponding p-value of 1.28 and 0.002 respectively. Thus, the study rejects the null hypothesis at  $P < 0.05$  level of significance. Therefore, the study concludes that Effective

strategy execution has significant influence on performance of Parliamentary Service Commission.

## 5.0 Conclusions

The objective of this study was to establish the relationship between strategy execution process and organization performance of the Parliamentary Service Commission. How an organization carry out implementation activities has an impact on its performance. Thus, majority of the respondents indicated that strategy execution has influence on performance of Parliamentary Service Commission. This was supported by descriptive results with an overall mean score of 4.062. The correlation analysis yielded a Pearson's product moment coefficient of correlation ( $r = 0.739$ ) indicating that a strong and positive relationship existed between the two variables. An improvement in strategy execution process will lead to increase in organization performance. This is indicated by the regression coefficient of 0.621, thus a unit increase in strategy execution would result in 62.1 % increase on organization performance. Further, hypothesis tests confirmed the finding by confirming that there is significant positive relationship between strategy execution and performance of Parliamentary Service Commission. The conclusions from the findings indicate that Strategy Execution has an influence on organization performance.

## 6.0 Recommendations

The researcher recommends this research to be done on other sectors of economy such as the manufacturing industry, construction industry not the Parliamentary Service Commission only. Furthermore, studies need to be done on other factors not studied herein that can affect performance in various sectors. Such factors not deeply considered in this study but can have an impact on organization performance include among others organization structure, organization culture, communication styles etc. Research on several factors will enrich the literature on how to improve employee performance and will be of immense value to top managers on effective organization management.

## References

- Amollo, O. L. (2013). *Challenges of strategy implementation at the parliamentary service commission of Kenya*. (Doctoral dissertation, School Of Business, University Of Nairobi).
- Barney, J.B., & Hesterly, W.S. (2006). *Strategic Management and Cases*. Upper Saddle River: Pearson/Prentice Hall.
- Campbell, J. Y. (1993). Intertemporal asset pricing without consumption data. *American Economic Review*, 83(3), 487-512.
- Cater, T. & Pucko, D. (2010). Factors of Effective Strategy Implementation: Empirical Evidence from Slovenian Business Practice. *Journal for East European Management Studies*, 15(3), 207-236.
- David, F. R. (2003). *Strategic Management: Concepts and Cases* (9th edition). Prentice Hall.

- Guchu, A. M. (2014). *Strategic Management Practices in Parliament of Kenya* (Doctoral dissertation, School Of Business, University Of Nairobi).
- Hill, C.W. & Jones, G.R. (2001). *Strategic Management: An Integrated Approach*. Houghton Mifflin.
- Hrebiniak, L.G. (2006) Obstacles to Effective Strategy Implementation. *Organizational Dynamics*, 35, 12-31. <http://dx.doi.org/10.1016/j.orgdyn.2005.12.001>
- Kimathi, L. G. (2011). *Implementation of strategic change at Parliamentary Service Commission* (Doctoral dissertation, University of Nairobi, Kenya).
- Kothari C.R. & Gaurav G. (2014). *Research Methodology*. (Third Edition). New Age International Publishers, New Delhi
- Li, Y. Guohui, S. & Eppler, M.J. (2008). *Making Strategy Work: A Literature Review on the Factors influencing Strategy Implementation*. Institute for Corporate Communication, University of Lugano, Switzerland.
- McGuffog, T. & Wadsley, N. (1999). The general principles of value chain management. *Supply Chain Management: An International Journal*, 4(5), 218-225.
- Motowidlo, S. J. Borman, W. C. & Schmit, M. J. (1997) A theory of Individual Differences in task and contextual Performance. *Human Performance*, 10, 71–83.
- Muchira, N.W. (2013). Relationship between Strategy Implementation and Performance in Commercial Banks in Kenya. *Unpublished MBA Project, School of Business, University of Nairobi, Kenya*.
- Ogunmokuni, G. Hopper, T. & McClymont, H. (2005). *Strategy implementation and organizational performance: A study of private hospitals*. University of Southern Queensland.
- Page, C., Wilson, M. G., & Kolb, D. (1994). *Management competencies in New Zealand: On the inside, looking in?* Ministry of Commerce.
- Sanchez, R. & Heene, A. U. (2004). *The New Strategic Management: Organization Competition and Competence*. Wiley, New York
- Saunders, M. Lewis, P. & Thornhill, A. (2009). *Research Methods for Business Students*, 5<sup>th</sup> Edition. Prentice Hall, UK.
- Schaap, J.I. (2006). Toward Strategy Implementation Success: An Empirical Study of the Role of Senior-Level Leaders in the Nevada Gaming Industry. *UNLV Gaming Research and Review Journal*, 10, 13-37.
- Seligman, M. (1991). *Learned optimism Learned optimism*. New York.

- Spencer, L. M. & Spencer, S. M. (1993). *Competence at work: Models for Superior Performance*. New York: John Wiley & Sons.
- Sulaiman I., Kahtani, A. & Jarad, I., A (2012). The Relationship between Strategy Implementation and Performance of Manufacturing Firms in Indonesia: The Role of Formality Structure as a Moderator. *World Applied Sciences Journal*, 20(7), 955-964.
- Winstone N. M. (2013). Relationship between Strategy Implementation and Performance in Commercial Banks in Kenya.