# EMPLOYEE PERCEPTION OF STRATEGY IN A PUBLIC ORGANISATION: THE CASE OF KenGen

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By

Joseph Njogu Ng'ang'a

A Project Report submitted in partial fulfillment of the requirement for the award of a Degree of Masters in Business Administration, University of Nairobi

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## DECLARATION

I, the undersigned, declare that this is my original work that has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

**Signed**:............................................ **Date**: 8th October 2004

**Name**: J. N. NGANGA

**Registration No.**: D61/P/7874/2001

This project has been presented for examination with my approval as the appointed supervisor.

**Signed**:............................................ **Date**: 20/12/04

**Name**: J. Maalu

## ABSTRACT

Employees form a major stakeholder group in any enterprise. However, their productivity and performance is dependent on their degree of motivation. This can be influenced by how they perceive and interpret various initiatives that may be introduced by the company; a critical one in this regard being introduction of a new or revised business strategy.

Strategy defines the direction an organisation will take to maintain or expand its product range or market scope. Strategy formulation needs to take account of factors and circumstances that would constrain its implementation. Such factors can be systemic or behavioural in nature. This research work sought to investigate the disconnect that may arise between employee perception of strategy in a public organisation, based on their initial expectations from such a plan. It also sought to investigate whether there is a relationship between perception and contextual factors such as geographical location. KenGen was used to exemplify what obtains in the public sector in Kenya on this account, albeit with some qualifications.

KenGen's activities cover the whole country. Due to constraints of time and budget, a sample was randomly selected from the employee database to represent the population of study. The sample size took account of the dispersion of the population, the desired level of accuracy and interval range. A structured questionnaire was used to collect primary data. Secondary data was obtained from the company's management information system and printed records. Analysis of the data was done by commercial SPSS software and Microsoft Excel spreadsheet.

Findings from the Study indicate that perceived performance of the strategy did not match employee expectations. There was a statistically significant perceptual gap that could not be explained by the difference in random sampling fluctuation alone. A correlation was established between expectations and perceptions with the level of education, seniority in the organisation and length of service. Expectations from strategy were found to decrease with increase in period of service, but are marginally affected by the position in the organisation, geographical location or level of education. The perceived performance of the Plan increases as one moves down the ladder and with increase in length of service. The level of education was found to be the principal item influencing perception of strategy.

The proportion of employees who were aware of the strategy was higher than those who were not, but this needs to be increased even further to facilitate more ownership during implementation.

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# DEDICATION

This work is dedicated to Jayne and Terry Ng'ang'a: Thanks for being my die-hard supporters and for adapting to a changed environment, while I was undertaking the course

*There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain of success than to take a lead in the introduction of a new order of things, because the innovation has for enemies all those who have done well under the old conditions and lukewarm defenders in those who may do well under new.*

**NICCOLÒ MACHIAVELLI**, ***The Prince***

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| | |
|---|---|
| Govt. | Government |
| HR | Human Resources |
| IBM | International Business Machines |
| IMF | International Monetary Fund |
| ISO 9000 | ISO 9001:2000 Standard on Quality Management |
| IT | Information Technology |
| KenGen | Kenya Electricity Generating Company Ltd. |
| KPLC | The Kenya Power and Lighting Company Ltd. |
| SAAP | South African Power Pool |
| SERVQUAL | Service Quality Model |
| SPSS | Statistical Package for the Social Sciences |
| UK | United Kingdom |
| WB | The World Bank (common term for the International Bank for Reconstruction and Development – IBRD) |
| Yrs | Years |

# CHAPTER ONE: INTRODUCTION

## 1.1 Background

In today's global economy, employees are a critical asset in ensuring an organisation has a competitive edge in the market-place, whether at the local or international level. An appreciation of what would affect their current and future performance is therefore of great concern to decision-makers. Unlike other resources in a firm, employees have to be motivated to be effective and efficient in their work. Human resource policies and structures must therefore be able to generate commitment and enhance individual and group performance. They also need to take account of the differences among various segments of the workforce and the context in which employees are undertaking their activities. A critical factor that can influence performance, in this respect, is how they perceive various initiatives that management may introduce, in an effort to enhance the competitiveness of the organisation. The most critical of this is the formulation and implementation of the firm's business strategy.

Strategy, as a concept, is now taken for granted in many aspects relating to company performance and competitiveness. However, a definition of what it is depends on the perspective one approaches the subject. This, by implication, means that the transmitter and recipient of the information may perceive issues in different ways depending on past information and experiences. Perceptions are shaped by events occurring in the firm and are influenced to a great degree by the recipient's background, education and personality, among other factors (Bennett, 1997; Thornhill and Saunders, 2003).

Strategy is a multidimensional concept (Aosa, 1992). The Microsoft Encarta Dictionary (1999: pp.1766) defines strategy as a '... carefully devised plan of action to achieve a goal, or the art of developing or carrying out such a plan'. Viewed from a perspective of warfare, it describes strategy as '...the science or art of planning and conducting a war or a military campaign'. Grant (2002: pp.13) views strategy as how a firm will 'deploy its resources within its environment...' to satisfy its long-term goals. In this perspective, strategy is used to determine and give direction on how businesses leverage their resources to meet their long-term objectives and how they organise their activities to implement the strategies. This view takes strategy to be the deployment of resources and managerial capability required to realise company objectives. Porter (1980) also advances the position that strategy helps a firm to develop a long-term advantage in the marketplace. However, strategy is more than just plans and programs; it is the unifying theme that drives the whole organisation forward. Without it '...different parts of the organisation will develop different, contradictory and ineffective responses...' to the environment (Ansoff, 1988: pp.107).

Hax and Majluf (1996) posit the view that strategy is needed in order for the organisation to match its internal resources and capabilities to the external environment. And because the external environment is rarely static, strategy should adapt the firm to meet the challenges prevailing in the environment. Of equal importance, strategy must be seen as a response by the firm to external opportunities and threats, in relation to its own strengths and weaknesses.

Porter (1995) advances a novel view on strategy. He sees the firm as being confronted with a finite number of choices in its desire to survive or grow. The optimum option will be dictated by the internal capabilities of the organisation. It will also be contingent on the anticipated behaviour of rivals in the marketplace and the industry in general. A successful strategy will therefore be the one that helps the firm attain a competitive position that will lead to superior and sustainable performance in the long-term.

That aside, the fundamental role of strategy in an organisation is to provide direction. It sets out milestones that act as targets for the organisation. These are realised through articulation of the vision and mission statements of the firm. Needless to mention it, these policy statements are the linchpins of a firm's strategic intent (Hamel and Prahalad, 1994). They articulate the aspirations of the firm and the reason for its existence. Consequently, when there is a consensus on a firm's long-term direction, strategy can be used as a tool for managerial decision-making; such as in allocation of resources, compensation of human capital and prioritization of activities, products or markets.

In the development of strategy, many organisations have a periodic retreat (usually annual) where the future direction of the business is reviewed. This approach has its merits. Johnson and Scholes (2002) cite the benefits of involving a wide range of participants, co-ordination between the various divisions and increased ownership of the outcomes. The flip side of the coin is that these retreats can develop into an intellectual exercise, far removed from the reality of the business, where the 'tyre meets the road'. The process can also become cumbersome and with the limited number of participants, usually senior executives, it may lead to minimal ownership by the rest of the organisation. The approach can also stifle innovation and creativity as participants may at times focus more on protecting their own interests: careers, status or self-image. It may also lead to rigid plans that are not easily adaptable to a changing environment.

However, there is no consensus on the 'one' right way to develop strategies. It depends to a great degree on the size of the firm, management style and complexity of the environment (Pearce and Robinson, 2000). Large firms may well find the above approach appropriate. Small firms, on the other hand, may have an individual (perhaps the owner) who provides the strategic direction of the organisation. This will usually be through intuition, with very little formality. This can allow flexibility as emerging issues can be assimilated to the plan.

This has led to a distinction between what is planned (intended) by an organisation and what is actually realised. Johnson and Scholes (2002) take the latter to be what the organisation follows in practice. They view intended strategy to be the direction deliberately formulated or planned by management. With time, there may emerge new significant issues that need to be incorporated to ensure the strategy remains relevant. This may result in some of the initial plans being dropped before they are realised. These are the ones that do not materialise due to, for instance, the plans being unworkable or the environment changes unpredictably. In some cases, they could have been imposed on the organisation. But Gary Hamel (1996) in Thompson et al (1998) has a harsh view on imposed strategies: they are seldom embraced and are usually doomed to fail in most cases.

Of equal importance in strategy development is organisational politics. Strategy is usually the outcome of bargaining and power games that evolve in an organisation (Johnson and Scholes, 2002). Managers are constantly positioning themselves to ensure their desires prevail or their divisions have a major share of the physical and/or financial resources that are under consideration. Others will be making proposals based on what can sustain their careers or ego in the long-term. This bargaining may also include other stakeholders of the enterprise such as employees, shareholders and other government entities. But there is no doubt that employees are a major stakeholder in the success of the development and implementation of a strategy in any organisation.

Nevertheless, employees are complex beings. Even though one may be an employee of an organisation, his/her interests may not necessarily coincide with that of the organisation. This is because human beings are influenced by, and can act on, the basis of their perception. Mullins (1999: pp.379) defines perception as '...the mental function of giving significance to stimuli such as feelings, shape, etc'. Bennett (1997) considers perception as a process in which one interprets sensory inputs such as sight, sound, smell or feelings. Two people may physically see the same thing but they may have their own individual interpretation of what it is.

Perceptions in an organisation are crucial to researchers as employees are the driving force behind the success, or otherwise, of any business (Masinde, 1986; Ng'ang'a, 2003; Gakonyo, 2003; Kandie, 2003; Njoroge, 2003). Mullins (1999) stresses the need for managers to be aware of the perceptual differences between themselves and that of their employees, which may give rise to organisational conflicts. Perception is influenced by intelligence, personality, expectations, motivation and interest (Bennett, 1997; Mullins, 1999). Attitudes and perception are developed over time and can change as new information and experiences are acquired. Bennett (1997) argues the case for managers to understand the process of perception in order to ensure employees perceive the organisation's objectives in a similar manner, appreciate workers' grievances and complaints from their point of view, and to improve communication between managers and their subordinates by interpreting things the same way.

**1.2 The Power Industry in Kenya**

The Kenya Electricity Generating Company (KenGen) is one of the five power generation companies supplying electricity to The Kenya Power and Lighting Company Ltd. (KPLC) in Kenya. From around mid-1997, power generation (production) has been liberalized and there is a mix of public and private players in the sector. However, at this juncture, transmission and distribution of electricity is undertaken by KPLC only.

KenGen dominates the power generation market in Kenya with 77% of the sales. It also leads in total installed capacity (82%) (KenGen Annual Report, 2003). However, KenGen, and the power industry in general, is under increasing pressure to review their business processes and systems to provide customers with value for money and to ensure survival in the long-term. This entails development of new strategies to deal with existing and future competition. An emerging threat on this account is trading and collaboration across borders in electricity supply. For Kenya, new competition in the not too distant is expected from the Southern Africa Power Pool (SAAP) (Energy in Africa, 2003). While this is welcome news to consumers, the corollary is that only the fittest firms will survive the consequent competition.

At the same time, funding options for power projects are also changing. Whereas traditional sources of financing have been bilateral and multilateral financiers such as the World Bank, European Investment Bank and African Development Bank, there has been a policy shift to allow industry attract private sector funds. The World Bank, for instance, wants to be considered as a lender of last resort, after any other interested party has taken their stake (World Bank, 1994). These developments have necessitated formulation of new strategies, or revision of existing ones, to ensure organisations are able to shift to the new operating platforms. KenGen therefore serves as an excellent choice to investigate the perception of employees as the company adjusts to the new paradigm.

### 1.2.1 Overview of KenGen

KenGen is a limited liability company registered under the Company's Act and 100% owned by the Government of Kenya. Its core activity is electric power generation (KenGen Annual Report, 2003). As at July 2004, it had a staff level of 1503. The Vision and Mission statements of KenGen are as follows:

**Vision**

*To be the market leader in the provision of reliable, safe, quality and competitively priced electric energy in the Eastern Africa region*

**Mission**

*To efficiently generate competitively priced electrical energy using state of the art technology, skilled and motivated human resource to ensure financial success.*

*We shall achieve market leadership by undertaking least cost, environmentally friendly capacity expansion. Consistent with our corporate culture, our core values will be reflected in all our operations*

## 1.3 Statement of the Problem

The public sector in Kenya has traditionally had a lot of government influence on its strategic, and at times operational, decision-making apparatus. This is hardly surprising when it is taken into account that the key governance and managerial organs are appointed directly by, or with concurrence of, the government. This may, of course, change with the expected introduction of performance contracts between the entities and government. Nevertheless, this influence means that strategy development processes in public organisations, as of necessity, will continue to take account of a wide body of stakeholders and interest groups. Policy issues will, at times, have to be incorporated in the plan based on the requirement of government or other stakeholders, such as development partners (bi- and multilateral development agencies).

In this regard, over the last 2 years, KenGen has been implementing its 5-Year Business Strategy for the period July 2002 to June 2007. It has also been reviewing and adapting its business processes and systems to suit the requirements for accreditation to ISO

9001:2000 Standard by late 2004. It is also gearing up for the sale of 30% of the government shareholding through the Nairobi Stock Exchange in an Initial Public Offer. And, as already indicated, regional interconnections and trading across borders will change the power industry in a fundamental way in the not too distant future. These developments entail a significant shift in strategy, especially in terms of business processes and corporate culture. Such fundamental changes in a firm can be used to illustrate the effect they can have on the organisation and the rest of the industry in general.

But while strategy needs to galvanise everyone to the common objectives of the organisation and develop a unity of purpose across all levels, it is crucial that all members of the organisation perceive things in a similar manner. Yet, depending on the nature and competencies of management, firms react differently to the external environment. Some may be proactive and anticipatory, while others react after the fact. This can be reflected in the manner they deliver service to the various stakeholders. However, after receiving the service, recipients tend to compare the differences in the expected service to what they perceive it to be. If it falls below the expected level, it can create discontent with the recipients. Yet this can arise out of misperceptions, especially amongst employees.

However, it is human nature to be satisfied with the status quo. As human beings, employees fear ambiguity and the unknown, which accompany a change process. This is exacerbated by investments in plant and equipment that a company has made, which are at times difficult to adapt to new circumstances. This creates systemic and behavioural inertia that entrenches existing ways of doing things. This may create a gap between where the organisation is, in terms of service delivery, and where it aspires to be. Yet, as already indicated, this can at times be influenced by employee perceptions. It is also aggravated by the fact that change can be both painful and distasteful, and is not always successful (Stewart, 1993; Hirschhorn, 2002). Employees can therefore be indifferent to what is required of them by the organisation, based on their own interpretation of what is happening. This can result in behavioural patterns that are inconsistent with the desired objectives of the organisation. This is of great concern in the public sector. Kang'oro (1998) argues the case for the public sector to be more efficient and effective due to changing environmental circumstances.

This study, therefore, investigated the difference in expectations and perceptions when an organisation provides a product or service for which employees are the recipients. It sought to answer the following two questions:

1. Whether a gap existed between expectations and perception of strategy
2. Whether there is a relationship between perception of strategy and seniority in the organisation, length of service, geographical location or level of education

## 1.4 Objectives of the Study

The objectives of this study are:

(a) To establish employees' perception of strategy in KenGen.

(b) To identify factors that influence perception of strategy.

## 1.5 Importance of the Study

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The Achilles' heel of many a strategic plans lies with their execution (Hirschhorn, 2002). Employee perception can lead to development of behaviour and attitude that may not be consistent with what is required for the strategy. The results of this study will assist KenGen to know whether there is a gap between expected and perceived profiles of strategy and its developmental process. This is crucial in deciding the kind, and intensity, of the managerial work that needs to be allocated to the improvement of the strategic capabilities, if or where this is considered necessary. Individual and/or group differences can assist the HR function of an organisation in designing jobs, assessing and counselling employees, developing compensation schemes and dealing with grievances and disciplinary issues.

The study will also assist public organisations to identify factors that influence employees' perception of strategy. This can assist managers to formulate policies and procedures that will ensure behaviour and attitudes that are consistent with the goals of the organisation. At the same time, the study will add to the body of work on strategic management research in the country.

## 1.6 Scope of the Study

The case study will profile employees' perception of strategy and its development process in KenGen. The firm's operational activities cover the whole country, with the corporate headquarters being in Nairobi.

Strategy is sensitive to context. Aosa (1992) has documented variation in strategy depending on control, government intervention, complexity and management orientation. A cross-sectional study of employees' perception on strategy in public organisations may therefore be hard to generalise as they differ widely in ownership, structure, size, market share and strategic intent. One can appreciate this if the composition is considered: it covers research institutions, parastatals, development authorities and educational institutions. This may distort the degree to which strategy, and its development, is embraced as part and parcel of desired management practices.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 The Concept of Strategy

Strategy is the direction an organisation chooses to take in the future, to fulfill its obligations to its stakeholders (Johnson and Scholes, 2002; Porter, 1995). It occupies a central position in the determination of a firm's current and future intentions. Suffice to mention it, the overriding need for strategy in a firm is to give the organisation a competitive edge through configuration of its resources and capabilities to match the environment. As the environment is never static, especially in these turbulent times, strategy needs to be flexible enough to adapt the organisation to changing circumstances. Grant (2002) quotes Bruce Henderson, founder of the Boston Consulting Group defining strategy as "…a deliberate search for a plan of action that will develop a competitive advantage between a firm and its competitors..." The underlying objective is to enlarge the scope of this advantage as much as possible.

Strategy as a concept has been studied in depth by many scholars. Ansoff (1988) argues that strategy assists companies to cope with change, which is usually precipitated by environmental factors. Grant (2002) and Porter (1980) advance the view that strategy acts as the link between the firm and its environment. Thompson and Strickland (1998) are of the view that a good strategy needs to be 'well-matched' to the external environment. As changes evolve in the environment, so must the strategy. Internally in the firm, strategy entails formulation and implementation of capabilities and resource strengths that are needed to sustain a competitive edge by the company. As a consequence of this, scanning the operating environment is crucial in order to detect new trends or paradigms, which may call for a change of strategy. Such developments could be in the economic, demographic, social, political or technological fields.

Pearce and Robinson (2000) take strategy to be the 'large-scale, future-oriented plans for interacting with the competitive environment to achieve a firm's objectives'. Strategy, in this view, provides the firm with a "gameplan" for managerial decision-making. It lays out an awareness of '...how, when and where a firm should compete; against whom; and for what purpose...' This is consistent with what Porter (1980) refers to as 'the formula' of how a business will compete, what its objectives should be and what policies will be needed to realise those goals. However, Pearce and Robinson (2000) fail to capture the fact that strategy is more than just plans and programs; it acts as the common thread within the firm capturing both the letter and the spirit of the firm's existence and the position it adopts in the marketplace. Hax and Majluf (1996) perhaps have captured the various perspectives of strategy with a degree of detail and clarity. They consider strategy as a means of developing core competencies in the organisation, as a coherent, unifying and integrative pattern of decisions, as the means of investing in tangible and intangible resources, as a response to external opportunities and threats, as a way of defining managerial tasks, as a definition of the competitive domain of the firm and as a means of establishing the long-term objectives of the organisation.

**2.2 Role of Strategy in a Firm**

Businesses are formed to fill gaps that exist in satisfying consumer needs with specific products and/or services. They must fulfill their mission and at the same time make an adequate return on the capital provided by their investors. This ordinarily would not be a daunting task were it not for internal and external challenges such as from competitors, changing consumer tastes and preferences, unstable political and economic environments, resource limitations and technological changes.

A firm's strategy ensures that it has a formula for success in the market place. This affords it an opportunity to not only survive, but also increase its profitability and market share for its long-term sustainability. If or when it is unable to do this, it opens itself to extinction, in line with the Darwinian Theory of "survival of the fittest". Strategy, then, allows a firm to craft its winning options (Grant, 2002; Porter, 1980; Hax and Majluf, 1996). In addition, strategy provides an organisation specific milestones and aspirations that act as a targets for everyone in the business. More importantly, it provides the spirit and corporate culture that enhances the chances of successful implementation.

However, the role of strategy in a firm can be severely handicapped if it is not carefully managed. As already mentioned, planning on its own does not result in a strategy. But in some organisations, strategy formulation is essentially a process of incrementalism; based on what was achieved in the previous planning period. Hamel (2000) argues that such an approach can only be applicable to the extent that the future will be like the past. And because more often than not, this does not happen, Hamel (2000) advocates for more energy to be used in creating the future, than in protecting the past.

## 2.3 Strategic Change

Companies require new strategies to compete more effectively and, in some cases, for survival (Kombo, 1997; Hirschhorn, 2002). The need for change can be prompted by analysis of data about future trends indicated by market intelligence, surveillance and forecasting (Ansoff and McDonell, 1990). This can flag off a shift towards rising costs, stronger competitors, shrinking markets, lower profit margins or more demanding customers. Other drivers of change can be as a result of a changed legal environment, slow economic growth or technological innovations. KenGen, and other local firms, have been affected in one way or the other by these factors, amongst other internal ones. This has necessitated a review of the firm's strategic direction.

Johnson and Scholes (2002) advance the view that strategic decisions are likely to be complex in nature and may have to be taken in situations of uncertainty. They are also likely to demand an integrated approach by the firm and in most cases, involve some change in the organisation. However, introduction of change leads to resistance as this may mean a departure from the old way of doing things (Ansoff and McDonell, 1990). This may be a natural reaction by individuals to changes, which threaten their culture and position of power. One solution to this dilemma is to address misperceptions about what is going on.

## 2.4 Employee Perception

The human factor in organisations has been the subject of debate for some time now. Its origin can be traced to the early works of Prof. Elton Mayo at the Western Electric's

Hawthorne plant in Chicago in 1927–32 (Burnes, 2000). The study, for the first time, addressed the issue of the worker in the workplace, rather than the work itself (Cole, 1996). This view was taken up by other social scientists such as Abraham Maslow. He was able to demonstrate that a hierarchy of needs can influence behaviour in organisations. These range from the physiological, such as food and shelter, through esteem needs, to self-actualisation, the highest level of self-fulfilment. At any one time, it is the unmet needs that act as motivators. Further, V. H. Vroom, in the mid-1960s, expounded this issue with the Expectancy Theory of Motivation. He advanced the view that an individual's behaviour is formed on the perception of what they consider to be the reality (Cole, 1996). This theory stresses the importance of perceptions in the motivation process. It argues the case for the view that individuals act on the basis of how they perceive situations. Individual effort and productivity is determined by the perception of the situation (Cole, 1997).

Managers therefore need to be interested not only with the physical presence of the employee in the workplace, but more importantly, their emotional presence. This latter attribute is developed through motivational and intrinsic satisfaction.

**2.5 Strategy Development and Organisational Politics**

Strategy development needs to be 'dynamic, flexible and innovative' to take account of changing circumstances and emerging issues (Grant, 2002). It should also take account of intuition, implicit knowledge and on-the-job learning, to complement the more formal approaches.

However, whether strategy is developed formally or otherwise, organisational politics can influence what assumes prominence in the strategy, as well as the development process itself (Bennett, 1997). The ultimate product could be the outcome of self-interests of individuals and coalitions in the firm. This brings out the need for negotiations and bargaining within organisations to address the contrasting and differing perceptions of the various interest groups.

Strategy development can be affected by organisational politics by deciding who should undertake planning activities and the prominence of the strategy function in the firm (Bennett, 1997). It can also be an avenue for abuse, or resistance, by those with vested interests in the strategy. Of more concern is to use strategy to make some functions redundant by shifting roles and responsibilities elsewhere. For instance, a firm may decide to offload a subsidiary or a business line without checking the effect on the bottomline. Bennett (1997) warns that bad decisions can result from internal political bargaining. The author also, quite justifiably, concludes that interpersonal relationships may deteriorate and managers might be obsessed with gaining the upper hand at the expense of the company. In the public sector, it is all too common to hear of situations where information is glossed over to influence the decisions that are made.

**2.6 Strategy and Structure**

The purpose of a structure is the division of labour in the organisation and its co-ordination to attain company objectives. Mullins (1999) defines an organisational structure as the pattern of relationships among positions within an organisation and within its members. It creates a framework of order and command through which activities of the organisation are executed. It is the totality of the ways in which an organisation divides its labour into distinct tasks and then achieves co-ordination between them (Mintzberg, 1979 in Cole 1996).

What many organisations fail to realise, especially in Kenya, is that structure has a human side to it. It does affect productivity and economic efficiency, morale and job satisfaction, depending on the individual's perception of the structure. The current trend in organisational design is therefore towards increased participation by employees at all levels, greater freedom of the individual, and more flexibility. Formal, bureaucratic structures continue to receive criticism as they tend to restrict individual growth and fulfilment and result in frustration and conflict (Mullins, 1999). Consequently, the organisational structure needs to be viewed as part and parcel of a firm's internal capability. It is more than just a chart. It determines the decision-making hierarchy, delegation of responsibilities, communication channels, formal relationships, leadership roles and criteria for incentive systems.

Due to increased use of computer-based systems for information and decision support, there has been a shift towards more flatter organisational structures and decentralisation. This is exhibited by few authority levels, reduced executive overload, a wide span of control and flexibility in decision-making. This leads to increased staff motivation, especially at the lower levels of management. It also affords top management more time for strategic responsibilities, their real core function.

## 2.7 Strategic Leadership

The business environment has become extremely competitive and turbulent, both at the national and international level. As customers are given more choices, they continue to demand more and more value for their money. In such circumstances, only flexibility can assist an organisation to stay tuned to the market and avoid getting trapped in dead-end business strategies. Hamel (2000) is of the view that even the best world-beating strategies seldom last a decade in the prevailing turbulent environment. As a result, strategic leadership is required more than ever before to see '…over the horizon, finding the unconventional, and imagining the unimagined…' (Hamel, 2000: pp.120). Leadership is therefore about adapting the organisation to change. It is also about galvanising commitment and influencing people as well as stakeholders to embrace change. Employees need to 'live' with the firm's vision in their daily activities (Mitchell, 2002). Leaders influence commitment to change through clarifying the firm's strategic intent and shaping corporate culture. Porter (1996) in Thompson et al (1998) sees this being done by leaders through 'defining and communicating the company's unique position, making trade-offs, and forging fit among activities'. Kotter (1998) argues that leadership inevitably may entail the use of power to influence the thoughts and actions of other people.

Pearce and Robinson (2000) have operationalised leadership to mean building the organisation and influencing its future course of action by ensuring a common understanding about the organisation's priorities. It also entails clarifying responsibilities among employees and organisational units, empowering employees, pushing authority lower in the organisation and uncovering/remedying problems in co-ordination and communication. Leadership also entails gaining personal commitment to a shared vision from everyone in the organisation and keeping a close tab on what is happening in the organisation and its customers.

In the day-to-day course of business, leadership involves creating teams and processes to co-ordinate, integrate and share information on what the organisation is doing, or intends to do. Mullins (1999) sees leaders as being able to create the vision and strategy for tomorrow. As a result, leadership selection and development should be a major preoccupation of any business. Lord Sieff, a former Chairman and Chief Executive Officer of Marks and Spencer in the United Kingdom is reported to have made the following comment on leadership: 'The most valuable obligation the leader has is "...to create a team spirit around him/her...to be effective, leadership has to be seen, and is best seen in action..." (Mullins, 1999: pp.254). Another often-quoted personality, Jack Welch, formerly of General Electric, is reported in the Wall Street Journal (Welch, 2003) commenting the following about leaders: they have '... "tons of positive energy" to take action or get a job done; they have the ability to energise others, they love people and can inspire them to "move mountains" when they have to; they have courage to take tough decisions; and they can implement what they set to achieve'.

Thus, at the heart of leadership is the ability to get people to do things willingly or to influence them on a given course of action. This relates to behaviour or actions of others. It is therefore hard to discuss leadership without discussing motivation, interpersonal relationships and the process of communication. A leader's effectiveness is enhanced by reduction of employee dissatisfaction, effective delegation and empowerment. Since these are not static at any given point, it follows therefore that leadership, as a process, is dynamic. Johnson and Scholes (2002) go a step further to advance the view that a leader is not necessarily someone at the top of an organisation. Rather, it is someone who is in a position to influence an organisation (or group within an organisation) in its efforts towards achieving a given objective. One cannot but remember the influences of Martin Luther King, Winston Churchill or even Nelson Mandela, to appreciate this.

Given the increased interdependence and diversity of business globally, Lipman-Blumen (1996) sees the era of individualistic, competitive and charismatic leadership as facing a threat of extinction. Ego-driven, manipulative and Machiavellian styles do not also work: the in-thing now is negotiations and bargaining – with various stakeholders, inside and outside the organisation.

Perhaps if there were to be a leadership mantra, it must be inspiration. This involves communication in the organisation, motivation, encouraging and involving people in the activities of the firm. Leadership calls for abilities to deal with ambiguity, to demonstrate flexibility, insight and sensitivity to context (Johnson and Scholes, 2002). In the latter authors' view, successful leaders tend to have excellent visionary capacity, excellent team building and team participation skills, capacity for self-analysis and learning, ability to cope with complexity, self-initiative and confidence, ability to simplify complex issues and being able to create commitment and directing employees' energy.

## 2.8 Corporate Culture

Implementation of a new way of doing things can be constrained by the culture of the organisation. This arises from the human inertia to shift from what one is accustomed to – the comfort zone. It also arises from fear of the unknown and the reluctance to accept that what one is doing may need improvement. Johnson and Scholes (2002) argue that people will tend to hold onto existing ways of doing things and to what they believe makes sense. But in their seminal work on the relationship between corporate culture and performance, Kotter and Heskett (1992) posit the view that implementation of a new strategy can be constrained by an incompatible culture. This is especially more pronounced when significant changes occur in an organisation, such as being acquired or merging with another company.

The corporate culture of an organisation represents the shared values, beliefs and traditions of the firm. Barnett and Wilsted (1989) advance the case that the business priorities of an organisation have a great role to play in shaping the culture of the firm. They cite the example of Heinz's 1985 strategy of transforming to a low-cost producer. This led to a corporate culture of cost-reduction in various dimensions: cost-reduction teams were formed, package size of products reduced and production facilities were shifted offshore, where labour and other expenses were lower. Other organisations may have priorities geared towards survival, growth or profit maximisation. Public enterprises tend to develop a *laissez-faire* culture depending on the political environment. At an individual level, culture may be shaped by the notion of what is important in one's life. For instance this could be with money, or just fulfilling professional work. Culture can therefore exert a powerful effect on individuals and on performance, especially in a competitive environment (Kotter and Heskett, 1992).

Immelt (2003) stresses the need for culture to be performance oriented. This is corroborated by Peters and Waterman (1982) who found a link between corporate culture and a firm's performance. For instance, they give the dominating theme at IBM as "IBM means service". This acts as a rallying call for everyone in the organisation to make customer service his or her number one priority. It also leads to a bias for getting things done. Kotter and Heskett (1992) indicate that IBM employees have a reputation for being loyal and highly motivated. There is a camaraderie atmosphere, which allows respect for the dignity and the rights of each person in the firm, giving the best customer service of any company in the world and pursuing all tasks with the objective of accomplishing them in a superior way

Corporate culture develops over time depending on the firm's history, management style, location, goals and objectives, and the reason for its existence. For instance, in a competitive environment, a culture of adaptability evolves if the firm is to survive in the long-term. This type of culture may lack in some state-owned enterprises, as the operational agenda may be tilted towards satisfying social and, in some cases, political needs.

That notwithstanding, it is now accepted that employees are partners in shaping the dominant culture of an organisation. But this may be given impetus by visible leadership such as that of Jack Welch of General Electric or Lord Seiff of Marks and Spencer. Culture is crucial in creating a climate that motivates people and makes them work willingly and effectively in the organisation. Burnes (2000) gives the example of Japanese companies, which have a reputation of being group/team oriented, autonomous and able to achieve high levels of motivation, initiative and creativity in problem-solving skills. Mullins (1999) contends that if the organisational climate is to be improved, it must be seen to function democratically and must pay particular attention to integration of organisational and individual goals, opportunities for employee participation in formulating the direction of the organisation and equitable employee policies and practices. There needs also to exist mutual trust, consideration and support at all levels, open discussion of conflict, managerial behaviour and styles of leadership appropriate to work situations, and equitable systems of reward. To address intrinsic needs, it is necessary to have opportunities for personal development and career progression, concern for quality of working life, appreciation of people's needs and expectations at work and a sense of dignity for each member. But this needs to be balanced by a performance-oriented culture. This is especially critical when implementing strategy.

But corporate culture needs to be viewed as a moving target. An organisation cannot afford to rest on its laurels. Success tends to breed failure. A corporate culture of success needs to be accepted cautiously. Being successful can at times blind organisations to reality. This certainly holds true of IBM's early success with mainframe computers. It ultimately blinded the top management to the threat of the personal computer, until a substantial market share had been taken away by the competition. Kotter (1998) therefore warns that with continued success, a strong corporate culture can easily become arrogant, inward looking, politicised and bureaucratic. It can make strategic change, if and where necessary, difficult to implement.

**2.9 Strategic Resources**

While organisations may have inspirational goals to transform their businesses, usually the requisite financial and physical resources lag behind the stated objectives. This 'disconnect' creates strategy and capability inconsistencies in the organisation. It leads to dissonance between the strategy being pursed, internal capabilities and the reality of the firm's external circumstances. Grant (2000: pp.16) stresses the point that a successful strategy '…must be consistent with the firm's goals and values, with its external environment, with its resources and capabilities and with its organisation and systems'. The challenge is consequently to ensure that strategy makes a realistic demand on the firm's resources and capabilities.

From a strategic point of view, a firm may be limited in having all the resources it may require in-house. It may be possible, and sometimes desirable, to outsource some capability outside the firm. Indeed, the catchword in many firms these days is to focus on their core activities, the so-called 'stick to the knitting' concept of Peters and Waterman (1982), and to outsource non-core activities such as cleaning and security services.

But the essence of strategic resources goes beyond the issue of just owning or accessing them. It is about the competitive advantage that the firm can create by deploying them warns that with continued success, a strong corporate culture can easily become arrogant, inward looking, politicised and bureaucratic. It can make strategic change, if and where necessary, difficult to implement.

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But the essence of strategic resources goes beyond the issue of just owning or accessing them. It is about the competitive advantage that the firm can create by deploying them into its different activities. Johnson and Scholes (2002) point out that good or poor performance is found in the deployment, rather than the resources themselves. This is because a sustained advantage is developed by processes and activities which are difficult to imitate by the competition.

Because resources are ultimately quantified in monetary terms, the need for a budget cannot be overemphasised. A budget is the plan for implementing management decisions. It is a process of communicating to everyone in the organisation the part they are expected to play in implementing management's decisions (Druly, 2000). It is a good indicator of divergence from plan and what actions and resources are required to get back on track. Druly (2000) stresses the need for the budgeting process to be participatory. Imposed standards result in negative attitudes and demotivation. This may lead to rejection of the targets and poor performance.

**2.10 Reward Management**

It has been stated, with reasonable justification, that human capital is the most important resource in any organisation (Immelt, 2003). The relationship between the employer and employee involves exchange of skills and experience for reward in salaries or wages. Armstrong (2001) advances the view that the principal aim of reward management should be to support the attainment of the organisation's strategic objectives by ensuring the availability of a skilled, competent, committed and well-motivated workforce. In other words, the reward strategies should be developed to be in line with the business strategies. These could be geared towards financial performance, low-cost production, market share, product/market development, quality, customer focus or organisational change (cultural and structural). This calls for the reward strategy to be developed consistent with the HR strategy, which must be part of the total business strategy.

However, there is a new paradigm shift towards companies developing reward strategies based on recognition of contribution rather than status or position. In this respect, Mullins (1999) stresses the need for clear procedures for the evaluation of individual levels of performance. In this case, employees are valued according to their contribution, skill and competence.

Unlike machines, human beings have a great degree of control on the amount of effort and energy they wish to exert and the manner they would wish to go about their business. It is therefore crucial that the reward strategies enhance the level of motivation in the organisation, based on the strategic agenda of the organisation. The degree to which this is crucial to business is captured by a Director of Human Resources at a UK Bank: "You don't motivate individuals. You provide them with an environment to be self-motivated. It is a personal decision, but it's management's job to provide the right environment" (Mullins, 1999: pp.414).

For the majority of people, money is clearly an important motivator, but to what extent and how important depends upon an individual's circumstances and other satisfactions they derive from doing work. This is vindicated by the early works on motivation such as the Hawthorne experiments at the Western Electric Company in America (1927-32). The reward strategies should therefore be contingent on the circumstances of the organisation. They should fit the needs of the business and its culture in the short- and long-term (Armstrong, 2001).

But care needs to be taken to ensure there is internal equity and external competitiveness of the compensation package. This is because the firm needs not only to attract sufficient and suitable employees, but also to retain those that are considered satisfactory (Cole, 1997). It therefore follows that once staff is recruited, the employer needs to ensure there are appropriate rewards and incentives to enable the firm to compete in the labour market. Armstrong (2001) and Cole (1997) view an effective reward system as being able to, inter alia, support the achievement of business strategy, recognise that human resource management is about investing in human capital and focus on the development of the skills and competencies of employees. It should also be able to, attract, retain and motivate sufficient numbers of suitable employees to match production targets, encourage optimum productivity of employees and enable employees to share in the success and growth of the organisation

Thus reward management should not be viewed as an isolated function of the business; it is part and parcel of the strategic activities of an organisation. It is a recognition of the central role human capital plays in creating a competitive advantage for a business, when they are highly motivated, skilled and performance driven.

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## 2.11 Operationalising Strategy

A great deal of work has been done over the years on the concept of strategy and its development process (Porter, 1980; Hax and Majluf, 1996; Thompson and Strickland, 1998; Mullins, 1999; Pearce and Robinson, 2000; Burnes, 2002; Grant, 2002; Johnson and Scholes, 2002; Hamel and Prahalad, 1994). Some scholars have been generalists on the concept but others have pursued particular themes: Michael Porter (1980, 1995, 1996) has focussed on the competitive nature of strategy, Rumelt et al (1998) have worked on strategic choices and Kotter (1998) has zeroed in on the effect of corporate culture on organisational performance. There is, nevertheless, a consensus on the main dimensions of strategy: These are its strategic intent, organisational structure, strategic leadership, resource allocation, corporate culture and its reward and incentives schemes. A mix of indicators by various scholars was used in this Study to operationalise the concept of strategy in an organisation. The details are shown in Table 2.11 hereinafter.

Table 2.11: Operationalising Strategy

| Strategy dimension | Indicators of strategy dimension | Relevant questions in Questionnaire |
|---|---|---|
| **Strategic intent** | Vision and mission statements<br>Purpose of the organisation<br>Value and priorities of the firm<br>Growth and profitability<br>Core values and beliefs | 1,2,4,6 |
| **Organisational Structure** | Authority levels<br>Communication channels<br>Centralised/decentralised decision-making<br>Delegation of responsibilities<br>Flexibility in decision-making | 4,9,21,25 |
| **Strategic Leadership** | Managing change<br>Inspiring followers<br>Thinking long-term<br>Creating team spirit/building coalitions<br>Ability to influence people<br>Ability to cope with complexity/ambiguity<br>Communicating<br>Motivating people | 1,2,3,4,6,7,8<br>9,10,13,14,15<br>17,18,19,20<br>21,22,23,24<br>25,26 |
| **Resource allocation** | Allocation of necessary resources/facilities<br>Adequate budget<br>Outsourcing non-core capabilities/activities | 7,10,14,15,16 |

**TABLE 2.11: Continued**

| | | |
|---|---|---|
| **Corporate Culture** | Respect for the dignity of employees<br>Management style<br>Integration of organisation and individual goals<br>Accomplishing activities in a superior way<br>Taking calculated risk<br>Employee participation in formulation of strategy<br>Equitable policies and practices<br>Opportunities for personal development<br>Appreciation of employee expectations<br>Mutual support and trust at all levels of the organisation<br>Tolerant to failure | 3,5,7,8,9,12<br>13,18,19<br>20,21,24,22<br>23,26 |
| **Reward and Incentives** | Equitable reward systems<br>Attract, retain and motivate employees<br>Compensation compares with industry levels<br>Support the attainment of business strategy | 8,11,12,13 |
| **Strategy Development Process** | Discuss and agree objectives<br>Formality/Informality<br>Involvement of employees<br>Gaining commitment to strategy<br>Deliberate or emergent plans<br>Flexibility/ Rigidity of plans<br>Imposed strategies<br>Communication of strategies | 3,4,5,6,7,9,14<br>15,17 |

## 2.12 Measurement of Employee Perception

Organisations have a wide body of stakeholders to satisfy. These range from customers, shareholders, creditors, employees, and of course, the government. Each group has its interest and rights from the organisation (Bennett, 1997). Each group may also develop perceptions about the service they receive from the firm. This can be different from its expectations.

Parasuraman et al (1985) have a Service Quality Model (SERVQUAL) that identifies the gaps between service delivery and how it is perceived by recipients. This model was adapted to investigate the gap between employees' expectations and perceptions in a company's business strategy. The model adopted the following service delivery gaps:

1. Gap between employee expectation and management perception – management may fail to decipher correctly what employees want
2. Gap between management perception and service quality specifications – management might correctly perceive the employees' needs and wants but fail to set specified performance standards
3. Gap between service quality specifications and service delivery – employees may lack the requisite skills or be unwilling to meet performance standards
4. Gap between service delivery and external communications – employees may be affected by the company's corporate image and advertisements
5. Gap between perceived and expected service – this occurs when employees have a different perception on the service being offered

Njoroge (2003) has successfully used Gap 5 of the above model to investigate the shortfall between expectation of service delivery and perception of actual service. Suffice to mention it, employees are internal customers of an organisation and have expectations just like other stakeholders. Consequently, the study used the adapted SERVQUAL model to investigate employee perception of strategy based on their expectations from the company. To paraphrase Njoroge (2003), it is the employee perception of strategy that would matter, rather than the actual performance of the company.

As this is a measure of attitude, the Likert five-point scale was used to measure what an employee would expect from the company in terms of strategy, based on the operationalised dimensions. Respondents were required to rate, in their view, how critical a particular attribute is for the strategy and its development process (their expectations). This was from *completely unnecessary* (1) to *extremely important* (5). They were then asked to rate how the company has performed on the same indicators, in their view (their perception). This was rated from *don't know* (1) to *excellent* (5).

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Research Design

Fundamental changes in culture, systems and processes are occurring in KenGen due to actions required for the company to receive ISO 9001:2000 accreditation in late 2004. There are also new developments in anticipation of partial privatization of the company through the Nairobi Stock Exchange. External threats are also on the horizon due to regional interconnections, such as the South Africa Power Pool.

This research work was a case study on employee perception of strategy and its development process in KenGen, as the company is adapting to the new circumstances. KenGen can exemplify what obtains in the public sector insofar as employee perception and attitude is concerned. However, as strategy is sensitive to context (Aosa, 1992), it may be unrealistic to assume what would happen in, say, the telecommunications sector or research institutions can be replicated wholesale in the power sector. This is because their objectives and how they set to achieve them may differ. The core values may also be different. Undertaking a cross-sectional study in such circumstances may result in misleading inferences and conclusions.

The case study on KenGen was used to offer an insight into what employees' perception of strategy in a public organisation can be. This, nevertheless, took account of what the Kenyan power industry structure is and the current drivers of change in the industry.

Case studies are more suited to gather and organise information on a particular issue and thereafter analyse it to seek for patterns or themes in the data. Because perceptions and attitude take time to develop, a case study offers the flexibility to dwell on the issue with a reasonable degree of depth.

### 3.2 Population

As at 1st July 2004, KenGen had a staffing level of 1503 employees. This formed the population of study. The staff is spread around the country in five key geographical areas, viz. Nairobi, Seven Forks, Upper Tana, Kipevu, Turkwell and Olkaria. Management staff forms 35% of the employees and 65% are unionisable cadres.

While one may be tempted to involve only the senior echelons of the organisation in studying the profile of strategy, Hamel (1998) has a convincing argument in favour of making strategic management all-encompassing. He is of the view that the capacity for creativity and innovation is distributed widely in an organization. He therefore advances the case for taking advantage of the diversity within the firm, in terms of experience, age, location, seniority, etc.

Consequently, everyone needs to be given an opportunity to influence the destiny of the organization, of which they are part. In any event, whatever one does in whichever area must be taken as part and parcel of the overall strategy, operationalised to day-to-day activities. Indeed, if a significant proportion of the organisation does not know the direction the organisation is taking, it is a serious indictment on the ability of the management to communicate downwards effectively. For KenGen, the unionisable cadres form 65% of all employees. They are therefore a significant stakeholder when investigating attitudes, culture and core values of the firm.

### 3.3 Sample and Sample Design

The degree of confidence attached to the findings of the research depended on the sample size. Because a census of the 1503 employees was impractical, and indeed unnecessary, with a constrained budget and time limitations, a representative sample of the population was used. Respondents were picked through a simple random process. The information to undertake this activity was derived from the company's human resource database. A computer was used for the random selection of respondents. The sample frame was all employees on the payroll as at 1st July 2004.

A sample size of 90 employees was used, to match available financial resources and timeframe. This size was calculated using the following formula (Cooper and Schindler, 2003):

$$N = \frac{pq}{\sigma^2}$$

**Where:**

**N = the sample size**

**pq = a measure of the sample dispersion** (0.35 and 0.65 was used to reflect **management** and **union** proportions in the population)

**σ = standard error of estimate indicating the desired level of accuracy** (confidence level of 95% and interval range of $\pm$ 10%)

At a confidence level of 95%, the standard error is multiplied by 1.96 to get the sampling error - i.e. **1.96 $\sigma$ = 95%** confidence level of population

$$\textbf{Thus,}\quad \sigma = \frac{0.10}{1.96} \quad \textbf{or} \quad 0.051$$

The equation for the sample size therefore becomes:

$$N = \frac{(0.35)(0.65)}{(0.051)^2} \quad = \quad 87.5 \quad \textbf{(rounded to 90)}$$

Several researchers (Matseshe, 1999; Njoroge, 2003) have reported return rates of between 30% – 85% in their work. The calculated sample size was large enough to take care of this and still be within the widely accepted rule of thumb of at least 30 test units, for a representative sample.

### 3.4 Data Collection Methods

Primary and secondary data was used for the study. Secondary data was obtained from company records, such as the KenGen Annual Financial Statement of Accounts. Additional data was available in the KenGen management information system.

Primary data was collected through a structured questionnaire (Appendix 3.4b). This was dispatched to all the selected respondents in the Company with a covering letter (Appendix 3.4a), as necessary. Where electronic communication was available, it was used to hasten the process. It was anticipated that some of the respondents may have problems understanding some of the questions and independent assistance was arranged for this. Appropriate instructions were issued to such assistants to minimise bias in their role. A small pilot survey was undertaken in Nairobi electronically to fine-tune the questions and to assess initial reactions of respondents. This revealed the need for more personal involvement and the degree to which the research assistants were required.

### 3.5 Data Analysis Methods

Data analysis tools in Microsoft Excel spreadsheet and the SPSS software packages were used to analyse the data. The underlying goal was to search for trends, explicit or implicit, in the population of study. The following hypothesis was tested with respect to objective 1 of the study:

- H0 (null hypothesis): There is no gap between employees' expectations and perception of strategy
- HA (alternative hypothesis): A significant gap exists between the employees' expectations and perception of strategy

*Decision rule*: Reject H0 if calculated T is $< -1.96$ or $> +1.96$ (significance level $= 0.05$)

Measures of association and the strength of the relationships were also checked using the Pearson's correlation coefficient to test the veracity of question 2 of the study. Frequency tables were used for Part A of the Questionnaire. The other two parts were analysed with frequencies, means, standard deviation and tabulations. By comparing the differences between the means of the dimensions in Parts B and C of the Questionnaire, it was possible to identify the differences in perception, from expectations. A T-test was done to verify the statistical significance of the gap between the two in relation to question 1 of the study.

Normal distribution curves were drawn and graphical representations made to investigate whether there is a less than normal distribution – a pointer to the reliability of the data.

# CHAPTER FOUR: FINDINGS AND DISCUSSIONS

## 4.1 Introduction

This Chapter details the findings and discussions of the research study. The data is summarized into mean scores, percentages and frequencies. These are subsequently presented in tables and charts as appropriate. A discussion of the implications of the findings on the research subject follows each table, figure or chart. The Chapter also documents and discusses the various aspects of strategy and the differences between employee expectations and the perceived performance of KenGen's 5-Year Business Plan on those aspects.

The analysis has been presented in four sections. The first section details data on the response rate and the respondents' profiles. The second section presents descriptive data on critical issues that are considered in developing and implementing a business plan and how KenGen's 5-Year Plan was rated on each aspect by the employees surveyed. The third section is on the gap between employee expectations and how they perceive the performance of KenGen's 5-Year Business Plan. The fourth and last section details factors influencing employee perception and their correlation with the strategic aspects of the study.

## 4.2 Findings

### 4.2.1 Response Rate

Out of the 90 respondents selected randomly to participate in the study, 70 completed and returned the questionnaires. This is a response rate of 78%. It is comparable to other return rates of between 30% and 85% that several researchers have reported in their work (Matseshe, 1999; Njoroge, 2003).

### 4.2.2 Respondents Profile

This is documented in Tables 4a through 4d and figure 4a hereinafter.

**Table 4a: Respondents Profile by Job Category**

| CATEGORY | NUMBER | PERCENT | CUMULATIVE PERCENT |
|---|---|---|---|
| Senior Management | 6 | 8.6 | 8.6 |
| Middle Management | 23 | 32.9 | 41.4 |
| Unionisable staff | 41 | 58.6 | 100 |
| Total | 70 | 100 | |

*Source: Research Data*

Table 4a above shows that 41.4% and 58.6 % of the sample was drawn from management and unionisable staff, respectively. The employee population is made up of 65% union and 35% management staff, respectively. There is therefore an over/under-representation of management and union, respectively, of 6.4%. This is, however, considered to be an insignificant margin of the population under study.

**Table 4b: Respondents Profile by Operational Area**

| LOCATION | NUMBER | PERCENT | % OF ACTUAL POPULATION |
|---|---|---|---|
| Central Office | 7 | 10 | 16 |
| Kipevu | 12 | 17.1 | 14 |
| Olkaria | 16 | 22.9 | 27 |
| Seven Forks Complex | 20 | 28.6 | 24 |
| Turkwell | 2 | 2.9 | 6 |
| Mini Hydros | 13 | 18.6 | 9 |
| Total | 70 | 100 | |

*Source: Research Data*

Table 4b above shows that each operational area was well represented in the sample. Consistent with the population, the areas with majority representation are Seven Forks, Olkaria, Mini Hydros and Kipevu. Central Office is primarily responsible with developing strategies while those in the outlying stations are involved in implementation. The sample representation of 10% and 90% between the Head Office and operational areas, respectively, is a reflection of the core business of KenGen: power generation. The major installations are located outside Nairobi, its headquarters.

**Table 4c: Respondents Profile by Length of Service in the Company**

| SERVICE | NUMBER | PERCENT | CUMULATIVE PERCENT |
|---|---|---|---|
| Not Exceeding 10 yrs | 16 | 22.9 | 22.9 |
| 11-20 yrs | 35 | 50 | 72.9 |
| 21-30 yrs | 18 | 25.7 | 98.6 |
| Over 31 yrs | 1 | 1.4 | 100 |
| Total | 70 | 100 | |

*Source: Research Data*

From Table 4c above, 50% of the respondents have been employees of KenGen for between 11-20 years and 77% have served the Company for more than 10 years. It is therefore reasonable to expect that they have a good appreciation of the company's activities and can make a fair judgement on its strategic issues.

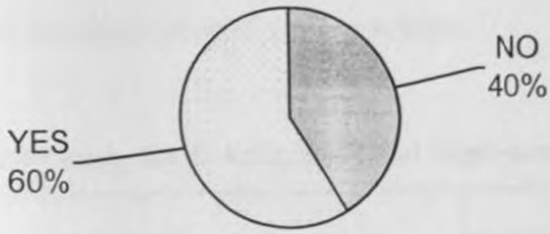
**Table 4d: Respondents Profile by Level of Education**

| LEVEL OF EDUCATION | NUMBER | PERCENT | CUMULATIVE PERCENT |
|---|---|---|---|
| Primary | 11 | 15.7 | 15.7 |
| Secondary | 21 | 30 | 45.7 |
| Middle level college | 27 | 38.6 | 84.3 |
| University | 11 | 15.7 | 100 |
| Total | 70 | 100 | |

*Source: Research Data*

Table 4d shows that 54% of respondents had been to at least mid-level colleges. Of the balance, 30% had secondary school education. Consequently, 84% of the respondents could make 'educated' assessment of the strategic issues raised in the Questionnaire.

**Figure 4a: Awareness of KenGen's 5-Year Business Plan**




*Source: Research Data*

60% of the respondents were aware of the Business Plan. Their responses and evaluation is therefore based on informed knowledge, not guesswork. This results in a higher level of confidence on the data than would otherwise be the case if a larger proportion of respondents were not aware of the Business Plan.

### 4.2.3 Critical Issues in Developing and Implementing a Business Plan

The various concepts of strategy in an organisation have been dealt with in detail in Chapter 1 of this Report. KenGen's 5-Year Business Plan was used to exemplify employee perception of strategy in a typical public organisation in Kenya. The strategy was operationalised by breaking it down into indicators that could be measured. A 5-point Likert scale (1 to5) was used as the basis of measurement, where 5 represented the highest (best) level of positive sentiment and 1 represented the highest level of negative sentiment.

The operationalised indicators of strategy are ranked hereunder based on the calculated mean score of respondents on each item. The indicators demonstrate the respondents' expectations from a business plan based on how critical they consider each issue to be in the formulation and implementation of a business plan.

**Table 4e: Critical Issues in the Development and Implementation of a Business Plan**

| INDICATORS | MEAN SCORE | STANDARD. DEVIATION | RANK |
|---|---|---|---|
| Expressing the direction and purpose of the company | 4.8 | 0.4 | 1 |
| Having salary and incentives that attract, retain and motivate staff | 4.79 | 0.45 | 2 |
| Training and development of employees | 4.71 | 0.46 | 3 |
| Senior management commitment | 4.7 | 0.55 | 4 |
| Simple and clear vision and mission statements of the company | 4.61 | 0.52 | 5 |
| Providing adequate budget for the planned activities | 4.6 | 0.49 | 6 |
| Taking into account existing and potential competitors in the market | 4.57 | 0.58 | 7 |
| Embracing emerging issues and technology (e.g. IT systems) | 4.54 | 0.63 | 8 |
| Having staff policies and practices that treat employees equitably | 4.54 | 0.56 | 9 |
| Empowering employees in their jobs | 4.53 | 0.56 | 10 |
| Communicating the business plan in the whole organisation | 4.5 | 0.65 | 11 |
| Creating organisational structures that enhance openness and flexibility | 4.5 | 0.56 | 12 |
| Having mutual support and trust at all levels of the organisation | 4.5 | 0.61 | 13 |
| Appreciation of employee needs and expectations | 4.47 | 0.56 | 14 |
| Identifying cost-saving activities and opportunities | 4.43 | 0.63 | 15 |
| Benchmarking the company performance with the Industry | 4.33 | 0.61 | 16 |
| Employee involvement in developing a company's business plan | 4.3 | 0.64 | 17 |
| Taking account of major stakeholders (e.g. Govt, WB, IMF) | 4.24 | 0.73 | 18 |
| Allowing some specific time to discuss the business plan | 4.23 | 0.54 | 19 |
| Development of shared values and culture among employees | 4.11 | 0.83 | 20 |
| Building teams and coalitions | 4.03 | 0.9 | 21 |
| Few levels of authority | 3.86 | 0.87 | 22 |
| Encouraging personal initiative (risk-taking rather than risk avoidance) | 3.81 | 1.04 | 23 |
| Having a right to question any issue | 3.8 | 0.99 | 24 |
| Accepting mistakes/tolerating failure | 3.74 | 1.1 | 25 |
| Ability to outsource non-core activities (contracting some services) | 3.6 | 0.97 | 26 |

*Source: Research Data*

The findings indicate that the five topmost issues that employees expect a Business Plan to address are: expressing the direction and purpose of the company, having salary and incentives that are attractive, training and development, senior management commitment and a simple and clear vision and mission statements of the Company. The issues that are viewed to be of lesser significance include: ability to outsource non-core activities, accepting mistakes/tolerating failure, having a right to question any issue, encouraging personal initiative and few levels of authority in the Organisation. The majority of employees seem to rate out-sourcing of services lowly, perhaps because of a perception that it may risk their job security. However, none of the issues under measurement had a mean score of less than 3.6 (out of 5); suggesting that all factors were considered to be important by employees. There was more consensus on issues that were rated high in importance (lower standard deviation) than those that were considered of less importance.

The finding that 'expressing the direction and purpose of the company' ranked at the top of the table is consistent with the view that the fundamental role of strategy in an organisation is to provide direction (Hamel and Prahalad, 1994). Other aspects related to this strategic dimension were also rated high in importance, including senior management commitment, simple and clear mission and vision statements and shared values and culture. The respondents also rated the need to embrace emerging issues such as information technology quite well. On the other hand, aspects that could benefit them more on an individual level were also given good ranking. These include empowering them in their jobs and equitable staff policies. The poor rating of outsourcing non-core activities is consistent with the human reaction to change; destabilising the status quo threatens existing corporate culture and power positions.

Contrary to contemporary management thinking, the respondents rated some aspects that would enhance innovation, encourage efficiency and reduce bureaucracy as less critical in a plan. These include having few levels of authority, encouraging personal initiative, right to question issues and tolerating mistakes. These attributes are perhaps perceived by employees as being of low importance in a public sector setting where individual effort and initiative can at times take backstage due to corporate strategies that are imposed on an organisation.

### 4.2.4 Rating of KenGen's 5-Year Business Plan

Respondents were requested to rate their perception of how KenGen's 5-Year Business Plan has met their expectations on various aspects of strategy. The mean scores on each indicator were then calculated. The ranking is tabulated in Table 4f hereinafter.

**Table 4f: Rating of KenGen's 5-Year Business Plan**

| INDICATORS | PERFORMANCE | STANDARD DEVIATION | RANK |
|---|---|---|---|
| Simple and clear vision and mission statements of the company | 3.97 | 1.05 | 1 |
| Embracing emerging issues and technology (e.g. IT systems) | 3.83 | 1.05 | 2 |
| Expressing the direction and purpose of the company | 3.74 | 1.2 | 3 |
| Senior management commitment | 3.46 | 1.11 | 4 |
| Providing adequate budget for the planned activities | 3.4 | 1.29 | 5 |
| Taking account of major stakeholders (e.g. Govt, WB, IMF) | 3.4 | 1.39 | 6 |
| Having mutual support and trust at all levels of the organisation | 3.33 | 1.11 | 7 |
| Training and development of employees | 3.3 | 1.09 | 8 |
| Taking into account existing and potential competitors in the market | 3.26 | 1.15 | 9 |
| Ability to outsource non-core activities (contracting some services) | 3.26 | 1.16 | 10 |
| Identifying cost-saving activities and opportunities | 3.26 | 1.06 | 11 |
| Empowering employees in their jobs | 3.21 | 1.05 | 12 |
| Benchmarking the company performance with the Industry | 3.19 | 1.24 | 13 |
| Creating organisational structures that enhance openness and flexibility | 3.17 | 0.98 | 14 |
| Appreciation of employee needs and expectations | 3.13 | 0.99 | 15 |
| Communicating the business plan in the whole organisation | 3.1 | 1.17 | 16 |
| Building teams and coalitions | 3.1 | 1.08 | 17 |
| Few levels of authority | 3.07 | 1.09 | 18 |
| Having salary and incentives that attract, retain and motivate staff | 3.06 | 1.1 | 19 |
| Having staff policies and practices that treat employees equitably | 3.04 | 0.98 | 20 |
| Encouraging personal initiative (risk-taking rather than risk avoidance) | 3.04 | 1.17 | 21 |
| Development of shared values and culture among employees | 3.04 | 1.04 | 22 |
| Employee involvement in developing a company's business plan | 3.03 | 0.98 | 23 |
| Accepting mistakes/tolerating failure | 3.03 | 1.06 | 24 |
| Allowing some specific time to discuss the business plan | 2.91 | 1.15 | 25 |
| Having a right to question any issue | 2.84 | 1.15 | 26 |

*Source: Research Data*

The five areas of the Business Plan that were perceived to be meeting expectations by a high degree were clarity of Vision and Mission statements, embracing emerging issues and technology, expressing the direction and purpose of the company, senior management commitment and provision of an adequate budget. The Plan was perceived not to be doing well on right to question issues, allowing a specific time to discuss it, tolerating mistakes, employee involvement in planning, and development of shared culture and values amongst employees. In the majority of issues the Plan was rated as 'satisfactory', with mean scores being more close to 3 (out of 5). There was no issue where it was perceived to be "excellent". This notwithstanding, there is scope and opportunity for improvement by incorporating a wider section of the workforce in the formulation of strategy.

### 4.2.5 Perceptual Gap of KenGen's 5-Year Business Plan

If the perceived performance of the Business Plan were to meet employee expectations, the differences in scores for Tables 4e and 4f would be zero. To investigate what was the position in every case, the mean scores for each dimension in Table 4f was deducted from the corresponding item in Table 4e. The results are presented in Table 4g below.

**Table 4g: Differences between Expectations and Perceived performance of Plan**

| INDICATORS | RATING | EXPECTATIONS | GAP | RANK |
|---|---|---|---|---|
| Ability to outsource non-core activities (contracting some services) | 3.26 | 3.60 | -0.34 | 1 |
| Simple and clear vision and mission statements of the company | 3.97 | 4.61 | -0.64 | 2 |
| Embracing emerging issues and technology (e.g. IT systems) | 3.83 | 4.54 | -0.71 | 3 |
| Accepting mistakes/tolerating failure | 3.03 | 3.74 | -0.71 | 4 |
| Encouraging personal initiative (risk-taking rather than risk avoidance) | 3.04 | 3.81 | -0.77 | 5 |
| Few levels of authority | 3.07 | 3.86 | -0.79 | 6 |
| Taking account of major stakeholders (e.g. Govt, WB, IMF) | 3.40 | 4.24 | -0.84 | 7 |
| Building teams and coalitions | 3.10 | 4.03 | -0.93 | 8 |
| Having a right to question any issue | 2.84 | 3.80 | -0.96 | 9 |
| Expressing the direction and purpose of the company | 3.74 | 4.80 | -1.06 | 10 |
| Development of shared values and culture among employees | 3.04 | 4.11 | -1.07 | 11 |
| Benchmarking the company performance with the Industry | 3.19 | 4.33 | -1.14 | 12 |
| Identifying cost-saving activities and opportunities | 3.26 | 4.43 | -1.17 | 13 |
| Having mutual support and trust at all levels of the organisation | 3.33 | 4.50 | -1.17 | 14 |
| Providing adequate budget for the planned activities | 3.40 | 4.60 | -1.20 | 15 |
| Senior management commitment | 3.46 | 4.70 | -1.24 | 16 |
| Employee involvement in developing a company's business plan | 3.03 | 4.30 | -1.27 | 17 |
| Taking into account existing and potential competitors in the market | 3.26 | 4.57 | -1.31 | 18 |
| Allowing some specific time to discuss the business plan | 2.91 | 4.23 | -1.32 | 19 |
| Empowering employees in their jobs | 3.21 | 4.53 | -1.32 | 20 |
| Creating organisational structures that enhance openness and flexibility | 3.17 | 4.50 | -1.33 | 21 |
| Appreciation of employee needs and expectations | 3.13 | 4.47 | -1.34 | 22 |
| Communicating the business plan in the whole organisation | 3.10 | 4.50 | -1.40 | 23 |
| Training and development of employees | 3.30 | 4.71 | -1.41 | 24 |
| Having staff policies and practices that treat employees equitably | 3.04 | 4.54 | -1.50 | 25 |
| Having salary and incentives that attract, retain and motivate staff | 3.06 | 4.79 | -1.73 | 26 |

*Source: Research Data*

All indicators measured had gaps between expectations and perceived performance. This implied that the perceived performance of the Business Plan failed to meet the respondents' expectations. The perception gap was narrowest on outsourcing, clarity of vision, embracing emerging issues, tolerating mistakes and encouraging personal initiative. This was an indication that these issues met employee expectations with minimal divergence. The gap was widest on salary and incentives, policies on treating employees equitably, training and development and communicating the Business Plan in the whole organisation. This implied that employees perceive these issues to be marginally addressed or catered for by the Plan. Aspects related to employees' welfare feature significantly in areas where the perception gap was widest. This is consistent with the view that the HR policy ought to be part and parcel of the overall corporate strategy (Armstrong, 2001).

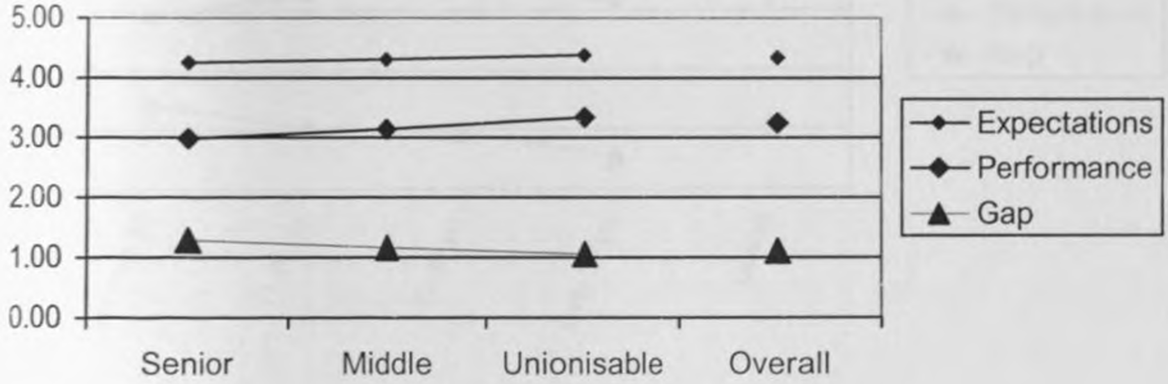
Some aspects with a moderate perceptual gap such as tolerating mistakes, encouraging personal initiative and few levels of authority are considered crucial in successful organisations (Peters and Waterman, 1982; Pearce and Robinson, 2000). The fact that KenGen employees perceive these to meet their expectations to a reasonable degree could imply a paradigm shift to a corporate culture that is normally associated with private sector organisations.

### 4.2.6 Factors Influencing Perceptions

#### (i) Position in the Organisation

The perceived performance and expectations of the various categories of employees was plotted to investigate whether perception varies with one's position in the organisation. The findings are presented in Figure 4b below.

**Figure 4b: Seniority in the Organisation**



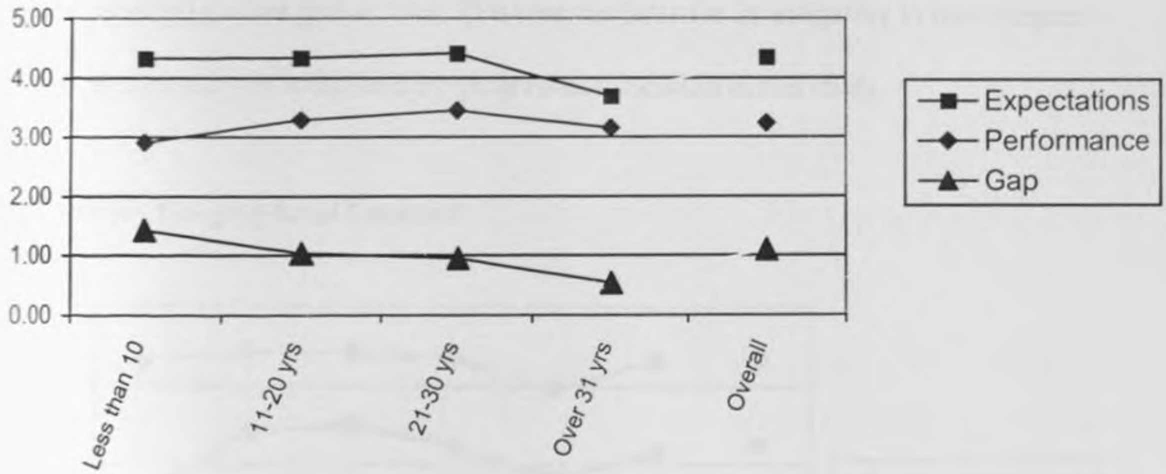

*Source: Research Data*

Figure 4b shows that there was a marginal increase in expectations and perceived performance of the KenGen strategic plan as one moves down the organisational hierarchy. Unionisable staff expectations and performance rating were above other ranks followed by the middle management. Perhaps due to senior management involvement in the formulation and implementation of the Plan, they are restrained in their expectations and how the Plan has faired so far.

#### (ii) Length of Service in the Company

In order to investigate whether length of service has an influence on perception, the expectations and perceived performance of the respondents was plotted against the period they have served in the Company. The results are plotted in figure 4c below.

**Figure 4c: Length of Service**



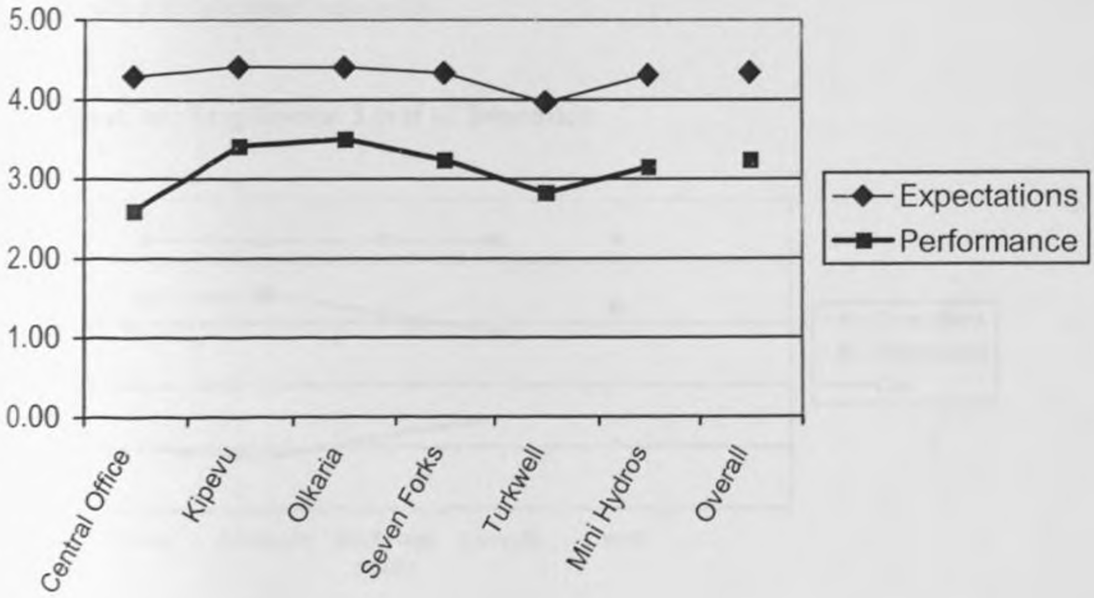

*Source: Research Data*

Figure 4c indicates that employee expectations from the plan remain almost constant till after 30 years when they decline. However, the perceived rating of the plan increases marginally but similarly declines after 30 years. The gap between expectation and perceived performance is widest for those who have served for shorter periods in the organisation but reduces with increase in service. For those with over 31 years, the perceived performance of strategy are very close to expectations (approximates zero). This would be consistent with the literature. Those who have served longest are likely to be influenced by past experiences of similar initiatives in the organisation (Bennett, 1997; Thornhill and Saunders, 2003). They are likely to moderate their expectations based on previous information. Those who are new in the organisation, on the other hand, are likely to be influenced by the company's public image, for instance through electronic and print media. The reality on the ground, however, may be otherwise.

(iii) **Geographical Location**

There have been documented differences in management styles based on geographical location, especially at the global level. This was the basis for investigating to what degree perception of strategy is influenced by geographical location in this study.

**Figure 4d: Geographical Location**



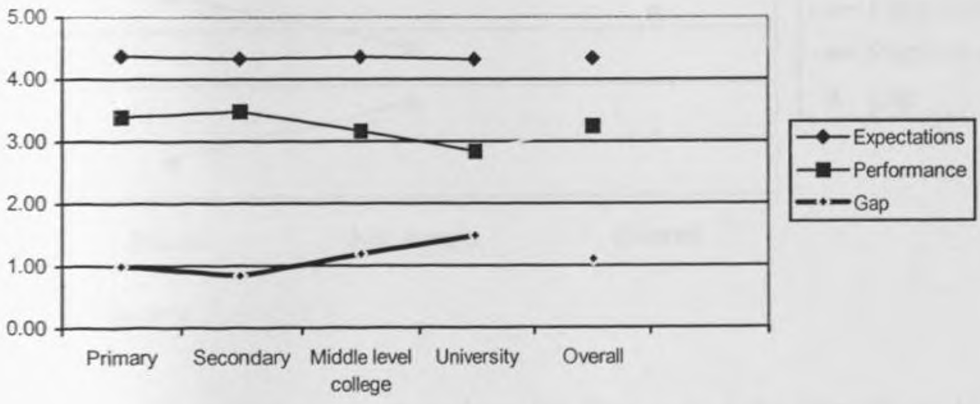

*Source: Research Data*

Figure 4d indicates that strategy expectations were almost identical across all stations except in Turkwell, where there was a dip. The perceived performance of the Plan is nevertheless highest in Kipevu, Olkaria and Seven Forks. Central Office and Turkwell, rate it below the overall mean. The gap between expectation and perceived performance is widest in Central Office. This may not be unexpected as the majority of those who would be involved in formulation of the strategy are in Head Office. There is a need, nevertheless, to make development of strategy more embracing by taking on board more stakeholders to the extent that resources can allow. This would ensure that they could make a realistic assessment of its performance during implementation.

(iv) **Employees' Level of Education**

The respondents were requested to indicate their level of education. This was plotted against both their expectations from the Plan and how they perceive its performance to be. The results are indicated hereunder.

**Figure 4e: Employees' Level of Education**



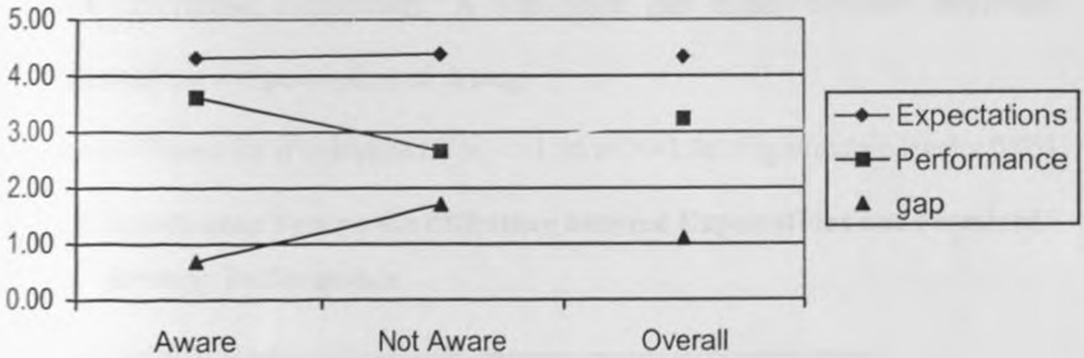

*Source: Research Data*

Figure 4e above shows that expectations were almost at the same level irrespective of the education level. Perceived performance of the Plan, on the other hand, is at the same level for those at primary and secondary levels, but decreases thereafter. The perception gap between expectations and performance therefore increases with education after the secondary school level. It is at its widest for those with university education. It is reasonable to expect that this latter group of employees is well versed with the activities of the Company and are likely to restrain both their expectations and their perceived performance of the Plan. It also means that special managerial focus may be needed when communicating strategy to the rest of the employees.

**(v) Employees' Awareness of the 5-Year Business Plan**

Respondents were requested to indicate whether they are aware or familiar with KenGen's 5-Year Business Plan. The results are presented hereunder.

**Figure 4f: Employees Awareness of the 5-Year Business Plan**




*Source: Research Data*

Figure 4f above shows that expectations from the Plan were at the same level whether one was aware of the Plan or not. But employees who were not aware of it rate the perceived performance low. This is perhaps because they have not seen its impact in their daily activities or on the organisation, for that matter. This explains the big gap in perception for those who were not familiar with the Plan. The upshot of this is that communicating strategy to employees can greatly reduce dissatisfaction, enhance co-operation in implementation and boost morale.

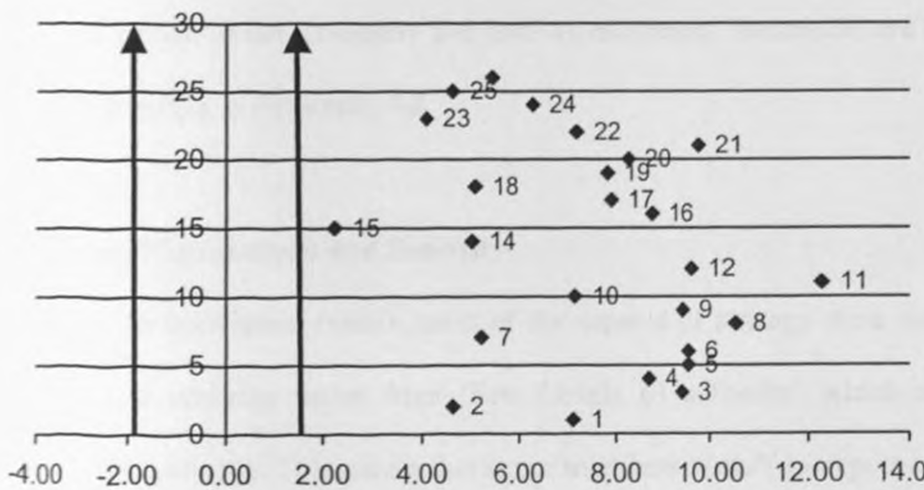
### 4.2.7 Statistical Significance

The T- test was carried out to establish if the differences revealed by the profiles and the gap between strategy expectations and perceptual ratings was statistically significant. The calculated T values were plotted on the horizontal axis against the strategy indicators (on the vertical axis). The confidence level was set at 95% (0.05 significant level). The results are tabulated in Figure 4g below. The following hypothesis was tested:

- H0 (null hypothesis): There is no significant gap between employees' expectations and perception of strategy
- HA (alternative hypothesis): A significant gap exists between employees' expectations and perception of strategy

*Decision rule*: Reject H0 if calculated T is < -1.96 or > +1.96 (significance level = 0.05)

**Figure 4g: Significance Test on the difference between Expectations and Perceived Strategy Performance**




*Source: Research Data*

Based on the above results, the null hypothesis (H0) was rejected as all the values of T were over +1.96. Consequently, the gap between strategy expectations and its perceived performance by employees was statistically significant on all aspects of the strategy under investigation. This characteristic appears to be quite explicit in the data findings that it has to be within the population under study, not just as a result of random sampling fluctuations only.

### 4.2.8 Correlation Analysis

Correlation is used to reveal the magnitude and direction of relationships. Magnitude reveals the degree a variable moves in the same or opposite direction while direction is indicated by whether a variable has a +ve or –ve relationship (some variables may be inversely related). Absence of a relationship is expressed by a coefficient that approximates zero. For example, the Pearson's correlation coefficient, which was used in this work, ranges from –1 through 0 to +1. Correlation was investigated on employee expectations of the Business Plan and its perceived performance, in relation to seniority, length of service in the Company and level of education. The results are presented in a correlation matrix in Appendix 4.2.

#### (i) Strategy Expectations and Seniority

Based on the correlation matrix, most of the aspects of strategy were not significantly correlated to seniority apart from 'Few Levels of authority' which was positively correlated to seniority. This means that senior members of staff do expect a "few levels of authority" in the organisation. This is consistent with the literature and current management thinking (Mullins, 1999). Other than this, it can be concluded that seniority has little or no relationship with strategy expectations in the Company.

**(ii) Strategy Expectations and Length of Service**

'Creating organization structures that enhance openness and flexibility' was negatively correlated to length of service. This means that those who have served for shorter periods of time have significantly higher expectations on openness and flexibility to undertake their activities, but this spirit declines as one remains in the organisation for a longer period. It is likely those who have served longer have previous experiences that moderate their expectations.

'Having salary and incentives that attract, retain and motivate staff' was positively correlated to length of service. This would be consistent with the natural reaction of those who believe, whether rightly or wrongly, that they have contributed to the success of the organisation and need to be rewarded for it. These feelings increase the longer one has served the organisation.

**(iii) Strategy Expectations and Level of Education**

'Building teams and coalitions' was negatively correlated to the level of education. This means that those with low levels of education have significantly higher expectations on this aspect in the Business Plan. This could be a wakeup call for their involvement in the formulation of such plans in future.

### (iv) Perception of Strategy and Seniority

The aspects that were positively correlated to seniority include: 'Communicating the Business Plan', 'Allowing specific time to discuss the Business Plan', 'creating organization structures that enhance openness and flexibility and having mutual support and trust at all levels'. One aspect that was negatively correlated to seniority at a significant level was 'ability to outsource non-core activities'. This means that outsourcing of services as a strategy is viewed negatively, more so at the lower levels of the organisation. This could be as a result of the view that such a strategy may be a threat to existing jobs.

### (v) Perception of Strategy and Length of Service

Perception of strategy was positively correlated to length of service on most aspects. However, correlation was significant with respect to 'simple and clear vision and mission statements' and 'encouraging personal initiative (risk taking rather than risk avoidance)'. This means that on these two aspects, the longer a person has served the Company, the more likely they are to appreciate the strategy effort on these accounts.

'Communicating the Business Plan in the whole organization' was, nonetheless, correlated negatively to length of service at a significant level. This implies that those who have served for a longer period perceived communication of the strategy as inadequate in the organisation. This must be as a result of prior experiences with the Company.

**(vi) Perception of Strategy and Level of Education**

The perception of strategy on most aspects was negatively correlated to the employees' level of education. This correlation was, nevertheless, significant in the following aspects: 'allowing specific time to discuss the Business Plan', 'Training and development of employees', 'creating organization structures that enhance openness and flexibility', 'appreciation of employee needs and expectations', 'having mutual support and trust at all levels of the organization', 'senior management commitment' and 'tolerating/accepting mistakes'. This implies that those with more education are less satisfied on these aspects of strategy than those with less education. Nonetheless, one aspect was highly, and positively, correlated to level of education: 'Communicating the Business Plan in the whole organization'. This would imply that those with higher education perceived the Company to be doing significantly well in communicating the Plan throughout the organisation than those with less education. Because this latter group is at the lower levels of the organisation, it means that communication of the strategy is not effective, or non-existent at these levels.

**(vii) Correlation Analysis Summary**

There were three hypothesized factors that could affect employee expectation and perception of strategy: seniority in the organisation, length of service and level of education. Based on analysis of data, the employees' level of education is the most significant factor, correlating with eight out of twenty six aspects of strategy. Seniority in the organisation then follows with five factors, while length of service affected three aspects. Managerial effort to address strategy in the organisation, be it in formulation or

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implementation, needs to take account of this ranking to enhance the likelihood of success.

### 4.2.9 Data Reliability

Normal distribution curves were drawn and graphical representations made to investigate whether there is a less than normal distribution – a pointer to the reliability of the data The curves were derived from data on each strategy aspect under study. The values originate from linear regression where employee expectation is taken as the independent variable and the perception of the Plan as the dependent variable. The results are presented in Appendix 4.1: (i) – (xxvi). From the summary on page 14 of this Appendix, 17 of the 26 curves (65%) are very close to a normal distribution. 8 curves (31%) are slightly skewed to the right, indicating a higher inclination to a positive response. Only one curve (4%) was slightly skewed to the left. Based on these findings, it is considered that the data used had low variability and is reliable enough to be a basis of the conclusions made hereinafter.

# CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

This Chapter addresses the findings of the study in relation to the objectives outlined in Chapter 1. It also highlights the limitations of the work and suggestions for further research.

## 5.2 Discussions and Conclusions

The study established that there was a significant perception gap between employee expectations and perceived performance of the strategy in all indicators measured. This gap arises from more than just random sampling fluctuations alone; it is a characteristic of the population under study. The five topmost issues of concern to employees were; expressing the direction and purpose of the Company, having salary and incentives that are attractive, training and development of employees, senior management commitment and simple and clear Vision and Mission statements. Issues that were perceived of less importance were: ability to outsource non-core activities, accepting mistakes/tolerating failure, having a right to question any issue, encouraging personal initiative and having few levels of authority in the organisation.

The perception gap was narrowest in outsourcing, clarity of Vision and Mission statements, embracing emerging issues, accepting mistakes and encouraging personal initiative. It was widest on salary and incentives, policies on treating employees equitably, training, and development, communicating the Business Plan in the organisation and appreciation of employee needs and expectations.

The Business Plan was perceived to be best on clarity of vision and mission statement, embracing emerging issues and technology, expressing the company purpose and direction, senior management commitment and budget adequacy. It was rated lowest on right to question issues, allowing time to discuss the Plan, tolerating mistakes and employee involvement in planning activities.

Expectations arising out of strategy appear to be affected marginally by the position in the company's hierarchy, geographical location and educational level. However, there is a declining trend in expectations the longer one has served in the Company. It is conceivable that new employees could have high expectations depending on the corporate image of the organisation in the marketplace. At the same time, those who have been in service for long are likely to be realistic of the firm's capabilities, based on past experiences.

On the other hand, perceived performance of the strategy increases slightly with an employee's position in the company, but is unaffected by period of service and geographical location. It nevertheless rises with the level of education after the secondary school level. It is possible those with more education are in the majority higher up in the organisational hierarchy and will be more informed of constraints, or otherwise, of the strategy implementation process.

Expectations from strategy for those who had prior knowledge of the Plan and those who didn't are marginal. The perceived performance is, however, lower on those who were not privy to the Plan. It is conceivable that the impact of the strategy as a "common thread" running through the organisation is lacking. It is not mandatory, nevertheless, that each employee has an individual copy of the document, but its impact should be felt throughout the whole organisation.

A correlation between employee expectations and their perception of strategy was established depending on the level of education, seniority in the organisation or length of service. The level of education was found to be the principal factor in this association.

### 5.3 Recommendations

The significant perception gap between expectations and performance requires managerial intervention. Additional effort and resources may be necessary to address this. The large proportion of employees that are not aware of the strategy can be a hindrance to its implementation. All employees need to be stakeholders in the future direction of the organisation, even if it will be in varying degrees. Their daily performance and activities should be measured along the specific milestones and core values identified by the Plan. The move towards ISO 9001:2000 certification by the Company is therefore in the right direction, as what cannot be measured cannot be managed. Involvement of outsiders such as consultants and external stakeholders should be considered in the strategy formulation to moderate "self-centeredness" of employees.

## 5.4 Limitations of the Study

The major limitations were time and financial resources. On this account, it was not possible to have a one-on-one interview with the respondents. A number of respondents expressed the desire to give more insight to their views if this was possible.

There was also a constraint of availability of employees through human engagements such as leave of absence, training, or fieldwork. Nonetheless, the respondent rate was high enough that these limitations had marginal effects on the overall findings of the Study.

It was also appreciated that respondents' bias may have been an inevitable part of the Study as employees were required to make a judgement on the institution that they work for. One may perceive penalties or benefits resulting from taking a particular position on an issue. This was, however, minimised by encouraging anonymous responses.

## 5.5 Suggestion for Further Research

The study focused on one company in the Public Sector. Future research could cover several public sector firms or even a specific sector such as telecommunication or power.

The research was also quantitative in nature, to a certain degree, as it identified the aggregate position of the situation without interrogating the quality of individual responses through interviews. A qualitative case study could be conducted in future to dwell deeper into the reasons behind how, and why, employees perceive strategic issues as identified in this research.

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# APPENDICES

**Appendix 3.4 (a): Introductory letter**

Joseph N. Ng'ang'a
KenGen, Stima Plaza
P. O. Box 47936
Nairobi

23rd July, 2004

Dear Sir/ Madam,

**RE: REQUEST FOR RESEARCH DATA**

I am a post graduate student in the Faculty of Commerce, University of Nairobi majoring in strategic management. My special area of interest is in use of strategy to enhance corporate performance. In this respect, I am conducting a Management Research Project on "Employee Perception of Strategy in a Public Organisation: The Case of KenGen".

In order to undertake the research, you have been selected to form part of the study. This is therefore to request your assistance in filling the attached questionnaire as truthfully as you can. The information you give will be treated in the strictest confidence and is needed purely for academic purposes. Even where a name has been provided, it will not under any circumstances appear in the final report.

A copy of the final report will be made available to you upon request.

Your assistance and co-operation will be highly appreciated.

Yours Sincerely,

--------------------------- ------------------------------------------

Joseph N. Ng'ang'a
(Student)

Jackson Maalu
Lecturer, Dept of Business Administration
(Project Supervisor)

Appendix 3.4(b)

# QUESTIONNAIRE

Please respond to the following questions to the best of your ability. Indicate with an **X or tick (✓)** your appropriate choice:

**A: RESPONDENT PROFILE**

A1. Your name..............................................................(Optional)

A2. Your jobs falls within:

- Senior management ☐
- Middle management ☐
- Unionisable staff ☐

A3. Indicate your operational area:

- Central office ☐
- Kipevu ☐
- Olkaria ☐
- Seven Forks Complex ☐
- Turkwell ☐
- Others (indicate)......................

A4. Period of service with the company

- Not exceeding 10 Years ☐
- 11 – 20 years ☐
- 21 – 30 years ☐
- Over 31 years ☐

A5. Highest level of education attained

- Primary ☐
- Secondary ☐
- Middle level college ☐
- University ☐

A6. Am aware/familiar with KenGen's 5-year Business Plan

- Yes ☐
- No ☐

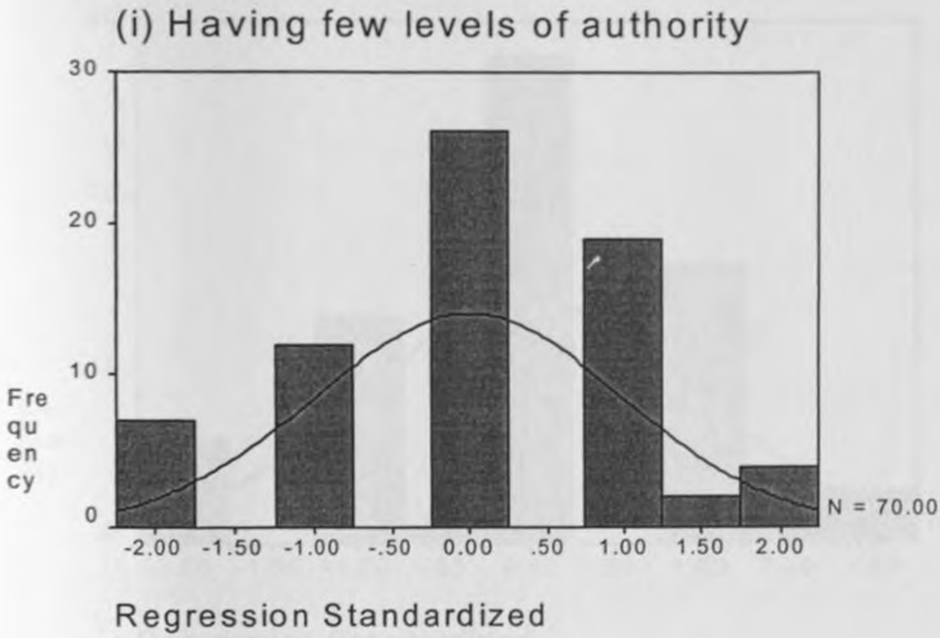
**PART B: Please indicate the degree to which in your view the following issues are important in developing and implementing a Business Plan (Strategy):**

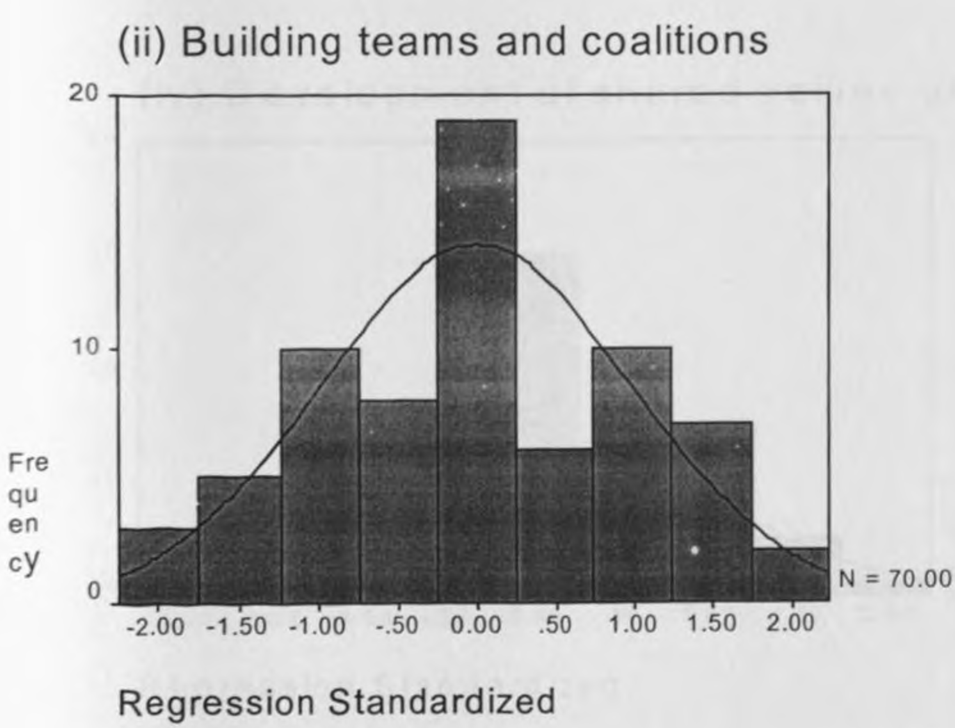
| | | Extremely important (5) | Important (4) | Somewhat important (3) | Not important (2) | Completely unnecessary (1) |
|---|---|---|---|---|---|---|
| 1 | Expressing the direction and purpose of the company | | | | | |
| 2 | Simple and clear vision and mission statements of the company | | | | | |
| 3 | Employee involvement in developing a company's business plan | | | | | |
| 4 | Communicating the business plan in the whole organisation | | | | | |
| 5 | Allowing some specific time to discuss the business plan | | | | | |
| 6 | Taking into account existing and potential competitors in the market | | | | | |
| 7 | Embracing emerging issues and technology (e.g. IT systems) | | | | | |
| 8 | Training and development of employees | | | | | |
| 9 | Creating organisational structures that enhance openness and flexibility | | | | | |
| 10 | Providing adequate budget for the planned activities | | | | | |
| 11 | Having salary and incentives that attract, retain and motivate staff | | | | | |
| 12 | Having staff policies and practices that treat employees equitably | | | | | |
| 13 | Appreciation of employee needs and expectations | | | | | |
| 14 | Taking account of major stakeholders (e.g. Govt, WB, IMF) | | | | | |
| 15 | Ability to outsource non-core activities (contracting some services) | | | | | |
| 16 | Identifying cost-saving activities and opportunities | | | | | |
| 17 | Benchmarking the company performance with the Industry | | | | | |
| 18 | Encouraging personal initiative (risk-taking rather than risk avoidance) | | | | | |
| 19 | Having mutual support and trust at all levels of the organisation | | | | | |
| 20 | Senior management commitment | | | | | |
| 21 | Empowering employees in their jobs | | | | | |
| 22 | Development of shared values and culture among employees | | | | | |
| 23 | Accepting mistakes/tolerating failure | | | | | |
| 24 | Building teams and coalitions | | | | | |
| 25 | Few levels of authority | | | | | |
| 26 | Having a right to question any issue | | | | | |

**PART C: Please rate the degree to which in your view KenGen's 5 -Year Business Plan has performed in the following areas:**

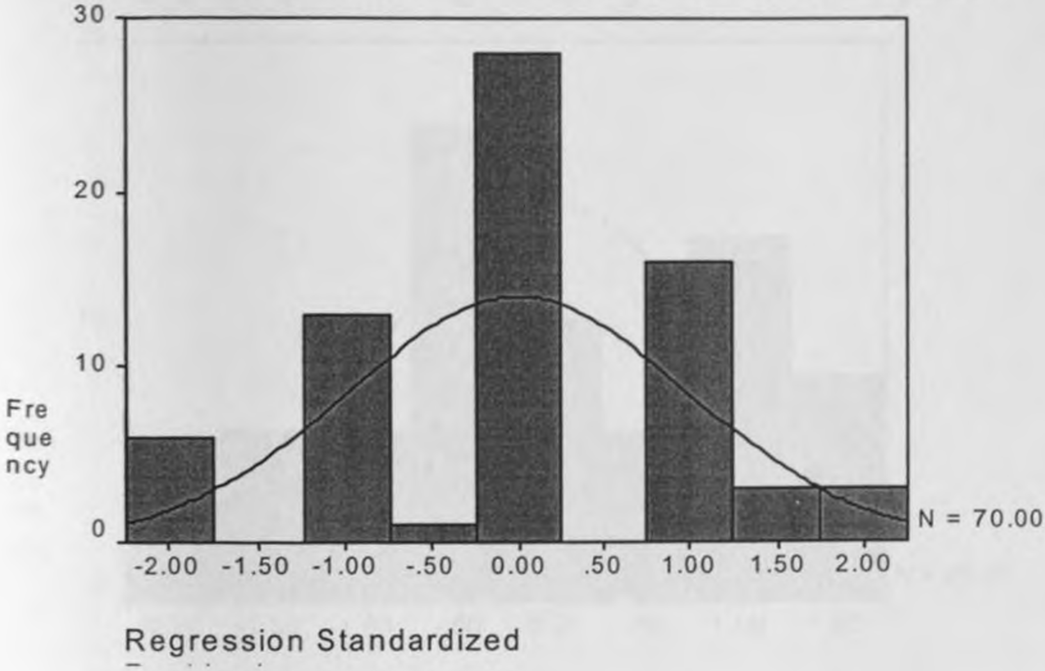
| | | Excellent (5) | Good (4) | Satisfactory (3) | Poor (2) | Don't know (1) |
|---|---|---|---|---|---|---|
| 1 | Expressing the direction and purpose of the company | | | | | |
| 2 | Having simple and clear vision and mission statements | | | | | |
| 3 | Involving employees in developing the business plan | | | | | |
| 4 | Communicating the plan in the whole organisation | | | | | |
| 5 | Allowing some specific time to discuss the plan | | | | | |
| 6 | Taking into account existing and potential competitors in the market | | | | | |
| 7 | Embracing emerging issues and technology (e.g. IT systems) | | | | | |
| 8 | Training and development of employees | | | | | |
| 9 | Creating organisational structures that enhance openness and flexibility | | | | | |
| 10 | Providing adequate budget for the planned activities | | | | | |
| 11 | Having salaries and incentives that attract, retain and motivate staff | | | | | |
| 12 | Having staff policies and practices that treat employees equitably | | | | | |
| 13 | Appreciating employees' needs and expectations | | | | | |
| 14 | Taking account of major stakeholders (e.g. Govt, WB, IMF) | | | | | |
| 15 | Outsourcing non-core activities (contracting some services ) | | | | | |
| 16 | Identifying critical cost-saving activities and opportunities | | | | | |
| 17 | Benchmarking company performance with the Industry | | | | | |
| 18 | Encouraging personal initiative (risk-taking rather than risk avoidance) | | | | | |
| 19 | Encouraging mutual support and trust at all levels of the organisation | | | | | |
| 20 | Senior management commitment | | | | | |
| 21 | Empowering employees in their jobs | | | | | |
| 22 | Development of shared values and culture among employees | | | | | |
| 23 | Accepting mistakes/tolerating failure | | | | | |
| 24 | Building teams and coalitions | | | | | |
| 25 | Few levels of authority | | | | | |
| 26 | Having a right to question any issue | | | | | |

**<u>Appendix 4.1:</u> Normal Distribution Curves for strategy indicators**

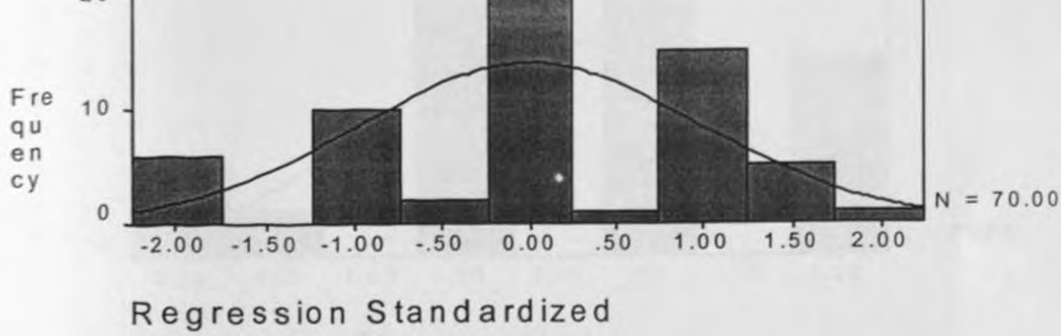


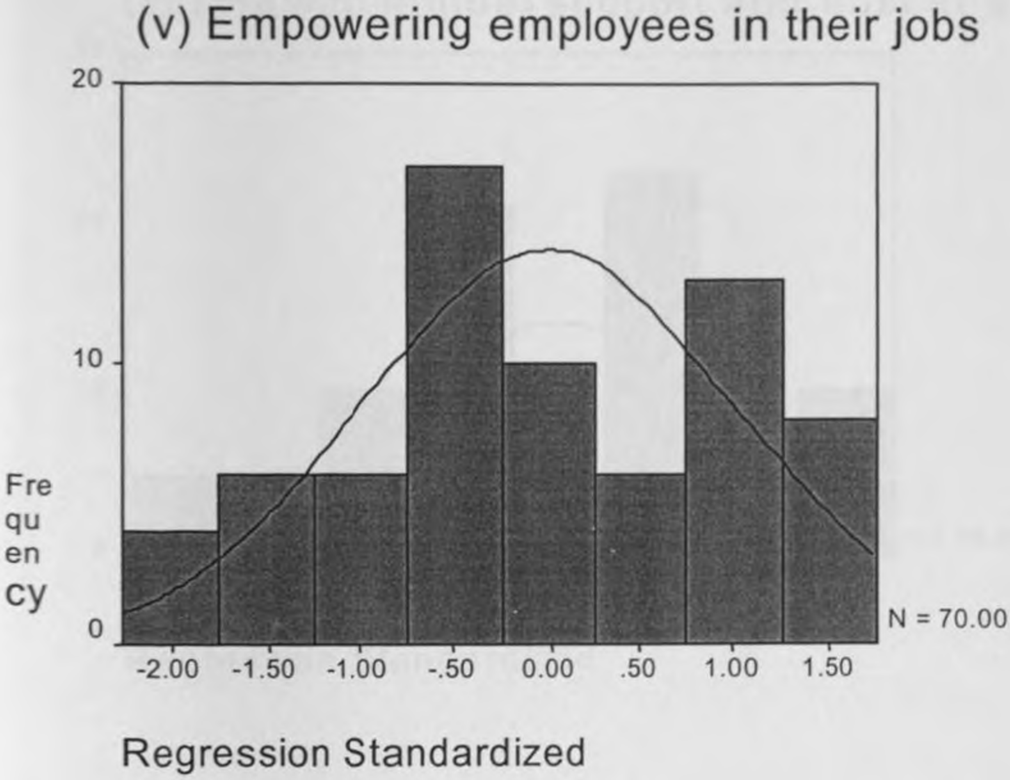



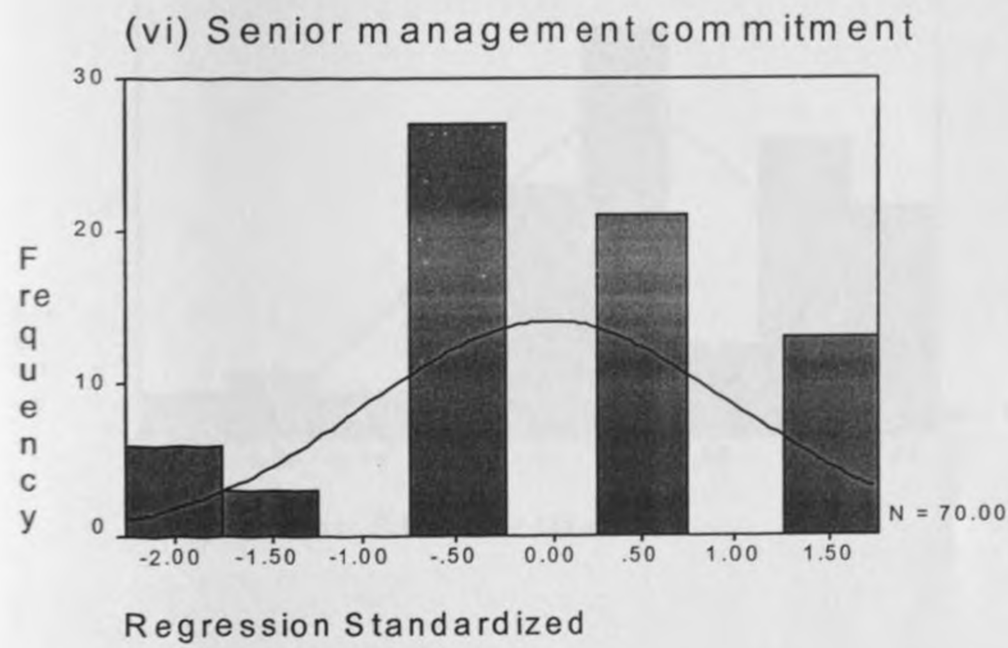
(iii) Accepting mistakes and tolerating failure



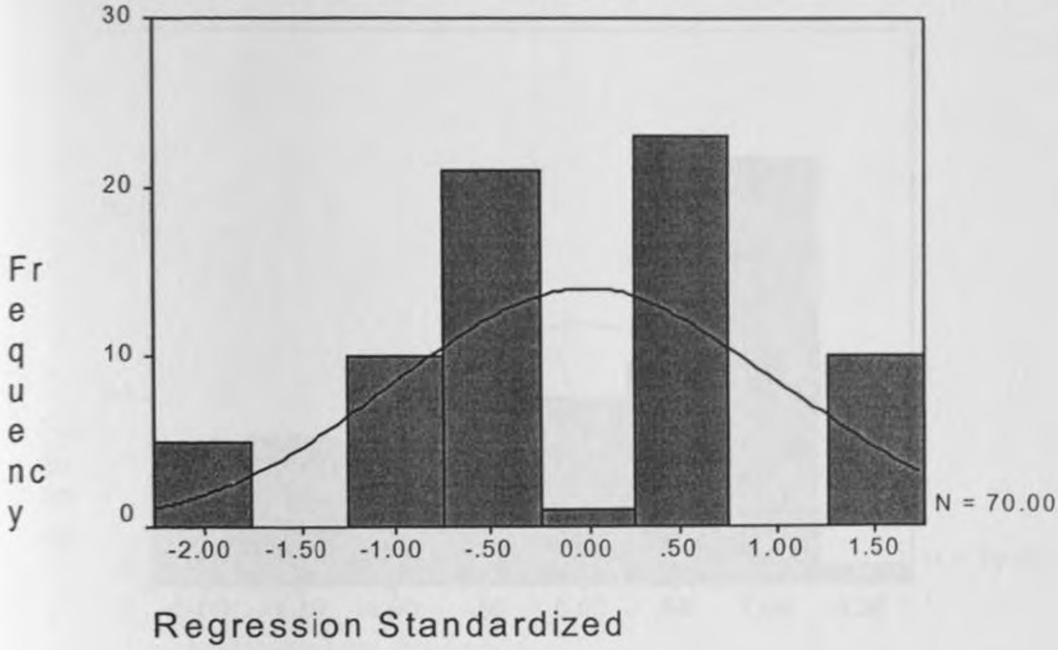

(iv) Development of shared values and culture



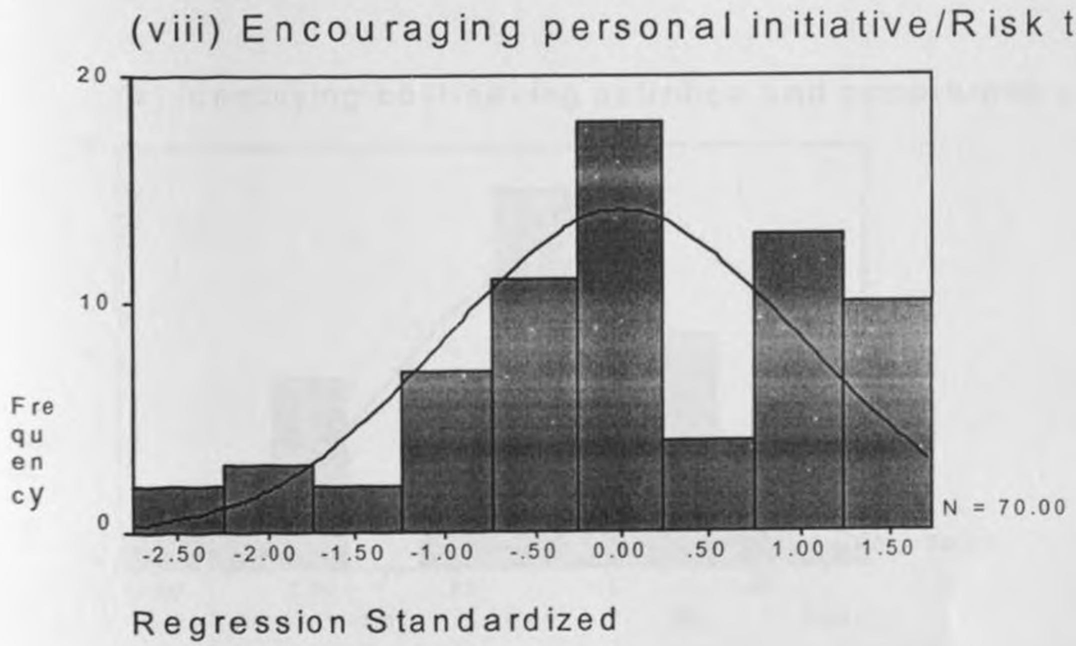

(v) Empowering employees in their jobs
20
10
0
Fre
qu
en
cy
N = 70.00
-2.00
-1.50
-1.00
-.50
0.00
.50
1.00
1.50
Regression Standardized


(vi) Senior management commitment
30
20
10
0
F
re
q
u
e
n
c
y
N = 70.00
-2.00
-1.50
-1.00
-.50
0.00
.50
1.00
1.50
Regression Standardized

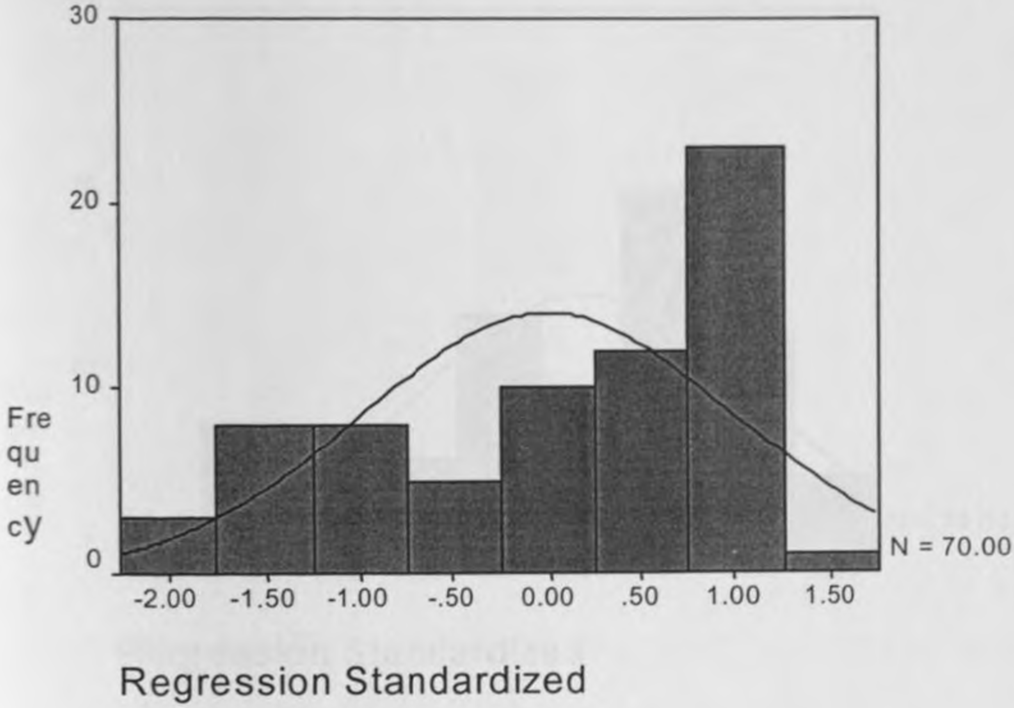
(vii) Having mutual support and trust at all levels



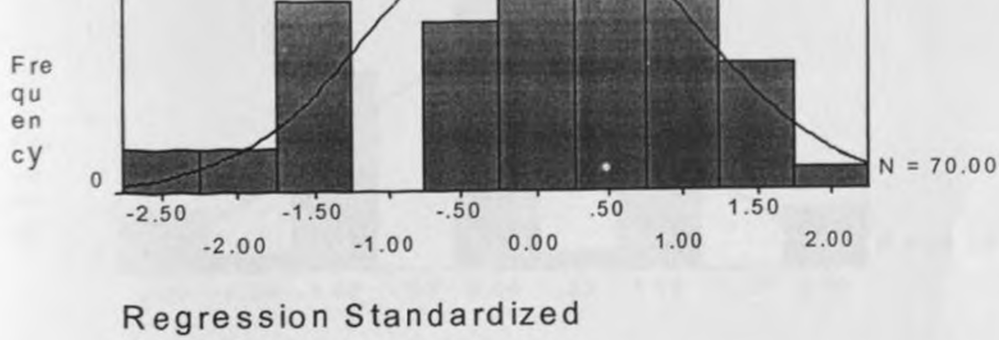

(viii) Encouraging personal initiative/Risk taking



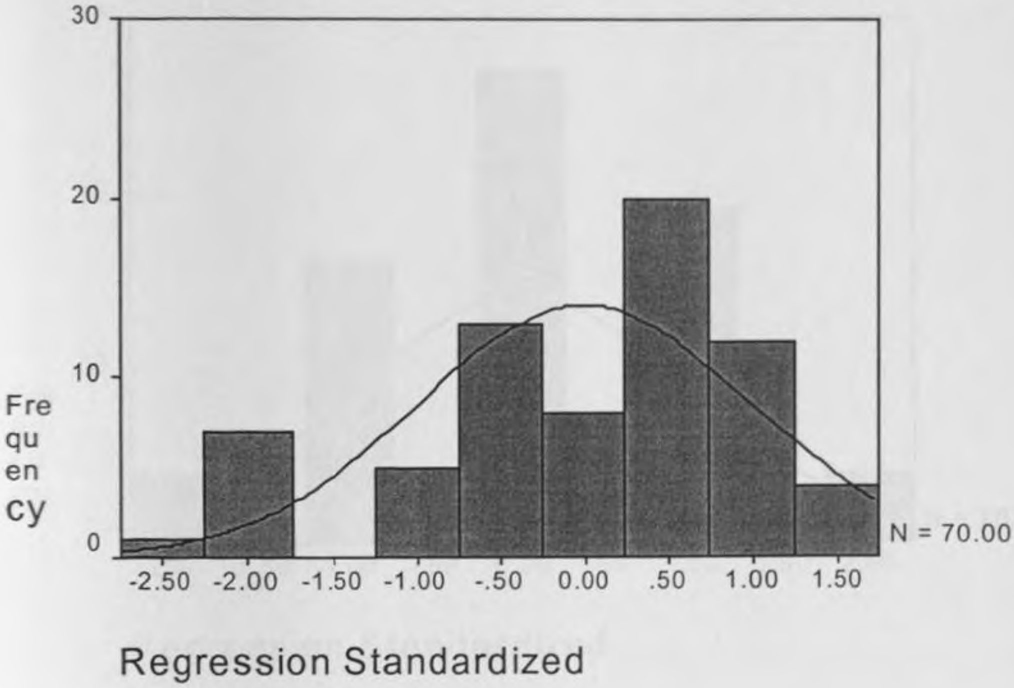
(ix) Benchmarking Co's Performance with the industry



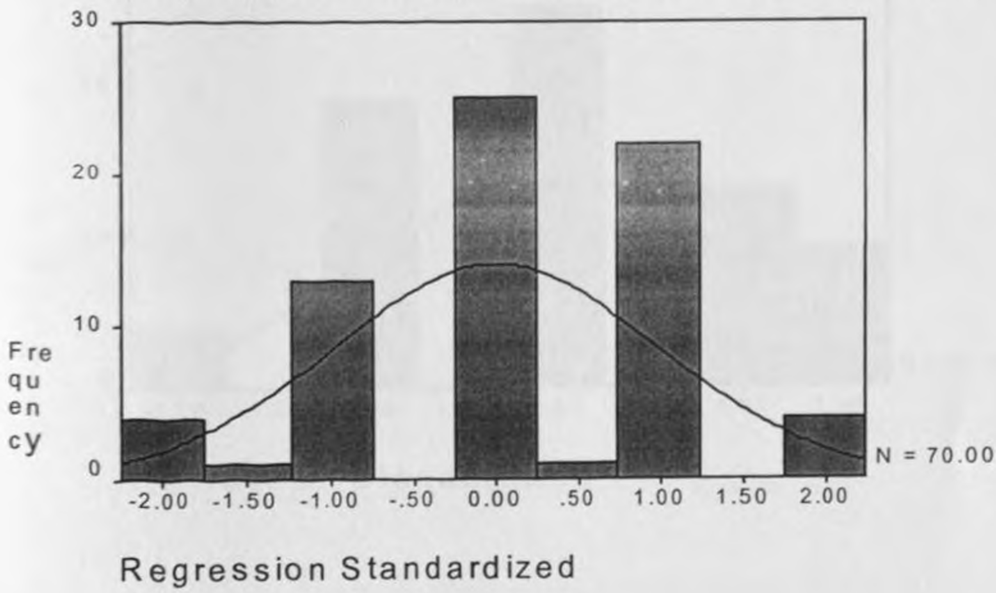

(x) Identifying cost-saving activities and opportunities



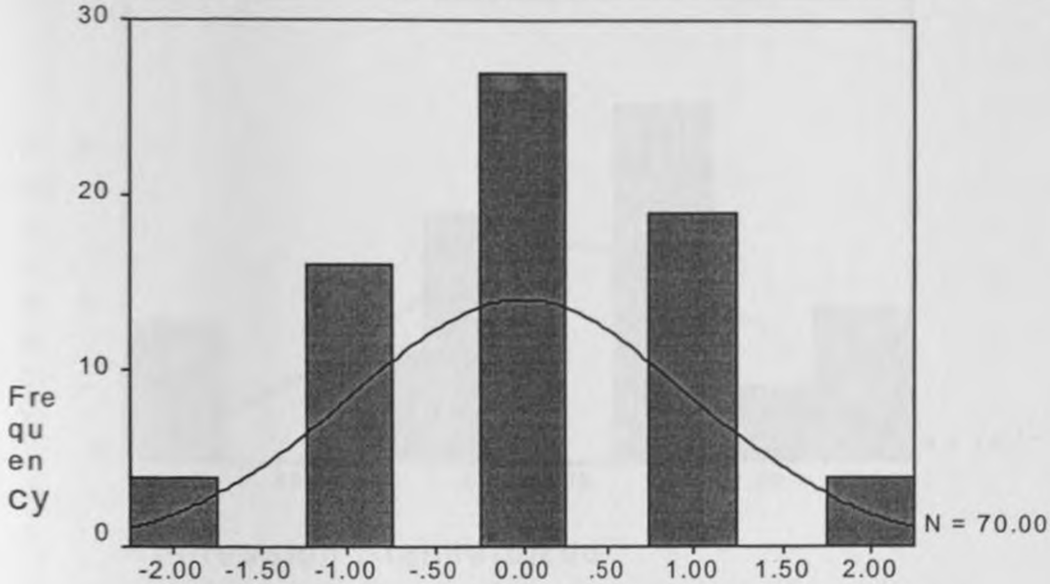
## (xi) Ability to outsource non-core activities




## (xii) Appreciating employees' needs/expectations

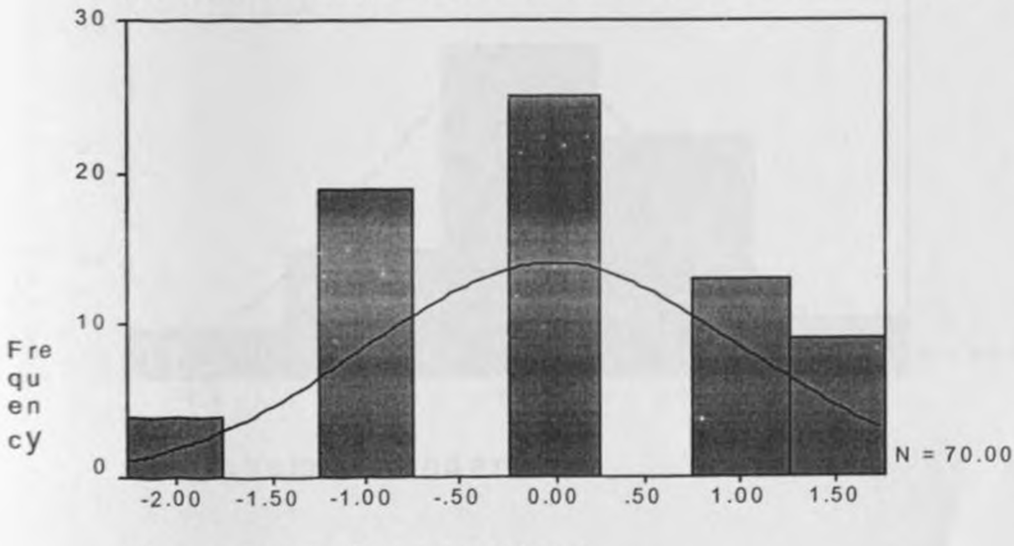


(xiii) Creating equitable staff policies/practices



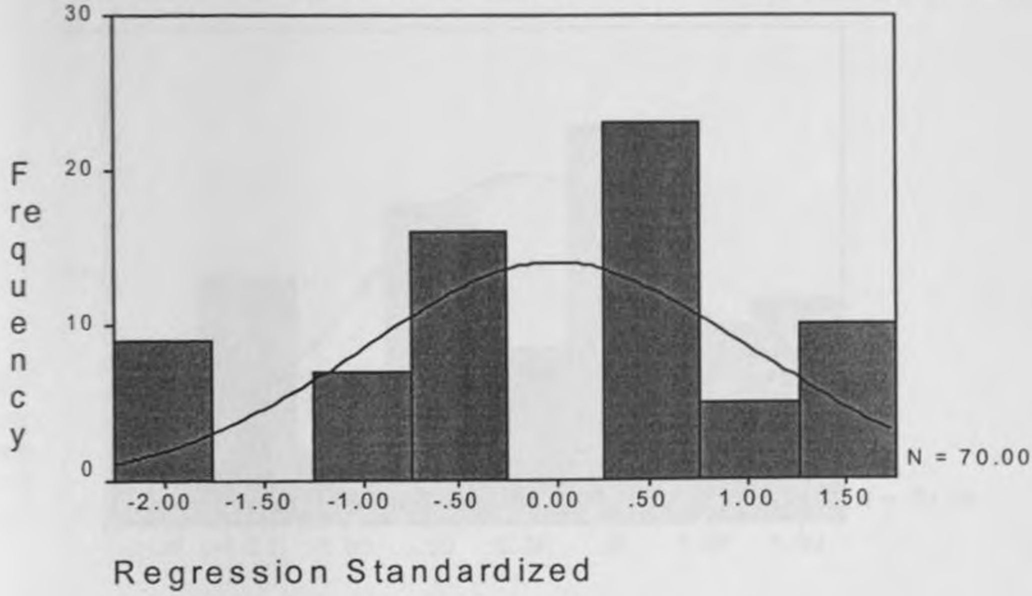

Regression Standardized

(xiv) Having attractive salaries and incentives

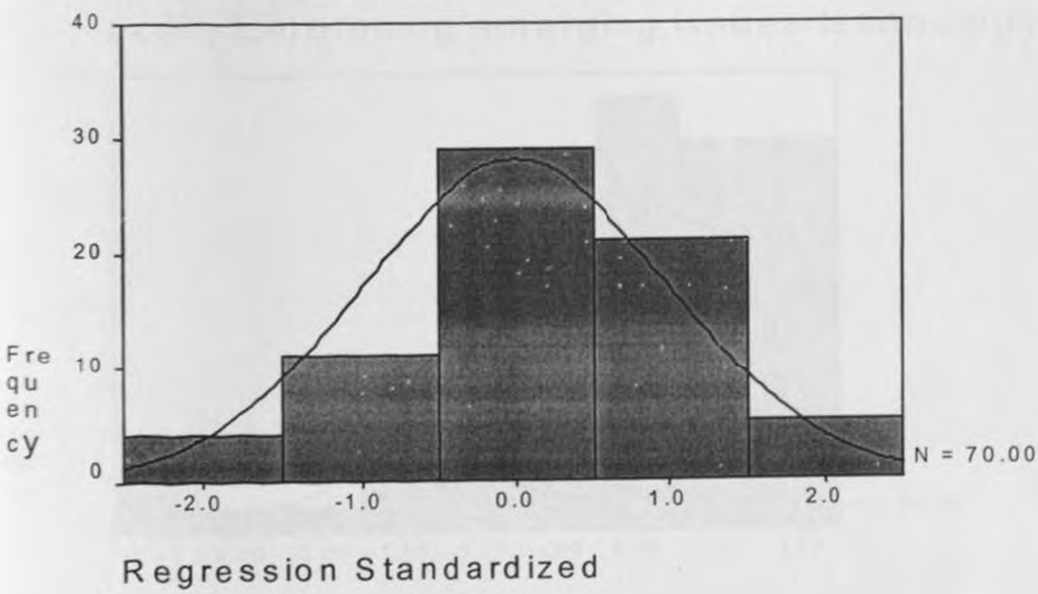



Regression Standardized

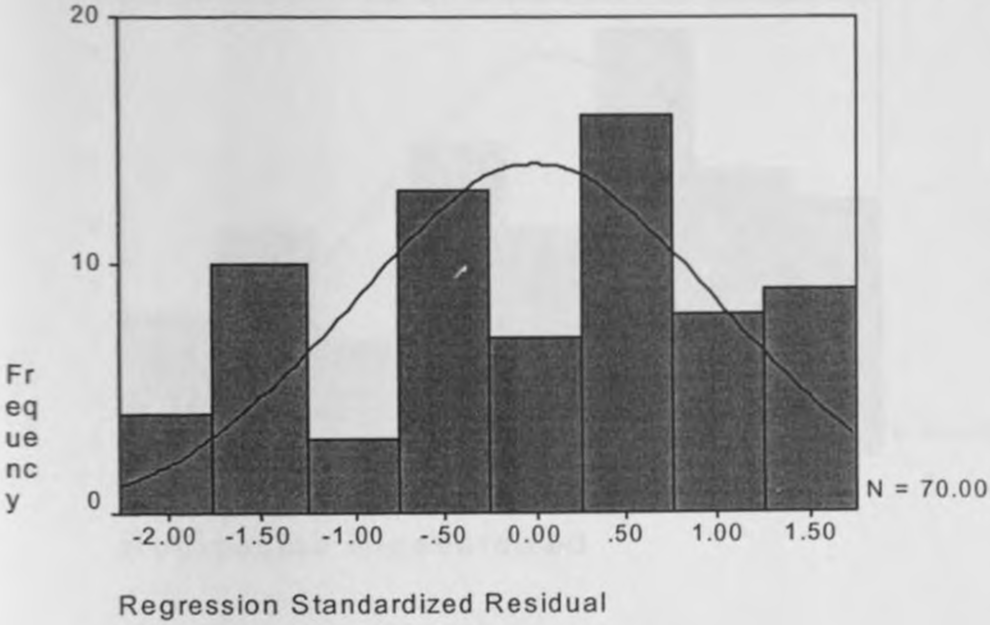
(xv) Providing adequate budget for the Plan



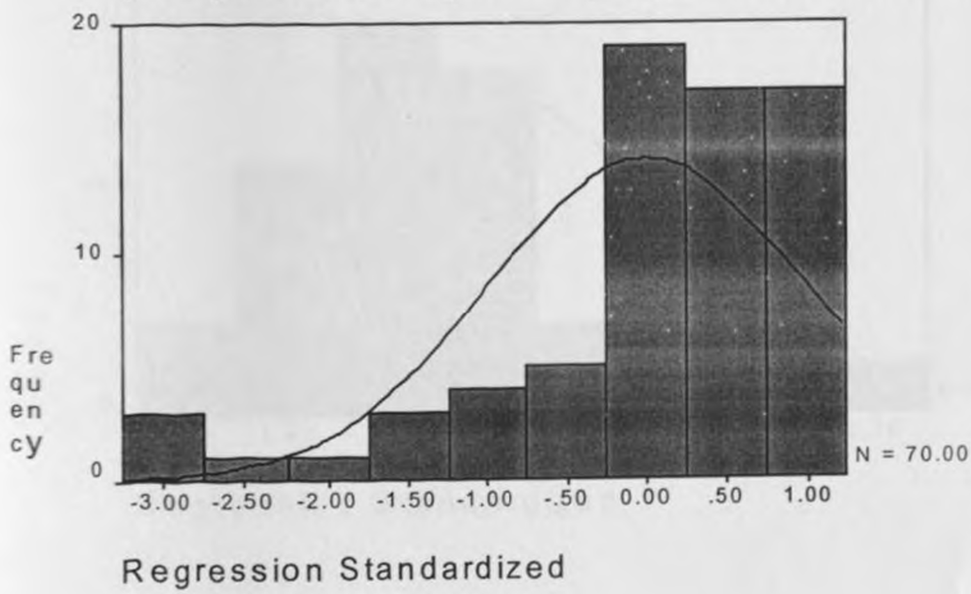

(xvi) Creating organizational structures that enhance openness



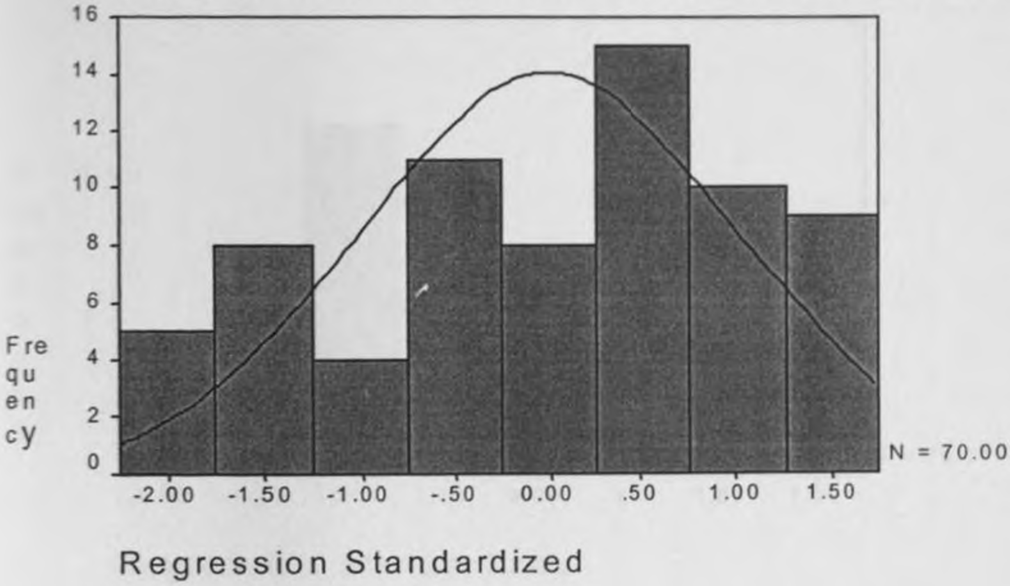
### (xvii) Training and development of employees



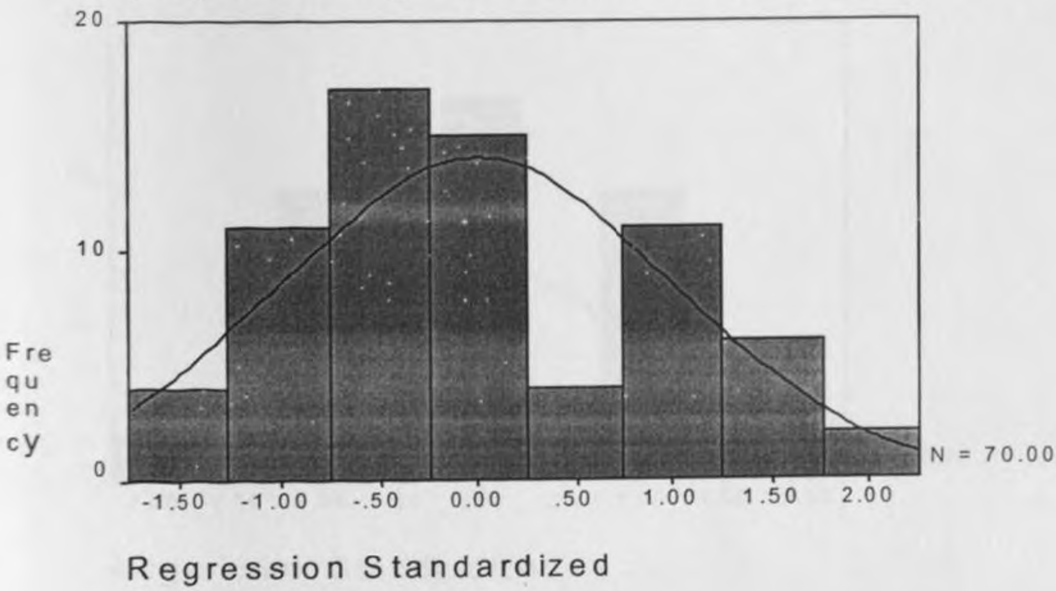

### (xviii) Embracing emerging issues/technology



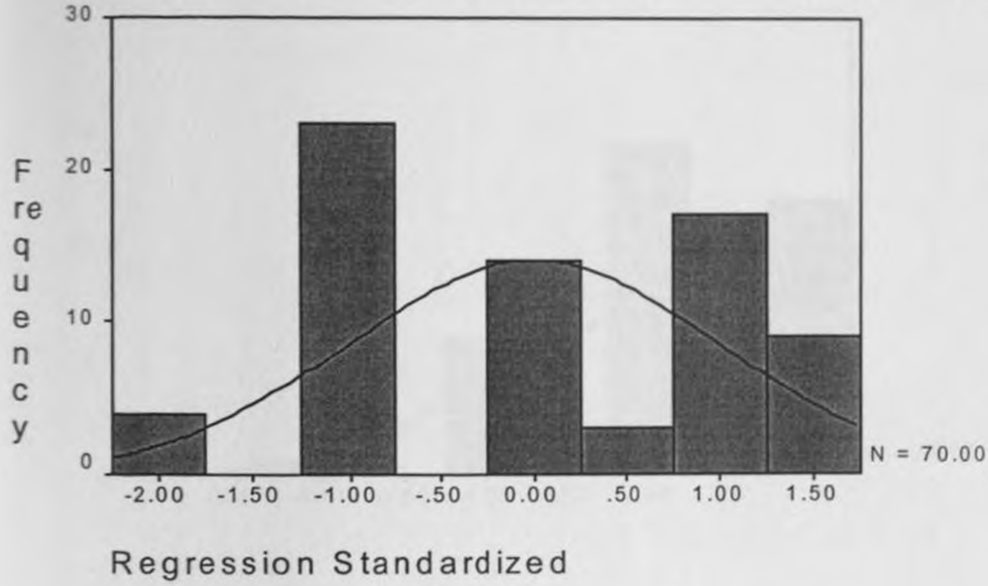
(xix) Considering existing/potential competitors



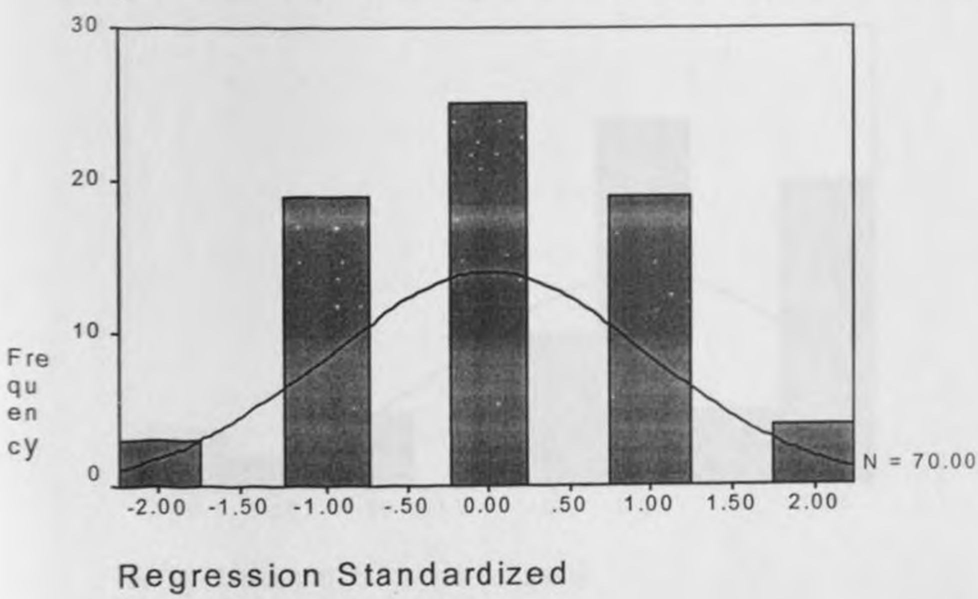

(xx) Allowing specific time to discuss the Plan



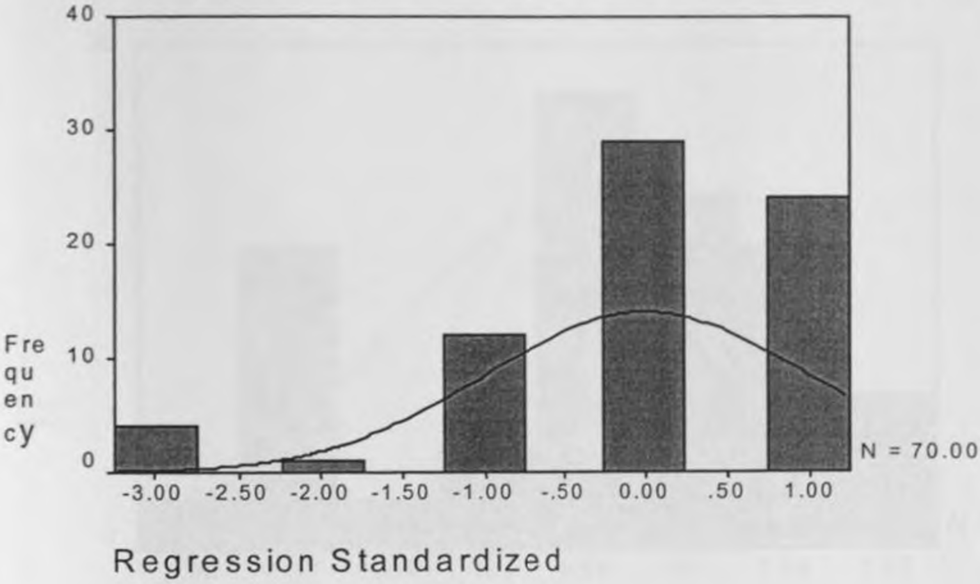
(xxi) Communicating the Plan in the whole organisation



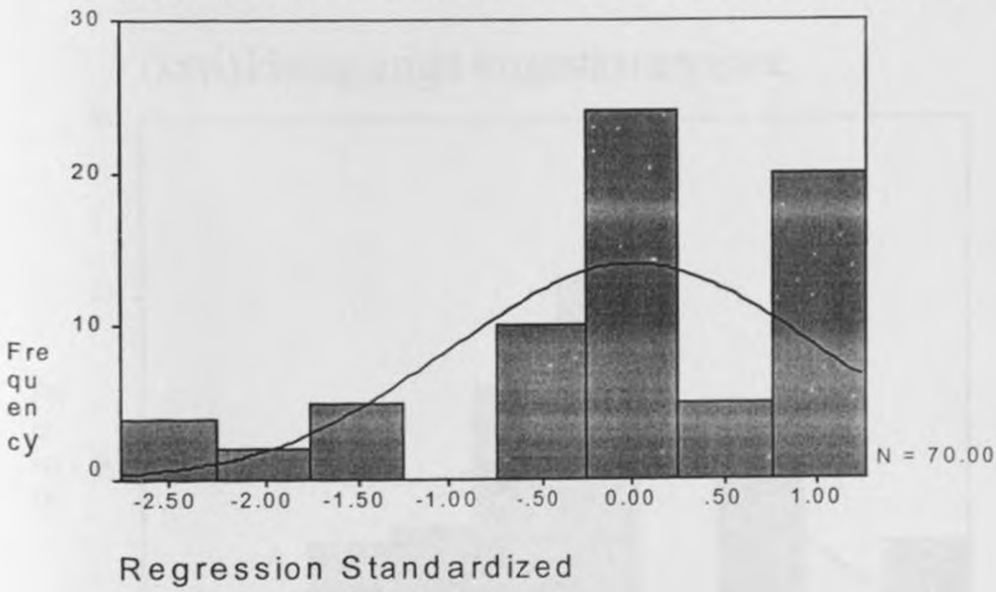

**(xxii) Employee Involvement in Developing the Plan**



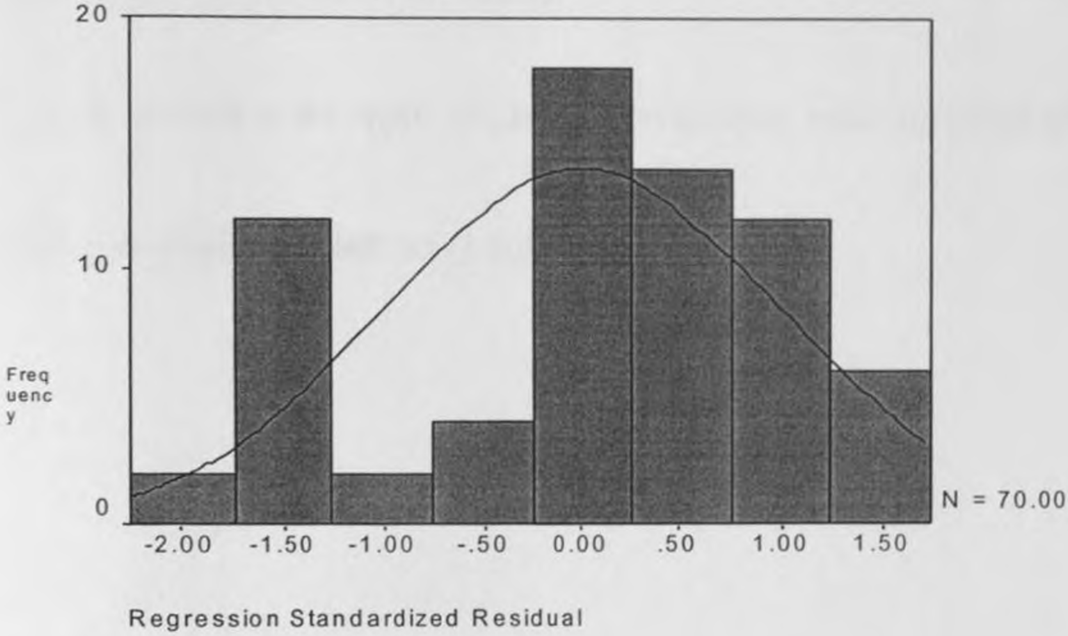
(xxiii) Having simple/clear vision and mission statements



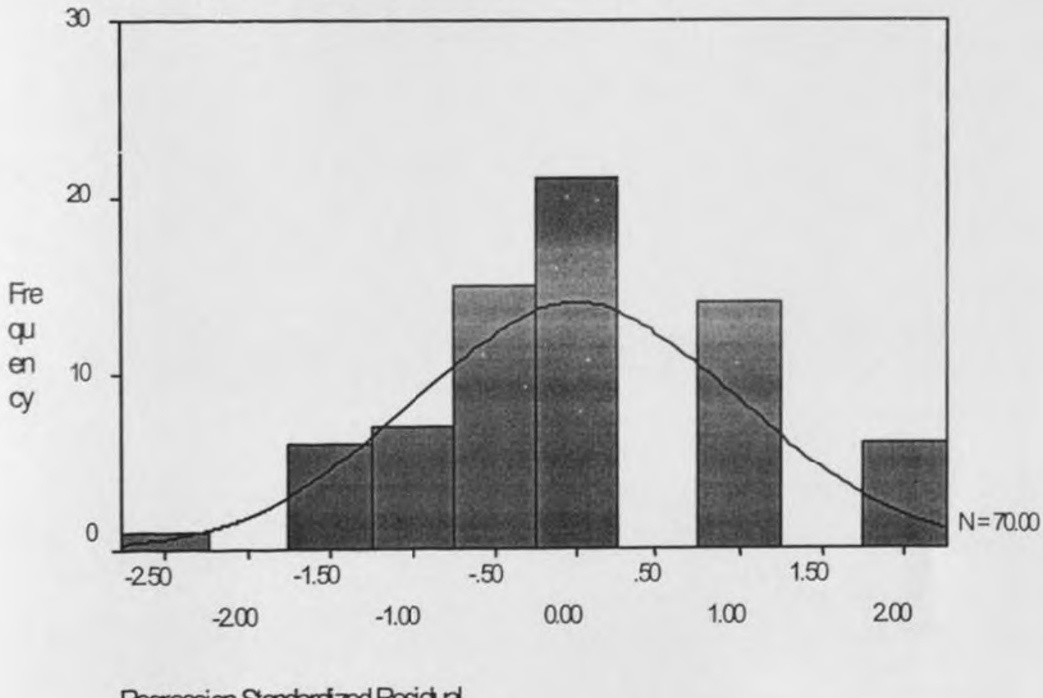

(xxiv) Expressing direction/purpose of Company



(xxv) Taking account of major stakeholders (e.g. Govt, WB)




(xxvi) Having a right to question any issue



## SUMMARY OF APPENDIX 4.1

- **Normally distributed curves**: i, ii, iii, iv, v, vi, vii, xii, xiii, xiv, xv, xvi, xvii, xxi, xxii, xxv, xxvi (17 out of 26 – 65%)

- **Curves skewed to the right**: viii, ix, x, xi, xviii, xxiii, xxiv, xix (8 out of 26 – 31%)

- **Curve skewed to the left**: xx (1 out of 26 – 4%)

# Appendix 4.2: Correlation Results

## Correlation Between Strategy Expectations, Ratings, Seniority and Education

| CORRELATIONS: STRATEGY EXPECTATIONS | | | | |
|---|---|---|---|---|
| | | **Seniority** | **Length of service** | **Level of Education** |
| Expressing the direction and purpose of the company | Pearson Correlation | -0.055 | -0.156 | 0.099 |
| | Sig. (2-tailed) | 0.651 | 0.198 | 0.414 |
| Simple and clear vision and mission statements of the company | Pearson Correlation | -0.192 | -0.206 | 0.168 |
| | Sig. (2-tailed) | 0.111 | 0.087 | 0.166 |
| Employee involvement in developing a company s business plan | Pearson Correlation | -0.017 | 0.055 | 0.038 |
| | Sig. (2-tailed) | 0.888 | 0.653 | 0.754 |
| Communicating the business plan in the whole organisation | Pearson Correlation | -0.017 | 0 | 0.094 |
| | Sig. (2-tailed) | 0.889 | 1 | 0.439 |
| Allowing some specific time to discuss the business plan | Pearson Correlation | 0.122 | -0.033 | -0.019 |
| | Sig. (2-tailed) | 0.313 | 0.786 | 0.873 |
| Taking into account existing and potential competitors in the market | Pearson Correlation | -0.153 | -0.145 | 0.114 |
| | Sig. (2-tailed) | 0.206 | 0.231 | 0.349 |
| Embracing emerging issues and technology (e.g. IT systems) | Pearson Correlation | 0 | -0.161 | 0.082 |
| | Sig. (2-tailed) | 1 | 0.183 | 0.498 |
| Training and development of employees | Pearson Correlation | 0.146 | 0.135 | -0.14 |
| | Sig. (2-tailed) | 0.227 | 0.264 | 0.248 |
| Creating organisational structures that enhance openness and flexibility | Pearson Correlation | 0.06 | **-.281(*)** | 0.083 |
| | Sig. (2-tailed) | 0.624 | 0.019 | 0.497 |
| Providing adequate budget for the planned activities | Pearson Correlation | -0.18 | -0.095 | 0.162 |
| | Sig. (2-tailed) | 0.137 | 0.433 | 0.18 |
| Having salary and incentives that attract, retain and motivate staff | Pearson Correlation | 0.124 | **.301(*)** | -0.167 |
| | Sig. (2-tailed) | 0.307 | 0.011 | 0.167 |
| Having staff policies and practices that treat employees equitably | Pearson Correlation | 0.08 | -0.112 | 0.093 |
| | Sig. (2-tailed) | 0.512 | 0.358 | 0.443 |
| Appreciation of employee needs and expectations | Pearson Correlation | 0.099 | 0.004 | -0.053 |
| | Sig. (2-tailed) | 0.413 | 0.974 | 0.664 |
| Taking account of major stakeholders (e.g. Govt, WB, IMF) | Pearson Correlation | 0.015 | 0.135 | 0.1 |
| | Sig. (2-tailed) | 0.901 | 0.266 | 0.409 |
| Ability to outsource non-core activities (contracting some services) | Pearson Correlation | -0.137 | -0.008 | 0.146 |
| | Sig. (2-tailed) | 0.257 | 0.947 | 0.228 |
| Identifying cost-saving activities and opportunities | Pearson Correlation | 0.035 | -0.085 | -0.007 |
| | Sig. (2-tailed) | 0.771 | 0.485 | 0.954 |
| Benchmarking the company performance with the Industry | Pearson Correlation | 0.128 | -0.075 | -0.063 |
| | Sig. (2-tailed) | 0.292 | 0.539 | 0.605 |
| Encouraging personal initiative (risk-taking rather than risk avoidance) | Pearson Correlation | 0.096 | 0.165 | 0.016 |
| | Sig. (2-tailed) | 0.43 | 0.173 | 0.898 |

**Correlation: Strategy Expectations (continued)**

| | | | | |
|---|---|---|---|---|
| Having mutual support and trust at all levels of the organization | Pearson Correlation | 0.091 | 0.129 | -0.051 |
| | Sig. (2-tailed) | 0.453 | 0.288 | 0.678 |
| Senior management commitment | Pearson Correlation | -0.142 | 0.114 | 0.039 |
| | Sig. (2-tailed) | 0.242 | 0.346 | 0.747 |
| Empowering employees in their jobs | Pearson Correlation | 0.179 | -0.074 | -0.03 |
| | Sig. (2-tailed) | 0.138 | 0.541 | 0.806 |
| Development of shared values and culture among employees | Pearson Correlation | 0.134 | -0.035 | -0.081 |
| | Sig. (2-tailed) | 0.268 | 0.776 | 0.506 |
| Accepting mistakes | Pearson Correlation | 0.222 | -0.017 | -0.171 |
| | Sig. (2-tailed) | 0.065 | 0.887 | 0.157 |
| Building teams and coalitions | Pearson Correlation | 0.148 | 0.193 | **-.240(*)** |
| | Sig. (2-tailed) | 0.222 | 0.109 | 0.045 |
| Few levels of authority | Pearson Correlation | **.330(**)** | 0.103 | -0.221 |
| | Sig. (2-tailed) | 0.005 | 0.398 | 0.066 |
| Having a right to question any issue | Pearson Correlation | 0.202 | -0.024 | -0.084 |
| | Sig. (2-tailed) | 0.093 | 0.845 | 0.489 |
| **Seniority** | Pearson Correlation | 1 | 0.09 | **-.611(**)** |
| | Sig. (2-tailed) | . | 0.459 | 0 |
| **Length of service** | Pearson Correlation | 0.09 | 1 | **-.253(*)** |
| | Sig. (2-tailed) | 0.459 | . | 0.035 |
| **Level of education** | Pearson Correlation | **-.611(**)** | **-.253(*)** | 1 |
| | Sig. (2-tailed) | 0 | 0.035 | . |

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

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

| CORRELATIONS RATING | | | | |
|---|---|---|---|---|
| | | **Seniority** | **Length of service** | **Level of Education** |
| **Seniority** | Pearson Correlation | 1 | 0.09 | **-.611(**)** |
| | Sig. (2-tailed) | . | 0.459 | 0 |
| **Length of service** | Pearson Correlation | 0.09 | 1 | **-.253(*)** |
| | Sig. (2-tailed) | 0.459 | . | 0.035 |
| **Level of Education** | Pearson Correlation | **-.611(**)** | **-.253(*)** | 1 |
| | Sig. (2-tailed) | 0 | 0.035 | . |
| Expressing the direction and purpose of the company | Pearson Correlation | 0.148 | 0.213 | -0.182 |
| | Sig. (2-tailed) | 0.222 | 0.077 | 0.131 |
| Simple and clear vision and mission statements of the company | Pearson Correlation | 0.085 | **.264(*)** | -0.043 |
| | Sig. (2-tailed) | 0.487 | 0.028 | 0.726 |
| Employee involvement in developing a company s business plan | Pearson Correlation | 0.227 | 0.198 | -0.19 |
| | Sig. (2-tailed) | 0.059 | 0.1 | 0.115 |
| Communicating the business plan in the whole organisation | Pearson Correlation | **.313(**)** | **-.260(*)** | **.587(**)** |
| | Sig. (2-tailed) | 0.008 | 0.079 | 0.03 |
| Allowing some specific time to discuss the business plan | Pearson Correlation | **.289(*)** | 0.142 | **-.277(*)** |
| | Sig. (2-tailed) | 0.015 | 0.241 | 0.02 |
| Taking into account existing and potential competitors in the market | Pearson Correlation | 0.193 | 0.187 | -0.224 |
| | Sig. (2-tailed) | 0.11 | 0.122 | 0.062 |
| Embracing emerging issues and technology (e.g. IT systems) | Pearson Correlation | 0.042 | 0.087 | -0.095 |
| | Sig. (2-tailed) | 0.728 | 0.471 | 0.434 |
| Training and development of employees | Pearson Correlation | 0.132 | 0.122 | **-.300(*)** |
| | Sig. (2-tailed) | 0.278 | 0.316 | 0.012 |
| Creating organizational structures that enhance openness and flexibility | Pearson Correlation | **.249(*)** | 0.147 | **-.275(*)** |
| | Sig. (2-tailed) | 0.037 | 0.226 | 0.021 |
| Providing adequate budget for the planned activities | Pearson Correlation | 0 | 0.173 | -0.002 |
| | Sig. (2-tailed) | 1 | 0.152 | 0.984 |
| Having salary and incentives that attract, retain and motivate staff | Pearson Correlation | 0.06 | 0.227 | -0.198 |
| | Sig. (2-tailed) | 0.62 | 0.059 | 0.101 |
| Having staff policies and practices that treat employees equitably | Pearson Correlation | -0.011 | 0.056 | -0.072 |
| | Sig. (2-tailed) | 0.926 | 0.644 | 0.552 |
| Appreciation of employee needs and expectations | Pearson Correlation | 0.101 | 0.128 | **-.324(**)** |
| | Sig. (2-tailed) | 0.407 | 0.291 | 0.006 |
| Taking account of major stakeholders (e.g. Govt, WB, IMF) | Pearson Correlation | -0.176 | 0.189 | -0.035 |
| | Sig. (2-tailed) | 0.146 | 0.117 | 0.771 |
| Ability to outsource non-core activities (contracting some services) | Pearson Correlation | **-.267(*)** | 0.05 | 0.109 |
| | Sig. (2-tailed) | 0.026 | 0.681 | 0.37 |

| Correlations: Strategy Rating (Continued) | | | | |
|---|---|---|---|---|
| Identifying cost-saving activities and opportunities | Pearson Correlation | 0.209 | -0.001 | -0.185 |
| | Sig. (2-tailed) | 0.082 | 0.997 | 0.125 |
| Benchmarking the company performance with the Industry | Pearson Correlation | 0.027 | 0.225 | -0.087 |
| | Sig. (2-tailed) | 0.826 | 0.061 | 0.473 |
| Encouraging personal initiative (risk-taking rather than risk avoidance) | Pearson Correlation | 0.217 | **.331(**)** | -0.179 |
| | Sig. (2-tailed) | 0.071 | 0.005 | 0.139 |
| Having mutual support and trust at all levels of the organization | Pearson Correlation | **.289(*)** | 0.223 | **-.366(**)** |
| | Sig. (2-tailed) | 0.015 | 0.063 | 0.002 |
| Senior management commitment | Pearson Correlation | 0.139 | 0.003 | **-.268(*)** |
| | Sig. (2-tailed) | 0.249 | 0.98 | 0.025 |
| Empowering employees in their jobs | Pearson Correlation | 0.159 | 0.115 | -0.178 |
| | Sig. (2-tailed) | 0.19 | 0.344 | 0.14 |
| Development of shared values and culture among employees | Pearson Correlation | 0.223 | 0.147 | -0.216 |
| | Sig. (2-tailed) | 0.063 | 0.224 | 0.073 |
| Accepting mistakes | Pearson Correlation | 0.083 | 0.201 | **-.319(**)** |
| | Sig. (2-tailed) | 0.492 | 0.096 | 0.007 |
| Building teams and coalitions | Pearson Correlation | 0.113 | 0.138 | -0.168 |
| | Sig. (2-tailed) | 0.352 | 0.255 | 0.164 |
| Few levels of authority | Pearson Correlation | 0.071 | 0.138 | -0.221 |
| | Sig. (2-tailed) | 0.56 | 0.254 | 0.066 |
| Having a right to question any issue | Pearson Correlation | 0.029 | 0.147 | -0.134 |
| | Sig. (2-tailed) | 0.812 | 0.225 | 0.269 |

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

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