INFLUENCE OF CORPORATE GOVERNANCE ON STRATEGY IMPLEMENTATION IN KENYA AGRICULTURAL AND LIVESTOCK RESEARCH ORGANIZATION

Ruth Igamba and Dr. George Wanderi Karanja
School of Business, Jomo Kenyatta University of Agriculture and Technology

ABSTRACT
The study sought to examine the role of corporate governance on strategy implementation in Kenya Agricultural and Livestock Research Organization (KALRO). More specifically the study examined the role of resource allocation, communication, leadership, stakeholder involvement and strategic decision making on strategy implementation in KALRO. Theories used in the study included Stewardship Theory, Stakeholder Theory and Agency Theory. The study adopted a descriptive research design. The target population of the study was 64 senior managers in KALRO, Nairobi region. Questionnaires were used for data correction. Questionnaires were tested for validity and reliability. Statistical package for social sciences was used for analyzing data. Data was analyzed using descriptive statistics which included frequency, percentages, mean and standard deviation and inferential statistics which included regression and correlation analysis and data was presented in tables. The study examined that resource allocation, communication, leadership, stakeholders’ involvement and strategic decision making had a significant influence on strategy implementation. The researcher concluded that resource allocation, communication, leadership, stakeholders’ involvement and strategic decision making had significantly influenced strategic implementation in KARLO. The study recommended that the firm should make informed decisions that enable it to implement its strategies as these strategies will help the firm to run the business.

Keyword: Corporate Governance, KALRO, Leadership, Resource Allocation, Strategic Decision Making, Strategy Implementation

INTRODUCTION
Corporate governance has come under the sport light in recent times due to the demand by stakeholders for accountability, transparency and true value in their investments in light of the global financial crisis, the corporate scandals, and collapses, and public concerns over the lack of effective boards and perceived excessive executive remuneration packages (Mallin, 2010). Further increased global customers’ demands and competition, cross border trading, new economic coalitions, political integration and integration of world financial system has resulted in demands for new dimensions of standards, regulations and practices of corporate governance (Claessens, 2003).
Business corporations have been created to address objectives which are much more than creating products and services, it has to serve the larger purpose of satisfying multilevel needs of the society. These corporations have always faced the tug of war of protecting the interests of the shareholders, the legal owners or the stakeholders which includes suppliers, customers, creditors,
government and communities. Therefore, corporations work on corporate governance (CG) which has been gaining importance ever since the economic turmoil caused by collapsed of many business corporations in last two decades such as WorldCom, Enron, and Tyco International (MobeenUr, Rehman & Hussain, 2013). Corporate Governance is basically a detailed disclosure of information and an account of an organization’s financial situation, performance, ownership and governance, relationship with shareholders and commitment to business ethics and values. The relevance of corporate governance has increased several times since the concept was introduced. With the introduction of globalization and competition, managing shareholder expectations is no longer amulet for success. The current economic crisis is often blamed at poor regulatory and check mechanisms for the business, which has led to ramifications which are far reaching both geographically and socially (MobeenUr Rehman and Hussain, 2013).

Corporate governance aims at promoting firms competition, while allowing customers the option of making choice. This concerns deregulation as reform measures that guarantees lower rates, provide customer choice and offer reliable services so that no one is literally left in the dark (Ogbechie, 2011). Corporate governance arrangement and institutions however, vary from place to place, with the promotion of corporate fairness, transparency and accountability the focus. Strategy research increasingly recognizes corporate governance as an important organizational factor affecting the firm’s performance and long-term survival. Some recent papers have begun to combine the resource-based and agency perspectives to explain entrepreneurial behavior, strategic choice and organizational structure, and network dynamics (Toms, 2006; Toms & Filatochev, 2004). One of most preferred topics of researchers in corporate governance and strategic management remains the process of board involvement into corporate strategy. So far there is a lack of clear consensus about the nature of boards’ involvement in strategy.

The presence of strong governance standards provides better access to capital and aids economic growth. Corporate governance also has broader social and institutional dimensions. Properly designed rules of governance should focus on implementing the values of fairness, transparency, accountability, and responsibility to both shareholders and stakeholders. In order to be effectively and ethically governed, businesses need not only good internal governance that includes important internal factors to corporation such as the board of directors, capital providers, stakeholders, and management, but likewise must operate in a sound institutional environment that includes important factors external to the corporation, such as laws and regulations, competitive markets, the media, and transparent external auditing measures. Governance failures or weaknesses can reflect aspects of both (Tura, 2012).

Good corporate governance ensures that the business environment is fair and transparent and that companies can be held accountable for their actions. Conversely, weak corporate governance leads to waste, mismanagement, and corruption. It is also important to remember that although corporate governance has emerged as a way to manage modern joint stock corporations it is equally significant in state-owned enterprises, cooperatives, and family businesses. Regardless of the type of venture, only good governance can deliver sustainable good business performance (Chen and Lee, 2012).

Barr (2004) postulates that, corporate governance can generate investor confidence and promote organizational profitability. In addition, lack of proper management policies among firms can
lead to reduced productivity among competitive firms. Corporate governance frameworks adopted by competitive firms can promote several benefits ranging from; accessibility to financing reduced cost of capital and enhanced stakeholder relationships. Therefore, good corporate governance has been associated with improvement of liquidity, customer satisfaction, employee motivation and adaptability to changes (Becks et al., 2010).

Corporate governance should take into account the need to implement effective business policies and long-term objectives that represent the scope of good governance and that should provide the structure through which the company sets objectives, the strategy for attaining those objectives, and the guidelines for monitoring performance. Similarly, boards of directors should be more involved in strategy formulation rather than limiting their role to strategy ratification and monitoring management behavior. In light of this, this study will seek to establish the role of corporate governance on strategy formulation in Kenya Agricultural and Livestock Research Organization.

1.1 Corporate Governance

Corporate governance is concerned with key areas of Organization responsibility to the shareholders, management leadership within organization and issues of transparency, accountability and efficient utilization of resources. The board of directors’ role, composition and internal auditors are key factors in corporate governance. Other issue of concern with size and composition, competences with the board, frequency of meetings, role of management, ownership, management of the agency problem and the interest matrix (Johnson & Scholes 2003).

Good corporate governance addresses the principal-agency problem through use of company laws, by laws, self regulation and best practices on governance in industry. It is meant to guard against bankruptcy, take-overs, loss of competitive advantage and market positioning. According to Johnson and Scholes (2004) corporate governance encompasses a whole range of issues; “who” does the organization exist to serve, “what” are the priorities and purpose of the organization, “what” is the hierarchy of communication and reporting as well as authority, “what” are the organization’s, “issues” of accountability and transparency. Issues that arise in corporate governance practice influence the efficiency and effectiveness of decision making, the intensity and effectiveness of strategic planning and the overall company performance.

Good corporate governance enhances legitimate responsibility and responsiveness resulting in improved, stakeholder satisfaction and management of employee, management, customers, supplies and communities (PSCGT, 2007). Corporate governance should also place the organization at distinctive advantage over rivals it has high standards and performance in efficient use of resources, or control of strategic resource, accountability and transparency in all areas of business transaction, strong stewardship and improved management practices in delivery of service (PSCG, 2002).

According to Davis and Macdonald (2003) corporate governance provides a set of mechanism internally and market based that induces self-interest on controllers of firm to make decisions that optimize value for the owners and stakeholders. According to Power (2000), it defines the manner in which the power of the firm is exercised in managing the total portfolio of assets and resources in order to maintain and increase shareholder long term value.
2. STATEMENT OF THE PROBLEM
Enormous time, energy, and resources go to strategy development, but many organizations have little to show for the effort, largely due to poor implementation. Wheelen and Hunger (2008), argue that poor implementation of strategy has been blamed for a number of strategic failures with lack of top management commitment being one of the most mentioned problems. Cases of organizations collapsing as a result of poor governance issues are not new in Kenya. In CMA (2015) bulleting, they indicated the preeminent collapse of uchumi supermarkets, which actually collapsed a year later. Kenya airways have also been in a corporate leadership crisis which almost rendered it to its knees (Kenya airways annual report, 2014). Various scholars have carried out research on different aspects of strategy implementation, with many in the recent past focusing on the challenges of strategy implementation in state owned corporations. The scholars include; Ayabei (2010), Atandi (2010), Acholla (2010), and Kapto (2009), among others. However, no known recent study exists on the role of corporate governance on strategy implementation in KALRO (Kenya Agricultural and Livestock Research Organization). Given its vital role in the agricultural sector, there is need for an in-depth study on the influence of corporate governance in strategy implementation in Kenya Agricultural and Livestock Research Organization.

1. Objective of the study
The study sought to assess the influence of corporate governance on strategy implementation in Kenya Agricultural and Livestock Research Organization.

2. Hypothesis of the Study
Corporate governance resource allocation has no statistically significant influence on strategy implementation in Kenya agricultural and livestock research organization.

3. Conceptual Framework

![Conceptual Framework](image)

3. THEORETICAL REVIEW
Stewardship Theory Strategy Formulation
The theory was established by Davis in (1997). The theory argues that representatives of the organization or stewards should always protect and maximize shareholders wealth through firm performance. The ability of managers to have multiple skills like entrepreneurship, innovative
and risk management will help firms to maximize profits for the benefit of shareholders. Shareholders always expect employees to acquire relevant skills and knowledge to utilize scarce resources of the firm to achieve long term goals more efficiently and effectively (Davis et al., 1997). Organizational managers or stewards are likely to be motivated if there is good corporate governance and vice versa. Donaldson and Davis (1991) argue that competitive firms should have governance structures that promote organizational development and appreciate diversity of workers in terms of skills and culture. To minimize the costs of operation and maximize profits, managers should create an environment that promotes creativity and innovation, change management and technological integration in the system (Davis et al., 1997). Daily et al. (2003) assert that in order to protect corporate image, managers should develop policies that promote the welfare of workers without discrimination.

This theory is applicable to this study based on the notion that it is the responsibility of managers and directors of KALRO to develop strategies that will enhance shareholder value. Policies of diversification, new product development and operational efficiency are internal initiatives implemented by shareholder representatives to maximize shareholder value through dividends. Therefore, policies formulated by KALRO will enhance shareholder value based on profits and dividends. Flexibility of the policies will enable the firms to align their practices to the changing business environment for the benefit of the shareholder.

4. EMPIRICAL REVIEW
4.1 Resource Allocation and Strategy Implementation

Organizational resources have been postulated to be the primary source of stellar organizational performance. Resources include items of capital equipment, skills of individual employees, patents, brands, names, finances, assets, capabilities, organizational processes, firm attributes, information, and knowledge among others. They are controlled by a firm to enable it conceive of and implement strategies that improve efficiency and effectiveness (Helfat and Peteraf, 2003). A company’s ability to marshal the resources needed to support new strategic initiatives has a major impact on the strategy implementation process. Firms have multiple resources that can be categorized as financial capital, human capital, social capital, as well as organizational capital. Organizational units must have budgets and financial resources for executing their parts of the strategic plan effectively and efficiently. Too little funding slows progress and impedes the efforts of organizational units to execute their pieces of the strategic plan proficiently. Too much funding wastes organizational resources and reduces financial performance (Strickland et al., 2008).

For successful strategy implementation, the management needs to marshal resources behind the process of strategy execution. Too little resources will slow the process while too much funding will waste organizational resources and reduce the financial performance. Capital allocation therefore must be well distributed and thought of to promote strategy implementation. Financial resources can be a constraint on implementation of strategic plans. Management often finds it necessary to prioritize its strategies to make a judgment about which ones are most critical to implement given the finite or even scarce financial resources available (Sum & Chorlian, 2013). Schmidt (2013) asserts that an organization’s budget should reinforce its strategic plan. In times of declining resources, it is even more critical that budget development and strategic planning be
tightly connected to ensure funding shortfalls do not hinder implementation of strategy. Ganley (2010) states that resources make organizations to run, and allocating these resources to an organization should be done carefully. Allocating these resources can be tough, but an organization can acquire the resources they need appropriately through careful practice. Some examples of organizational resources are technology, people, and finances. All of these organizational resources are crucial to the success and growth of an institution. Murithi (2009) argues that resources are needed for the successful implementation of strategic plan and strategies. It is very difficult to implement a strategy when resources are not available. Resources will include the human resources, training, remuneration, finances etc. Resources have to be available for strategy implementation. In the studies, ‘why do public sector organizations fail in implementing of strategic plans in Pakistan’, resources limitations comprising of budget, technology, tools and Human Resource (HR) inadequacy were the biggest impediments to strategic plan implementation (Kazmi et al, 2008).

According to Hitt et al. (2007) human capital, which refers to knowledge and skills of a firm’s entire workforce, is an important resource to be maximized to facilitate the successful implementation of a firm’s strategies. Top-level managers are particularly an important resource for firms seeking to formulate and implement plans effectively. The strategic decisions made by top-level managers, influence how the firm is designed and whether or not goals will be achieved. Thus, having a top-management team with superior managerial skills is a critical element in strategy implementation. Social capital is equally important in strategy implementation. It involves relationships inside and outside the firm that help the firm accomplish its tasks (Hitt et al. 2007).

Hrebiniak (2006) established that resource allocation and conflict management are also crucial activities that allow for strategy implementation. All organizations will contain a minimum of four types of resources that can be utilized to attain defined objectives: financial, physical, human and technological resources. Although effective resource allocation does not guarantee successful strategy implementation, they should be allocated according to priorities established by annual objectives to avoid departmental conflicts arising from different expectations and perceptions amongst managers and employees (Hitt, Ireland and Hoskisson, 2001).

Wang, Lee and Chung (2009) provided a breakdown of total company expenditures that are utilized by major stages in the innovation process, and the proportion spent on successful versus failed strategies. They concluded that successful firms spent more on the early stages of implementation. Okumus (2003) on the other hand identified that there should be a process of ensuring that all necessary time financial resources, skills and knowledge are made available. Resources are closely linked with operational planning and have a great deal of impact on communication and on providing training and incentives. In strategy implementation the main areas to look into when allocating resources are the procedures of securing and allocating financial resources for the new strategy, information and knowledge requirements, the time available to complete the process and the political and cultural issues within the company and their impact on resource allocation. Sterling (2003) viewed that some strategies fail because not enough resources were allocated to successfully implement them.

4.2 Strategy Implementation
According to Pearce and Robinson (2005), Strategy implementation is part of strategic management which also includes strategy formulation and control of plans. Strategic management is viewed as a set of decisions and actions designed to achieve an organization’s mission, vision, strategy and strategic objectives within the business environment they operate. Thompson and Strickland (2003) adds that strategy implementation is seen as a key part of the strategy management as it is viewed as the process that turns a formulated strategy into actions ensuring the vision and mission of the organization is achieved as planned. This is also backed up by Yang, Sun, Martin and Eppler (2008) who indicate that strategy implementation as the most significant management challenge that most corporations.

According to Meier, O’Toole, Boyne and Walker, (2010) strategy formulation is a guide to executives in defining the business their firm is in, the ends it seeks and the means it will use to accomplish those ends. Therefore, organizations formulate strategy by firstly defining the mission of their organization. A company’s mission is the unique purpose that set the company apart from others of its type and identifies the scope of operations. Organizations are consciously created at one point in time to accomplish certain objectives (Pearce & Robinson, 2009). In order to accomplish the objectives which they have set organizations formulate appropriate strategies which give rise to development of organization structure through which the set objectives will be achieved, hence in strategic management; organizations choose appropriate organizational structure that matches the environment in which the organization operates as well as the productive activities of the organization. At the implementation level of formulated strategies there could be further environmental changes which indicates that there could also be further strategic planning analysis of the new changes. This is done by the organization such that the organization is not taken by surprise, which could lead to some losses in investment caused by the new changes. The new analysis to the changes is called real time response issue or surprise issue (Onwuchekwa 2000).

Kruger and Mama (2012) directed that strategy formulation comprises developing a business system, recognizing an organization’s external prospects and threats, defining internal weaknesses and strengths, establishing long term goals, alongside generating alternative strategies and choosing specific strategies for pursuance. Strategic formulation includes decision making on new business to venture into, new businesses to abandon, resource allocation within a business, growth and diversification, diversification to enter regional or international markets mergers or joint ventures and avoiding hostile takeovers. To this end, Ahuja (2003) insisted that due to constraints of resources organizations must decide which alternative strategies will benefit them the most. Strategy formulation decisions commit an organization to specific products, markets, resources and technologies over an extended period of time. Strategies determine long term competitive advantage. They have major multifunctional results and lasting effects on an organization. Mostly, top managers have the best viewpoint on understanding fully the consequences of decision formulation and have the unenviable authority to commit the resources necessary for implementation (Pearce and Robinson, 2005).

Once the course of strategy has been charted, the manager’s priorities swing to converting the chosen strategic plan into actions and good results (Thompson et al., 2008). Putting the strategy into effect and getting the organization moving in the direction of strategy accomplishment is a critical phase of strategic management process. This is the strategy implementation stage.
Thompson et al. (2008) concur with this view that strategy implementation is an operations-oriented; make-things happen activity aimed at performing core business activities in a strategy supportive manner. Daft (2009), states that strategy gives a company a competitive edge only if it is skillfully executed through the decisions and actions of front line managers and employees. Good strategy execution requires a team effort (Wheelen & Hunger, 2008). Successful strategy implementation thus depends upon the leadership skills of working through others, organizing, motivating, culture building, and creating strong fits between strategy and how the organization does things (Thompson et al., 2008, Chapman, 2004) observes that many corporations struggle to translate the theory into action plans that will enable the strategy to be successfully implemented and sustained. He says that most organizations know their businesses, and the strategies required for success but many repeatedly fail to truly motivate their people to work with enthusiasm, all together, towards the corporate aims.

Ahuja (2003) indicated that executing strategy implies marshaling employees alongside managers in order to put formulated strategies into action. Successful strategy implementation requires discipline, commitment, sacrifice and tests manager’s ability to motivate employees. Interpersonal skills are critical for a successful strategy implementation. Implementation affects all employees and employers in an organization. Every segment of an organization must position itself to answer questions such as actions to be taken to implement their part of the organization’s strategy.

Strategy formulation and implementation involves both tangible and intangible variables such as cultures, values, motivation, commitment, power relationships, and attitudes, perceptions, managing human and physical resources. Organizations that want to be successful must develop strategies and implement them successfully. If the strategies are developed without taking into consideration the organizational objectives, its implementation will lead to problems arising hence failing (Abuya, 2011).

5. RESEARCH METHODOLOGY
Descriptive survey research design was adopted as it enabled the researcher generalize the findings to a large population. This is because the design is well structured with clearly stated research questions. The target populations for this study were the senior managers in KALRO. There are 64 senior managers spread across the KALRO institutes in Nairobi. The 64 formed the target population for the study. In consideration of the size of the target population, the study employed census approach where all the 64 senior managers formed the study respondents. Population Census is unique in that it provides the possibility of examining small and special population groups, and acquiring information on small geographic units. The study employed the use of questionnaires as the main tools for collecting data. Questionnaires enabled the researcher to reach a large sample within a short time. The questionnaires were composed of short structured closed ended statement constructed on a 5 point Likert scale. The questionnaire was pilot tested for reliability and validity. The Cronbach’s alpha coefficient was used to to indicate the reliability of the questionnaire. Data collected from the questionnaires was analyzed, summarized, and interpreted accordingly with the aid of descriptive (Frequencies, percentages, means and standard deviations) as well as inferential (Pearson product moment correlation coefficient) statistics. Statistical Package for Social Sciences (SPSS). The findings were
presented in the form of tables and discussions thereof.

6. FINDINGS AND ANALYSIS
The study intended to collect data from 64 respondents. 64 questionnaires were issued to the respondents. 49 questionnaires were completely filled up and returned and checked for data completeness and consistency. This represented a response rate of 76.6% which was characterized as very good.

6.1. Resource Allocation Descriptive Statistics Results
The researcher sought to establish the views of the respondents regarding resource allocation in KALRO by computing the percentages, means and standard deviations of their responses. The findings from the analysis were as presented in Table 4.4.

Table 4. 1: Descriptive Statistics on Resource Allocation

<table>
<thead>
<tr>
<th></th>
<th>Resource allocation enhance efficient and effective formulation of strategies in the firm</th>
<th>KALRO has enough resources to fund strategy execution process</th>
<th>The firm makes financial decision on how to prioritize strategies which are most critical to implement and they need funding</th>
<th>The organization has effective process and procedures in place for combining its different resources</th>
<th>Proper allocation of resources in the firm has enabled the firm to gain organizational objective</th>
<th>The organization has integrated all the available resources that make the organization to run effectively</th>
<th>The firm has organized operational plan with the team members on how to utilize all the resources allocated on its budget within the financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA (%) A (%) N (%) D (%) SD Mean Std. Dev.</td>
<td>55.1 34.7 6.1 4.1 0 4.41 .788</td>
<td>10.2 38.8 16.3 18.4 16.3 3.08 1.288</td>
<td>20.4 44.9 16.3 6.1 12.2 3.55 1.243</td>
<td>8.2 53.1 24.5 10.2 4.1 3.51 .938</td>
<td>8.2 57.1 22.4 10.2 2.0 3.59 .864</td>
<td>10.2 53.1 14.3 14.3 8.2 3.43 1.118</td>
<td>20.4 40.8 14.3 12.2 12.2 3.45 1.292</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the table, findings indicate that respondents agreed that the resource allocation enhance efficient and effective formulation of strategies in the firm. 55.1% of the respondents strongly agreed while 34.7% agreed with the assertion returning a mean of 4.41 and a standard deviation
Further, findings also demonstrated that the respondents were not sure (M=3.08, SD=1.288) whether KALRO has enough resources to fund strategy execution process. 10.2% and 38.8% of the respondents strongly and/or agreed respectively while 18.4 % of them disagreed and 16.3% strongly disagreed with the statement. 44.9 % and 20.4 % of the respondents agreed and strongly agreed respectively that the firm makes financial decision on how to prioritize strategies which are most critical to implement and they need funding. This aspect registered a mean of 3.55 and standard deviation of 1.243. In addition, the analysis indicated that respondents were in agreement that the organization has effective process and procedures in place for combining its different resources, 53.1% and 8.2 % of the respondents strongly agreed and agreed respectively recording a mean of 3.51 and a standard deviation of .938. Additionally, the researcher established that 65.3% of the respondents agreed that proper allocation of resources in the firm has enabled the firm to gain organizational objective. This assertion registered a mean of 3.59 and a standard deviation of .864. Moreover, respondents agreed that the organization has integrated all the available resources that make the organization to run effectively. 53.1 % of the respondents agreed while 10.2% of them strongly agreed registering a mean of 3.43 and standard deviation of 1.118. Finally, the respondents agreed that the firm has organized operational plan with the team members on how to utilize all the resources allocated on its budget within the financial year.40.8 % of the respondents agree while 20.4 % of the respondents strongly agree registering a mean 3.45 and a standard deviation of 1.292. The study findings were in agreement with findings of Helfat and Peteraf (2003) who argued that organizational resources have been postulated to be the primary source of stellar organizational performance. Resources include items of capital equipment, skills of individual employees, patents, brands, names, finances, assets, capabilities, organizational processes, firm attributes, information, and knowledge among others. They are controlled by a firm to enable it conceive of and implement strategies that improve efficiency and effectiveness.

6.2. Strategy Implementation Statistical Descriptive Results
The study further sought to establish the responses of the respondents regarding strategy implementation. The percentages, means and standard deviations were computed. The findings from the analysis were as presented as shown below.

Table 4. 2: Statistical Descriptive on Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>SA (%)</th>
<th>A (%)</th>
<th>N (%)</th>
<th>D (%)</th>
<th>SD (%)</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>KALRO maintains a policy manual for strategy implementation</td>
<td>24.5</td>
<td>59.2</td>
<td>14.3</td>
<td>2.0</td>
<td>0</td>
<td>4.06</td>
<td>.689</td>
</tr>
<tr>
<td>KALRO’s policies are relevant to strategy implementation activities</td>
<td>20.4</td>
<td>69.4</td>
<td>6.1</td>
<td>4.1</td>
<td>0</td>
<td>4.06</td>
<td>.659</td>
</tr>
<tr>
<td>The institutions allocates sufficient financial resources to support strategy implementation</td>
<td>6.1</td>
<td>26.5</td>
<td>44.9</td>
<td>18.4</td>
<td>4.1</td>
<td>3.12</td>
<td>.927</td>
</tr>
</tbody>
</table>
The board of directors in KALRO is committed to allocate sufficient resources to enhance strategy implementation. The staff in the institutions express great enthusiasm in implementing institutional strategies. Employees in KALRO own up the organizations strategies and implement them as their own. The institutions employees have a greater understanding of the vision and mission driving strategy implementation.

<table>
<thead>
<tr>
<th>Comments</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board of directors in KALRO is committed to allocate sufficient</td>
<td>8.2</td>
<td>1.040</td>
</tr>
<tr>
<td>resources to enhance strategy implementation</td>
<td>30.6</td>
<td></td>
</tr>
<tr>
<td>The staff in the institutions express great enthusiasm in implementing</td>
<td>12.2</td>
<td>1.042</td>
</tr>
<tr>
<td>institutional strategies</td>
<td>53.1</td>
<td></td>
</tr>
<tr>
<td>Employees in KALRO own up the organizations strategies and implement</td>
<td>10.2</td>
<td>1.061</td>
</tr>
<tr>
<td>them as their own</td>
<td>49.0</td>
<td></td>
</tr>
<tr>
<td>The institutions employees have a greater understanding of the vision and</td>
<td>18.4</td>
<td>.905</td>
</tr>
<tr>
<td>mission driving strategy implementation</td>
<td>57.1</td>
<td></td>
</tr>
</tbody>
</table>

Valid N (listwise) 49

The researcher observed that majority of the respondents comprising of 83.7% agreed with the assertion that KALRO maintains a policy manual for strategy implementation where a mean of 4.06 and standard deviation of .689 were recorded. Further, 69.4% and 20.4% of the respondents agreed and strongly agreed respectively that KALRO policies are relevant to strategy implementation activities. The findings had a mean of 4.06 and a standard deviation of .659. On the other hand, it was established that on average respondents were undecided (M=3.12, SD=.927) on whether institutions allocates sufficient financial resources to support strategy implementation. 26.5% and 6.1% of the respondents agreed and strongly agreed respectively while 18.4% and 4.1% disagreed and strongly disagreed respectively. The findings further indicated that the respondents were undecided (M=3.20, SD=1.040) on whether the board of directors in KALRO are committed to allocating sufficient resources to enhance strategy implementation 38.8% of the respondents agreed while 16.3% disagreed. Conversely, respondents agreed that the staff in the institutions express great enthusiasm in implementing institutional strategies where 53.1% and 12.2% of the respondents agreed and strongly agreed registering a mean of 3.55 and a standard deviation of 1.042. Respondents however agreed that employees in KALRO own up the organizations strategies and implement them as their own. 49.0% of the respondents agreed while 10.2% of them strongly agreed. This aspect had a mean of 3.43 and a standard deviation of 1.061. Finally, 57.1% of the respondents agreed while 18.4% of them strongly agreed that the institutions employees have a greater understanding of the vision and mission driving strategy implementation. The findings had a mean of 3.82 and a standard deviation .905. However, Abuya (2011) identified that strategy formulation and implementation involves both tangible and intangible variables such as cultures, values, motivation, commitment, power relationships, and attitudes, perceptions, managing human and physical resources. Organizations that want to be successful must develop strategies and implement them successfully. If the strategies are developed without taking into consideration the organizational objectives, its implementation will lead to problems arising hence failing.

6.3 Correlation Analysis
6.3.1 Influence of Resource allocation on Strategy Implementation

The study examined the relationship between resource allocation and strategy implementation in KALRO. The findings were presented as shown hereafter.

| Table 4.3: Correlations between Resource allocation and Strategy Implementation |
|---------------------------------|------------------|
| Resource Allocation             | Pearson Correlation |
|                                 | .725**            |
| Sig. (2-tailed)                 | .000             |
| N                               | 49               |

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

It was established that there was a strong positive significant (r=.725, p=.000) relationship between resource allocation and strategy implementation. The study therefore observed that resource allocation was important in determining strategy implementation. As such, efficient resource allocation leads to proper strategy implementation in the organization. These findings agreed with findings of Ganley (2010) who asserted that resources make organizations to run, and allocating these resources to an organization should be done carefully. He also argued that organizational resources are crucial to the success and growth of an institution. Murithi (2009) also argued that resources are needed for the successful implementation of strategic plan and strategies. It is very difficult to implement a strategy when resources are not available. Resources will include the human resources, training, remuneration, finances etc. Resources have to be available for strategy implementation.

7. CONCLUSIONS AND RECOMMENDATIONS

The study observed that resource allocation plays a significant role in determining the efficiency of strategy implementation. It was noted that resource allocation enhances efficient and effective formulation of strategies in the firm. As such the study concluded that resource allocation has a significant influence on strategy implementation in KARLO. The study recommended that the management of KALRO should adopt financial decisions measures on how to prioritize strategies which are most critical to implement. The findings established that resource allocation influence strategy implementation in KALRO.

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