EFFECT OF STRATEGIC PLAN IMPLEMENTATION ON ORGANIZATIONAL PERFORMANCE OF AFI PURE MINERAL WATER IN MOGADISHU, SOMALIA

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ABSTRACT
The purpose of this study was to establish the effects of strategic implementation on organizational performance: a case study of Afi pure Mineral Water Company Limited. The specific objectives were to analyze the effects of leadership, structures, resource, policies and procedures on organizational performance and to measure the combined contribution of four factors (leadership, structure, policies and procedures, and resources) on organizational performance. This study employed a cross sectional survey. A sample of 115 Employees was Selected From The Population of Afi Pure Mineral Water Company. Data were collected using structured questionnaires. The hypothesis that leadership influences organizational performance was found to have no significant effect on the organization performance of Afi Pure Mineral Water Company. Both structure and policies and procedures were found to have significant positive influence on organization performance, while policies and procedures generally had stronger effects than structure. Resource allocation was found to have insignificant but positive effect on organizational performance. The recommendations were that Afi Pure Mineral Water Company should undertake more leadership development activities among its staff; simplify its hierarchy structures to ensure easier information flows, more collaboration among the personnel, and teamwork; undertake policy modifications and revision of procedure manual geared towards devolving decision making and authority to staff at all levels so that they feel empowered to act in areas of their expertise for the benefit of the organization as a whole, and provide strict resource allocation accountability measures for its staff. Also to ensure resource allocations was thoroughly vetted and monitored. The areas for further research included a comparative study between a public enterprise and a private enterprise to find out best practices that could be incorporated in the other sector, as needed.

Key Terms: Strategic Plan, Strategic Planning, Strategic Implementation, Strategic Leadership, Organizational Structures
INTRODUCTION

Strategic planning implementation is globally an organization’s process of defining its strategy, or direction, and making decisions on allocating its resources to pursue a strategy (Thompson & Strickland, 2004). In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action. According to McNamara (2005), strategic planning determines where an organization is going over the next year or more, how it’s going to get there and how it’ll know if it got there or not. Strategic planning as a management tool has gained sustained prominence in the management of Private services in the past two decades. It helps an organization focus its energy its objectives. It also ensures that members of the organization are working toward the same goals in order to assess and adjust the organization's direction in response to a changing environment (Thompson & Strickland, 2004).

It is viewed as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future strategic planning. It has been touted as one of the effective management tools in strengthening organization performance through effective decision making and systematic strategic planning formulation and implementation. According to Smith, (2004) Strategic planning is management tool in transforming a bureaucratic Private sector to a more responsive and innovative administration.

According to Pride and Ferrell, (2003) implementation is an important component of the strategic planning process. It has been defined as “the process that turns strategies and plans into actions to accomplish organizational objectives”. It addresses the who, where, when, and how to carry out organizational activities successfully to achieve better results (Kotler et al. 2001).

Implementing strategic change is a double-edged sword because it simultaneously generates expected performance gain and unexpected performance loss (Brown, 2005; Kennedy, Goolsby, & Arnold, 2003). When unexpected performance loss dominates or drains away expected performance gain, change becomes ineffective. Moreover, the coexistence of performance gain and loss is likely to yield confounded evidence for strategic change outcomes. Organizations may fail to maximize the performance benefits of strategic change because they either do not detect the presence of performance loss or fail to diagnose and mitigate the loss. It is not surprising that extant research provides evidence of the equivocal effects of change that are either positive (Singua, Brown & Widing, 1994) or negative (e.g Harris & Ogbonna, 2000). A recent meta-analysis indicates that the positive relationship between a market orientation and performance outcomes is weaker in service organizations than in manufacturing firms (Kirca, Jayachandran, & Bearden, 2005).

A reason for this weak relationship is the challenge of executing change at customer interfaces (Brown, 2005). These interfaces involve frontline employees (FLEs) as the last link to the customer in the chain of top-down change implementation (Harris and Ogbonna 2000). Previous studies have suggested that even well-intentioned change strategies can be subverted by the detachment and defiance of FLEs (Kennedy, et al 2003).
According to David (2003), both managers and employees should be involved in the implementation decision and adequate communication between all parties is important for successful implementation. Elements that require consideration during the implementation process include annual objectives, policies, resource allocation, management of conflict, organization structure, managing resistance to change, and organizational culture (David, 2003). Dooley, Fryxell and Judge (2000) indicated that strategic implementation has a distinct relationship with various organizational elements like performance. Dooley, Fryxell and Judge (2000) further endorsed that there is a positive association between strategic consensus and firm performance.

Afi is a water service provider in Benadir region. These services were previously offered by the Central government of Somalia. and it was established by members of Somali business men after the Somali government collapsed. The company is engaged purely in providing water services to the residents of Benadir region. Afi have a strategic plan running from 2012-2016 that states it’s Mission, Vision, Strategic objectives and corporate values that will help them achieve their set goals. The main objective of AFI is to satisfy all their customers with water and sewerage services (Maji Data, 2009). Afi launched a strategic plan for (2008-2012) with an aim of positioning itself as the leading water service provider in the country; the plan recognized customers as their most important stakeholders. Its mission was provision of quality, reliable, affordable, sustainable water and sanitation services in a customer oriented environment through a motivated workforce. Its core values were customer service, professionalism, integrity, innovation, and reliability. The strategic plan goals were provision of clean water to all household that were already connected. Water was going to be available to all residents daily hence there would be no more water rationing. The strategic plan had set to ensure that 90% of town was going be connected to the water grid. It had set to build dynamic learning organization with competent and skilled personnel, replacing the old colonial water line with new pipes. Connection of 70 new accounts every month. These were the goals that Afi had set to implement by 2017 (Afi, 2013)

Research Hypothesis

H: There is no significant relationship between leadership style and Performance of Afi pure mineral water company

H2: There is no significant relationship between organizational structure and Performance of Afi pure mineral water company

H3: There is no significant relationship between strategic policy and procedure and Performance of Afi pure mineral water company

H4: There is no significant relationship between strategic resource allocation and Performance of Afi pure mineral water company

RELATED LITERATURE

Theoretical framework

Thompson and Strickland Model

According to Thompson and Strickland Model (2003) implementation processes and activities or consumption sets up processes that can be used to gear an organization towards set objective. According to this model, several steps that an organization should undertake in order to have a successful
strategic plan implementation have been proposed. Each step has special task that should be undertaken. In the first step, according to Thompson model, an organization should have structure that supports strategy implementation i.e. appropriate people to task in the organization, reinforcing relevant skills and capabilities in an organization through capacity building and training. It also goes further and states that an organization should provide adequate financial resources that will enable the strategy to be executed because for a strategy to be executed sufficient funds should be available. The third step states that organization should have inter-support units which promote development of policies and procedures that will enable the organization to run smoothly and focus their energy towards one direction. It sets objectives and goals.

Thompson and Strickland Model (2003), Leadership in an organization according to this model influences, motivate the staffs to be innovative promote teamwork in an organization. Organization that have certain culture do have a special way of relating to stakeholders, every organization should have a culture of how they want to be perceived hence leadership influences value formation, conflict resolution shared values that are seen throughout the organization. The factors in this model are relevant to this study because they show what an organization should undertake in order to have successful implementation towards organization performance.

It shows how leadership leads to values formation, culture development, conflict resolution, and motivation in an organization providing financial resources (budgeting). This dimension was considered because it shows financial allocation and budgeting is relevant to the contribution of strategic goals in the organization Thompson and Strickland Model (2003).

Ricky Griffin’s Model

According to Griffin (2007), the main focus in implementation is identifying perspective and effective factors about implementation of strategies. According Ricky Griffin’s Model (2007), the main factors that influence performance according to this model are: Leadership, which provides direction, communication, motivation of staffs and setting up of culture and value in an organization. By doing this, leaders offer direction and influences organization performance. Another factor is organization structures which, according to this model, are division of labor, decentralization of functions and setting up simple organization structures that will make decision making faster. The third factor is Technology. Proper use of technology, job designing can influence organization performance. Information control system, proper control system which includes financial budgeting, information system, proper rules and procedures will influence organization performance. Human Resource, recruitment of qualified personnel promotion, job enrichment will enhance organization performance. This model is relevant to this study because it shows ways in which an organization can do in order to influence their performance. It has five basic functions that an organization should look into, they are leadership, structures, technology, information control system, human resource each of this functions have sub functions that should be done. This model helps us to understand implementation and organization performance. Shows what is needed to be done in order to have successful implementation.
Functional leadership theory (Hackman & Walton, 1986; McGrath, 1962; Adair, 1988; Kouzes & Posner, 1995) is a particularly useful theory for addressing specific leader behaviors expected to contribute to organizational or unit effectiveness. This theory argues that the leader’s main job is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said to have done their job well when they have contributed to group effectiveness and cohesion (Fleishman et al., 1991; Hackman & Wageman, 2005; Hackman & Walton, 2003. While functional leadership theory has most often been applied to team leadership (Zaccaro, Rittman, & Marks, 2001), it has also been effectively applied to broader organizational leadership as well (Zaccaro, 2001). In summarizing literature on functional leadership (see Kozlowski et al. (1996), Zaccaro et al. (2001), Hackman and Walton (1986), Hackman & Wageman (2005), Morgeson (2005)), Klein, Zeigert, Knight, and Xiao (2006) observed five broad functions a leader performs when promoting organization’s effectiveness. These functions include environmental monitoring, organizing subordinate activities, teaching and coaching subordinates, motivating others, and intervening actively in the group’s work.

From the beginning of the 20th century theories of leadership took place. At the very first the theories were developed in 1900, which are known as Great Man theories. According to that theory leadership is an innate ability that is who is born to lead. After such theories in 1930 Group theory was proposed which stated that leadership emerges and develops in small groups. Trait theory was developed during 1940-50 which holds the concept that what universal traits are common to all leaders. During 1950-60 Behavior theory was come into existence. This theory emphasizes what key behavioral patterns result in leadership. After this theory another theory was proposed during 1960-70, which is known as Contingency/Situational theory. Its main concern about leadership is that which leadership behaviors succeeded in specific situations. Excellence theory was developed in 1980 which holds the concept that what interaction of traits, behaviors, key situations and group facilitation allows people to lead organizations to excellence.

After all above theories other leadership theories were proposed and discussed.
primarily by Management Science and Social Psychology researchers, which are limited in perspective, excluding views of leadership developed in other disciplines, as well as in Philosophy, History and Art. These theories are dominated by hierarchical, linear, male, pragmatic and Newtonian perspective.

Leadership is an important function in small business. Leadership and management represent two completely different business concepts. Leadership is commonly defined as establishing a clear vision, communicating the vision with others and resolving the conflicts between various individuals who are responsible for completing the company vision. Management is the organization and coordination of various economic resources in a business. Leadership can have a significant impact on an organization’s performance (Hackman & Wageman, 2005).

**Strategic organizational Structure**

Organizational structures developed from the ancient times of hunters and collectors in tribal organizations through highly royal and clerical power structures to industrial structures and today’s post-industrial structures.

As pointed out by Lawrence B. Mohr, the early theorists of organizational structure, Taylor, Fayol, and Weber "saw the importance of structure for effectiveness and efficiency and assumed without the slightest question that whatever structure was needed, people could fashion accordingly. Organizational structure was considered a matter of choice... When in the 1930s, the rebellion began that came to be known as human relations theory, there was still not a denial of the idea of structure as an artifact, but rather an advocacy of the creation of a different sort of structure, one in which the needs, knowledge, and opinions of employees might be given greater recognition." However, a different view arose in the 1960s, suggesting that the organizational structure is "an externally caused phenomenon, an outcome rather than an artifact.

In the 21st century, organizational theorists such as Lim, Griffiths, and Sambrook (2010) are once again proposing that organizational structure development is very much dependent on the expression of the strategies and behavior of the management and the workers as constrained by the power distribution between them, and influenced by their environment and the outcome.

Organizational structures can inhibit or promote performance, depending how effectively the supervisory relationships and workflow influence productivity. These define departmental structure and the reporting hierarchy. Performance management involves goal-setting activities and periodic reviews by managers in the reporting hierarchy. Without defined policies and procedures that are consistently enforced throughout the organization, performance management strategies can fail to achieve their desired goal of improving product and service quality for end-user customers Lim, Griffiths, and Sambrook (2010).

Organizational structure defines the supervisory relationships, departmental structure and workflow within a company. Performance management involves the systematic improvement of individual and team performance through goal-setting and regular performance reviews. Performance management systems and policies can be greatly influenced by a company's
organizational structure, and organizational performance goals can help to shape a company's structure, as well. Understanding the interplay between these two concepts can help you to design the most effective performance management systems for your organizational structure.

Organizational structure includes certain policies and procedures which are followed by the employees when they are performing their day to day activities. It also includes the goal or targets set by the company's management for the organizational population to achieve. The actual work flows that employees are encouraged towards their targets and goals, (Lim, Griffiths, & Sambrook (2010).

**Strategic Policies and Procedure**

Knowledge policies are becoming an increasingly important element of the Information Society and the knowledge economy. Such policies provide institutional foundations for creating, managing, and using organizational knowledge as well as social foundations for balancing global competitiveness with social order and cultural values. Knowledge policies can be viewed from a number of perspectives: the necessary linkage to technological evolution, relative rates of technological and institutional change, as a control or regulatory process, obstacles posed by cyberspace, and as an organizational policy instrument.

From a technological perspective, Thomas Jefferson (2004) noted that laws and institutions must keep pace with progress of the human mind. Institutions must advance as new discoveries are made, new truths are discovered, and as opinions and circumstances change. Fast-forwarding to the late 20th century, Martin (2003) stated that any society with a high level of automation must frame its laws and safeguards so that computers can police other computers. Tim Berners-Lee (2000) noted that both policy and technology must be designed with an understanding of the implications of each other. Finally, Sparr (2001) points out that rules will emerge in cyberspace because even on the frontier, pioneers need property rights, standards, and rules of fair play to protect them from pirates. Government is the only entity that can enforce such rules, but they could be developed by others.

A key attribute of cyberspace is that it is a virtual rather than a real place. Thus, a growing share of social and commercial electronic activity does not have a national physical location Cozel (2007), raising a key question of whether legislatures can even set national policies or coordinate international policies. Similarly, Berners-Lee (2000) explains that key criterion of Trademark law – separation in location or market – does not work for World-Wide Web domain names because the Internet crosses all geographic boundaries and has no concept of a market area.

From an organizational perspective, Simard (2000) states that "if traditional policies are applied directly [to a digital environment], the Canadian Forest Service could become marginalized in a dynamic knowledge-based economy." Consequently, the CFS developed and implemented an Access to Knowledge Policy that "fosters the migration of the CFS towards providing free, open access to its knowledge assets, while recognizing the need for cost recovery and the need to impose restrictions on access in some cases" (Simard, 2005). The policy comprises a framework of objectives, guiding principles, staff
responsibilities, and policy directives. The directives include: ownership and use; roles, rights, and responsibilities; levels of access and accessibility; service to clients; and cost of access.

A 'Policy' is a predetermined course of action, which is established to provide a guide toward accepted business strategies and objectives. In other words, it is a direct link between an organization’s ‘Vision’ and their day-to-day operations. Policies identify the key activities and provide a general strategy to decision-makers on how to handle issues as they arise. This is accomplished by providing the reader with limits and a choice of alternatives that can be used to ‘guide’ their decision making process as they attempt to overcome problems. I like to think of ‘policies’ as a globe where national boundaries, oceans, mountain ranges and other major features are easily identified. With that concept in mind let’s take about procedures.

A set of policies are principles, rules, and guidelines formulated or adopted by an organization to reach its long-term goals and typically published in a booklet or other form that is widely accessible. Policies and procedures are designed to influence and determine all major decisions and actions, and all activities take place within the boundaries set by them. Procedures are the specific methods employed to express policies in action in day-to-day operations of the organization. Together, policies and procedures ensure that a point of view held by the governing body of an organization is translated into steps that result in an outcome compatible with that view (Simard, 2005).

**Strategic Resource allocation**

The decision of whether or not to fund a particular strategic initiative can have substantial implications for the firm’s viability (Wheelwright and Clark 2002, Cooper et al. 2001, Chao and Kavadias 2009). At the time such a decision is made, the initiative may not be fully defined, or precisely understood. Knowledge regarding what it takes to execute a specific initiative is dispersed across different levels of the firm’s hierarchy creating significant asymmetries of information. As a result, the decision process (i.e which decisions are made by whom) that senior management implements, influences both whether the initiative is funded, and if it is, what the funding level will be. The fact that resource allocation processes (RAP) shape what initiatives a firm funds is not, by itself, new (Bower 2004, Burgelman 2005, Bower and Gilbert 2005). Yet, understanding how the chosen processes determine which initiatives the firm funds, is an important operational element that determines strategy execution. The resource allocation processes employed in practice fall within two broad categories. In a top-down process, senior management dictates fixed levels of resources for middle management (i.e. project managers) to oversee, whereas in bottom-up processes project managers are granted decision rights (Aghion and Tirole 2007) to determine the right level of resources (Maritan 2001, Chao & Kavadias 2010, Kavadias & Kovach 2010).

Resource allocation is a process and strategy involving a company deciding where scarce resources should be used in the production of goods or services. A resource can be considered any factor of production, which is something used to produce goods or services. Resources include such things as labor, real estate, machinery, tools and equipment,
technology, and natural resources, as well as financial resources, such as money, and it has a great influence on how efficiency and effective resource are allocated on organizational Performance.

### Organization Performance

#### Customer Service

In historical era, world society were agricultural there is no effective production technology and no surplus. Since the development of human and technological innovation results unbalance between demand and surplus units. Despite, the increase of mass production due to increase of population and knowledge results more surplus in the shelves, inventory perishable, reduce cash liquidity and vital operations were stopped. Thus, firms started to compete marketing concept in the prospect of customer service to boast there sales, profitability and market share that was much consideration the importance of customer relationship and to train sales force (Hooley, 2005). In Somalia, understanding customer service was realized the most important one in organizational growth. Obviously, Middle enterprise confirmed the significant of customer service in organizational success that is why many privately owned companies established. Customer service is serious of activities designed to enhance the level of customer satisfaction that is, the provision of service before, during and after so that the product or service meet customer expectation. (Rhee & Bell, 2002) Customer service can be thought of as knowing what customers want and seeing that they get it sometimes, the business we think this is solely the job of the Marketing department. Indeed some specific activities that are done are the area of customer service is marketing in nature; yet true customer service is really every ones job (Charles & Hattwich, 2002).

Service quality is an important aspect in customer service because it the ability to get the desired services from the chosen provider at the right price. Because desire is considered the ultimate for a customer, thus, it is proposed that the consumer ultimately wants: lower prices; improved choice of services; better value for money; acceptable quality; availability; that increase the sales the organization which may result Organizational growth (Lacobucci, 2003). Thus customer service has a great role on organizational performance.

#### Customer satisfaction

From the view of operations management, it is obvious that customers play important roles in the organizational process (Lee & Ritzman, 2005, ). Before the placement of strategies and organizational structure, the customers are the first aspect considered by managements. The questions asked in the strategic planning ranges from who will need to consume these offers, where are they and for how much can they buy to how to reach the customers and will it yield them maximum satisfaction? After these questions, the organization will then designs the product, segment the markets and create awareness. This does not only show the importance of customers in the business environment but also the importance of satisfying them. Customers are always aiming to get maximum satisfaction from the products or services that they buy. Winning in today’s marketplace entails the need to build customer relationship and not just building the products; building customer relationship means delivering superior value over competitors to the target customers (Kotler et al., 2002, ). Whether an organization provides quality services or not will depend on the
customers’ feedback on the satisfaction they get from consuming the products or service, since higher levels of quality lead to higher levels of customer satisfaction (Kotler & Keller, 2009). Thus, customer satisfaction is the heart of any organization and the organizational performance will depend on organizational performance.

**Improvement in Procurement**

The procurement best practice includes three aspect green purchasing supplier selection methods. Green purchase supplier evaluation and the relationship of green purchasing practice and performance (Baines et al, 2005). Gershon, (2004) sought to identify opportunities to deliver efficiencies in the use of resources within the organizational and highlighted that significant savings in procurement were expected to be obtained through better supply side management seeking to communicate and manage likely demand in a strategic way with the supply sector and further professionalization of the procurement function within the organizations Uyarra and Flanagan (2010) thus improving procurement process will lead great organizational performance.

**METHODOLOGY**

This study adopted a cross-sectional survey research approach. The target population for the study was all departments within Afi Water Company Limited. Afi had three departments namely: Finance and administration, Technical, and Commercial department with population of 160 employees. The sample size was 115 respondents out of a target population of 160. The formula to find the sample size is:

\[
n = \frac{N}{1 + (N * e^2)}
\]

Where;

- \( N \) = population size
- \( e \) = Tolerance at desired level of confidence, take 0.05 at 95% confidence level
- \( n \) = sample size.

How the formula was used is shown below

\[
n = \frac{160}{1 + (160*0.05*0.05)}
\]

\[
n = 114.286
\]

Thus the sample size,

\[
n = 115
\]

The study used the following model

\[
Y = a + \beta X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 X4 + e
\]

Where:

- \( Y \) = Organizational Performance
- \( \beta \) = Beta
- \( X2 \) = Structure
- \( X3 \) = Policies and procedures
- \( X1 \) = Leadership
- \( X4 \) = Resources
- \( e \) = error

**RESEARCH FINDINGS**

**Strategic Implementation**

The performance of the company had improved overall as a result of strategic implementation process in the organization (see table 1) However, certain strategic objectives received higher rating in terms of improvement than others. Six items were used to measure strategic implementation performance.

<table>
<thead>
<tr>
<th>Strategic Implementation Statements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Implementation has led to an improved Customer service</td>
<td>115</td>
<td>3.29</td>
<td>1.4</td>
</tr>
</tbody>
</table>
Strategic Implementation has led to an increase in the volume of water being provided by the Company and its satisfaction in terms of service delivery.

Strategic Implementation has led to an expansion of the company facilities.

Strategic Implementation has led to an increase in the number of clients in terms of service demand.

Strategic Implementation has led to efficiency in the internal process.

Strategic Implementation has resulted into improvement in procurement procedures.

### Effects of Leadership Styles on Performance

Leadership capability exists at both the individual and the collective level. The study sought to provide summary of forms of leadership. Six items were included which in summary were motivating (mode=4), inspiring (mode=4), communicating (mode=5), innovation (mode=2), promote shared behavior (mode=5), and consultation (mode=5). The items that received the highest rating were communication ability of leaders, ability to promote shared behavior among employees by the leaders, and ability to seek advice of experts/consultants which may be from internal employees or outside consultants (see Table 2).

#### Table 2: Leadership Statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Std.Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders motivate employees towards achievement of organization set goals</td>
<td>115</td>
<td>3.51</td>
<td>1.326</td>
</tr>
<tr>
<td>Leaders support employees and inspire them towards achieving organization strategic Directions.</td>
<td>115</td>
<td>3.37</td>
<td>1.394</td>
</tr>
<tr>
<td>Leaders communicate to the employees about the organization day to day business</td>
<td>115</td>
<td>3.78</td>
<td>1.261</td>
</tr>
<tr>
<td>Leaders are innovative and competent</td>
<td>115</td>
<td>3.04</td>
<td>1.389</td>
</tr>
<tr>
<td>Leaders promote shared behavior, vision, mission, norms and values among employees</td>
<td>115</td>
<td>3.44</td>
<td>1.367</td>
</tr>
<tr>
<td>Leaders constantly seek the advice of experts/consultants</td>
<td>115</td>
<td>3.34</td>
<td>1.391</td>
</tr>
</tbody>
</table>

The leadership variables were then reduced to leadership quotient (Mostovicz, Kakabadse and Kakabadse, 2009) which find out that only a handful of people in leadership positions actually lead. The leadership process therefore has certain variables which can be scored as was done in this study. The leadership styles included in the study was subjected to regression analysis as a test of effects on company performance. Leadership was found to explain 14.6% of the variation in company strategic implementation performance.
From examining the coefficients, it was clear that leadership would exist at certain minimum thereby signifying the positive constant ($b_0 = 11.994$, $p=0$). However, as leadership style improves, there would generally be improved strategic implementation performance for the organization ($b_1=0.339$, $p=0$) (See Table 3).

### Table 3: Leadership Effects on Strategic Implementation Performance

<table>
<thead>
<tr>
<th>Model summary</th>
<th>R</th>
<th>Adjusted R</th>
<th>Standard error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model R Square</td>
<td>0.156</td>
<td>0.146</td>
<td>2.7759</td>
</tr>
</tbody>
</table>

a. Predictors: (constant), leadership

b. Dependent Variable: Strategic implementation

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant) 11.994</td>
<td>1.497</td>
<td>8.6</td>
<td>014</td>
<td>0</td>
</tr>
<tr>
<td>Leadership 0.339</td>
<td>0.084</td>
<td>0.395</td>
<td>4.031</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Effects of Organizational Structure on Performance

Regarding structure of the organization, the general response was that participants were more likely to cite agreement than disagreement with structure items being in place. All the six items had mode=5, which means that the organizational structure was to help achieve strategic objectives in a relatively stable environment. Zand (2009) notes that a less dramatic but equally significant strategic renewal could involve modifying an organization’s out-of-date structure in order to implement management’s intended strategy. Such a renewal should be approached from two sides: making sure the strategy truly fits the current business environment and changing the structure to fit the intended strategy. However, since AfI Company was a company operating the water provision and sanitation services as a monopoly, the strategic fit of the company was likely to remain stable over time. The environment was marked by less competitive forces but rising demand for company services (see table 4).

### Table 4: Organization Structure

<table>
<thead>
<tr>
<th>Organizational structure Statements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectively balances division of tasks and Responsibilities among the employees in the organization</td>
<td>115</td>
<td>3.37</td>
<td>1.41</td>
</tr>
<tr>
<td>Co-ordinate individual efforts and roles in the Organization</td>
<td>115</td>
<td>3.49</td>
<td>1.408</td>
</tr>
<tr>
<td>Simple layer of reporting which enhances Efficiency</td>
<td>115</td>
<td>3.37</td>
<td>1.434</td>
</tr>
</tbody>
</table>
Many hierarchical levels involved in decision making 115 3.61 1.33
Allows division of tasks among the various departments to enhance performance 115 3.0 1.36
Flexible structure for quick decision making 115 3.68 1.225

A simple regression analysis relating structure and strategic implementation performance was performed (see table 5). Structure accounts for 36.7% of the total variation in strategic performance under the model (correlation coefficient=.612, r square=0.375 and adjusted rsquare=0.367, representing the coefficient of determination. All the coefficients were positive (b0=7.789, b1=0.548 where the p values in both cases were 0, indicating significance).

Table 5: Relationship between Structure and Strategic Implementation Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Adjusted R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.612*</td>
<td>0.375</td>
<td>0.367</td>
<td>2.3839</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (constant), leadership

Coefficients b

<table>
<thead>
<tr>
<th>Unstandardized coefficient</th>
<th>Standardized coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>7.789</td>
</tr>
<tr>
<td>Structure</td>
<td>0.548</td>
</tr>
</tbody>
</table>

b. Dependent Variable: Strategic implementation

Effects of Policies and Procedures on Performance

Six items were used to measure policies and procedures at Afi. Majority of Policies and procedures items were scored highly on the scale since most respondents indicated agreement with the items as illustrated in Table 6. Four items had mode=5. These items were: The organization clear set on how decision are made, The organization has well documented procedures on how employees in the organization are supposed to operate, Conducive environment to support strategic implementation and The organization has well laid policies on how they intend to benchmark themselves with other water services providers globally. The remaining two items had mode=4. These were: The organization has clear adopted policies that create and the organization has well laid policies and procedures that measure organization performance contracting. Illustration has been made in Table 6. Policies and procedures helped reduce risks such as pilferage, unauthorized transactions, and also helped to ensure accountability (Field and Chelliah, 2012). Mole and Giavara (1995) identifies importance of policies and procedures as
leading to proven and established methods. Techniques and best practices are identified and utilized wherever possible.

Table 6: Policies and Procedures Description

<table>
<thead>
<tr>
<th>Policies and Procedures Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has clear set policies on how Decisions are made</td>
<td>115</td>
<td>3.69</td>
<td>1.338</td>
</tr>
<tr>
<td>The organization has well documented procedures on how employees in the organization are supposed to operate</td>
<td>115</td>
<td>3.69</td>
<td>1.286</td>
</tr>
<tr>
<td>The organization has clear adopted policies that create conducive environment to support strategic Implementation</td>
<td>115</td>
<td>3.37</td>
<td>1.296</td>
</tr>
<tr>
<td>The organization has well laid policies and procedures that measure organization performance Contracting</td>
<td>115</td>
<td>3.67</td>
<td>1.209</td>
</tr>
<tr>
<td>The organization has well laid policies on how they intend to benchmark themselves with other water services providers globally</td>
<td>115</td>
<td>3.67</td>
<td>1.324</td>
</tr>
</tbody>
</table>

The overall Policies and procedures provided the highest variance. 42.8% of the variation in strategic implementation performance was explained by policies and procedures. This was consistent with the bureaucratic nature of public organizations where policies existed. Policies were meant to guide day to day operations besides oversight, controls, and legal framework guiding the management. It also helps explain why innovation competency of managers were rated low as was described in section 4.3. The coefficients were $b_0=6.069$, and $b_1=0.672$, both of which were significant at $\alpha=0.05$. This indicated that as policies and procedures were enhanced to allow flexibility and responsiveness, there were improved chances of achieving higher strategic implementation performance.

Effects of Resource on Organizational Performance

Resource allocation has very significant implications on the ability and pace of strategic implementation performance. As table 9 illustrates, respondents expressed diverse views on to which extent resource allocation at Afi Company was aligned to the achievement of strategic objectives. However, more participants were of the view that resource allocation would have influence on the achievement of strategic implementation performance objectives. The items that scored mode=5 were: The resources allocated were utilized as per the set goals, the organization monitored and audited all the resources allocated resources by the government and other donor agency, The organization had well trained human resource to support strategic implementation, and the organization had adapted information technology in its day to day operation. Those items that scored mode=4 were: The organization allocates sufficient financial resources for strategic implementation and the organization provides proper utilization of physical resources that were available (see Table 9) Toni and Tonchia (2003) notes that the resources are understood as the assets, tangible or not, which are semi-permanently linked to the firm. Since resources are the input of the productive process needing accumulation and coordination, it seems from these results that policies and procedures of the company limited the employees from initiating resource allocation models. That is why resource allocation seemed to make a small contribution to the overall strategic
implementation performance (see Table 8). On further analysis; it was found that resource allocation accounted only for 10.1% of the variation in strategic implementation performance objectives. However, improved resource allocation, and more targeted and aligned resource allocation lead to improved strategic implementation performance (b0=12.715, b1=0.282 both of which were significant) (see Table 9).

Table 7: Effects of Policies and Procedures on Strategic Implementation Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Adjusted R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.659a</td>
<td>0.434</td>
<td>0.428</td>
<td>2.2731</td>
<td></td>
</tr>
</tbody>
</table>

a. Predicators: (constant), leadership

Coefficients b

<table>
<thead>
<tr>
<th>Unstandardized coefficient</th>
<th>Standardized coefficient</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>1</td>
<td>(Constant) 6.069</td>
<td>1.462.</td>
<td>4.152</td>
<td>0</td>
</tr>
<tr>
<td>Structure</td>
<td>0.672</td>
<td>0.082</td>
<td>0.659</td>
<td>8.214</td>
</tr>
</tbody>
</table>

b. Dependent Variable: Strategic implementation

Table 8: Effects of Resource Allocation on Strategic Implementation Performance

<table>
<thead>
<tr>
<th>Resource Allocation</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization allocates sufficient financial resources for strategic implementation</td>
<td>115</td>
<td>3.58</td>
<td>1.307</td>
</tr>
<tr>
<td>The resources allocated are utilized as per the set goals</td>
<td>115</td>
<td>3.56</td>
<td>1.391</td>
</tr>
<tr>
<td>The organization provides for proper utilization of physical resources that are available</td>
<td>115</td>
<td>3.14</td>
<td>1.411</td>
</tr>
<tr>
<td>The organization monitors and audits all the resources allocated resources by the government and other donor agency</td>
<td>115</td>
<td>3.47</td>
<td>1.367</td>
</tr>
<tr>
<td>The organization has well trained human resource to support strategic implementation</td>
<td>115</td>
<td>3.2</td>
<td>1.408</td>
</tr>
<tr>
<td>The organization has adapted information technology in its day to day operation</td>
<td>115</td>
<td>3.56</td>
<td>1.383</td>
</tr>
</tbody>
</table>

Table 9: Effects of Resource Allocation on Strategic Implementation Performance

<table>
<thead>
<tr>
<th>Model summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
</tr>
<tr>
<td>---------------</td>
</tr>
</tbody>
</table>
The Model Containing All the Variables

The model involving all the independent variables showed that the model accounted for 63.4% of the variation in the overall company strategic implementation performance (correlation coefficient = 0.806, coefficient of determination = 0.65, and adjusted coefficient of determination = 0.634).

It was found that the $b_0 = -0.364$ implied that without the items Leadership, Structure, Policies and procedures and Resource allocation, the company strategic implementation performance would suffer. Further, each of the elements made a positive contribution to the realization of strategic implementation performance improvement ($b_1 = 0.057, b_2 = 0.408, b_3 = 0.508$ and $b_4 = 0.043$) though only structure and policies and procedures were significant (see Table 10).

### Table 10: Correlation Analysis between the Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Square</th>
<th>Adjusted Square</th>
<th>Standard error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.806a</td>
<td>0.65</td>
<td>0.634</td>
<td>1.8183</td>
</tr>
</tbody>
</table>

a. Predicators: (constant), leadership

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficient</th>
<th>Standardized coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-0.364</td>
<td>-0.231</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.057</td>
<td>0.066</td>
</tr>
<tr>
<td>Structure</td>
<td>0.408</td>
<td>0.456</td>
</tr>
<tr>
<td>Policies and procedures</td>
<td>0.508</td>
<td>0.499</td>
</tr>
<tr>
<td>Resource allocation</td>
<td>0.043</td>
<td>0.05</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic implementation
**Correlation Analysis**

A correlation analysis between the independent variables and the dependent variable was also carried out. This was done to understand the association between all the variables since this was expected from the results obtained in the preceding sections of this chapter. Structure was found to relate negatively with leadership, though not significant \((r=0.037, p=0.73, n=115)\). This may mean that the structure is not conducive to risk taking and initiative on the part of firm participants. This may be expected from a public concern operating in a market it dominates, and the increasing need to stem pilferage and enhance accountability. Regarding the relationship between policies and procedures and leadership it was found that there was a positive correlation which was significant at 0.01 level of significance \((r=0.684**, p=0, n=115)\). This meant that policies and procedures affected leadership and as policies and procedures provided for flexibility, autonomy, and initiative and risk taking, more leadership roles were exerted.

**Table 11: Correlation Analysis between the Variables**

<table>
<thead>
<tr>
<th></th>
<th>Leadership</th>
<th>Structure</th>
<th>Policies &amp; procedures</th>
<th>Resource allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>R</td>
<td>-0.037</td>
<td></td>
<td>N 115</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policies and procedures</td>
<td>R</td>
<td>0.684**</td>
<td>0.255*</td>
<td>N 115</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource allocation</td>
<td>R</td>
<td>0.081</td>
<td>-0.025</td>
<td>N 115</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.446</td>
<td>0</td>
<td>0.815</td>
</tr>
<tr>
<td>Performance</td>
<td>R 0.395**</td>
<td>0.612**</td>
<td>0.659**</td>
<td>0.333**</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0</td>
<td>0</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>N 115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

Leadership related with resource allocation positively though not significant \((r=0.081, p=0.446, n=115)\). The interpretation may that the organizational strategic implementation performance was dominated by policies and procedures and structure, thereby limiting the opportunity to exercise leadership and have greater initiatives regarding resource allocation.
allocations. Overall, leadership had a positive correlation with implementation performance, which was significant at 0.01 level of significance (r=.395**, p=0 n=115). Structure had positive correlations with the variables Policies and procedures, Resource allocation, Strategic implementation; which were all significant (r=.255*, p=0.015, n=115; r=.636**, p=0, n=115; r=.612**, p=0, n=115, respectively). Policies and procedures had a negative correlation with resource allocation (not significant), and positive correlation with strategic implementation performance (r=-0.025,46 p=0.815, n=115; r=.659**, p=0, n=115, respectively). Finally, resource allocation was found to relate positively with implementation performance, which was significant at 0.01 level of significance (r=.333**, p=0.001 and n=115).

Multicollinearity among the independent variables can lead to effects on the dependent variable which were indirect given that the independent variables themselves interact. For this multicolinearity test was performed. Multicollinearity refers to the relationship among the independent variables and it exists when the independent variables are highly correlated (Adrian, Lewis and Saunders, 2003). Table 12 illustrates.

Table 12: Test for Multicollinearity

<table>
<thead>
<tr>
<th>Model</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>0.378</td>
<td>2.646</td>
</tr>
<tr>
<td>Structure</td>
<td>0.378</td>
<td>2.642</td>
</tr>
<tr>
<td>Policies and procedures</td>
<td>0.338</td>
<td>2.959</td>
</tr>
<tr>
<td>Resource allocation</td>
<td>0.436</td>
<td>2.292</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic implementation

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula 1–R2 for each variable. If this value is very small (less than .10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). VIF values above 10 would be a concern, indicating multicollinearity (Adrian, Lewis and Saunders, 2003). Leadership (Tolerance=0.378, VIF= .646); Structure (Tolerance=0.378, VIF=2.642); Policies and procedures (Tolerance=0.338, VIF=2.959). Therefore the model did not violate the multicollinearity assumption hence there was no need for removing one of the highly intercorrelated independent variables from the model.

Hypothesis Test Results
Ho1: Leadership has significant influence on organizational performance

This proposition was tested at three levels. First, the simple regression analysis showed that the relationship between leadership and strategic implementation performance to be
positive, and this was significant (b1=0.339, p-value=0). Next, leadership was included in all-variables model under the multiple regression, however, at this point leadership had still a positive relationship with strategic implementation performance which was not significant (b1=0.057, p-value=0.526). Lastly, correlation analysis between leadership and strategic implementation performance proved leadership correlates negatively with strategic implementation performance (r=-0.037, p-value=0.73). This was not significant. Hence, it can be concluded that leadership effects on organizational performance had mixed results according to study findings, with both positive and negative effects on organizational performance.

The above results were mixed, in that, simple regression was positive and significant, multiple regression analysis was positive but not significant while correlation analysis had negative coefficient. Simple regression analysis can be ignored because of specification error or bias that may occur since the function leaves out many other variables. However, it can be held that leadership affects strategic performance only slightly. This is from the very low combined factors multiple regression analysis which had a positive coefficient and low correlation coefficient from the correlation analysis. Therefore, there is no significant effect of Leadership on Strategic Performance of Afi Company.

**Ho2: The organization structure has significant influence on the organizational performance**

All the three tests showed structure had positive effects on organizational performance. All of the tests were significant. The structure coefficient under simple regression was 0.548, (p-value=0), under multiple regression 0.408, (p-value=0) and correlated with strategic implementation performance with r=.612, (p-value=0). Hence, structure affected organization performance positively according to the results of the study. While simple regression returned significant positive relationship between the organization structure and strategic performance, it was likely to be affected by specification error thus the need to incorporate the other variables through a multiple regression model. The model too returned a significant positive relationship between the variables. A correlation analysis also gave a significant positive relationship between Structure and organization performance of Afi Company. Hence, there was significant effect of organization structure on the strategic performance of Afi Company.

**Ho3: Policies and procedures have significant influence on organizational performance**

As in structure, the regression coefficients indicated positive relationship between policies and procedures and strategic implementation performance. Simple regression coefficient was 0.672, (p-value=0). Under multiple regression model, the coefficient was 0.508, (p-value=0), both coefficients being positive and significant. The correlation coefficient was .659** which was significant (p-value=0). Therefore, policies and procedures affected organizational performance positively. All the analysis returned significant positive relationships between policies and procedures and organization structure. Hence, the study finding was that Policies and Procedures had significant effects on the organization Performance of Afi Company.

**Ho4: Resources have significant influence on organizational performance**


Finally, resource allocation had a coefficient of 0.282, (p-value=0), under simple regression. Under multiple regression, the coefficient was 0.043, (p-value=0.607). Both coefficients were positive even though under the multiple regressions the coefficient was not significant. The correlation analysis showed a significant positive correlation between resource allocation and strategic implementation performance, which was .333**, (p-value=0.001). As such resource allocation affected organizational performance.

Resource allocation returned positive relationships with organization performance. However, it was only under the bivariate correlation analysis that the results were significant. Hence, the study finding was that resource allocation had slight effects on organization performance that tend to be positive. The relationships were likely influenced by the multicolinearity among the independent variables. This may not allow for evaluation of full effects of each individual independent variable. Overcoming this limitation with the use of bivariate analyses such as simple regression introduces new complexity such as specification errors of biases. That is why all the three analysis were performed in regard to each hypothesis.

**CONCLUSIONS**

The study sought to understand the effects of strategic implementation on the performance of the company. Four factors were considered in relation to strategic performance. These were leadership, structure, policies and procedures and resource allocation. Concerning performance, various strategic objectives of the strategy implementation process were included. All these factors were found to have positive effects on performance and improvements in them leads to better performance. However, structure and policies and procedures were found to have higher effects on performance than leadership and resource allocation. The organization Structure affects the performance making it possible for the organization participants to tap the seemingly dormant strength, ingenuity and vigor. But for this to be attained, the company would need to restructure to accommodate this strategic renewal initiative. Regarding Policies and Procedures, the study found that policies and procedures were important for the company since they were likely to lead to standardized performance and incorporating of best practice in business processes. However, certain policies and procedures may thwart initiative and creativity.

**RECOMMENDATIONS**

- AFI should initiate a policy of providing opportunities for leadership development for its staff. This will help them to engage closely and creatively with activities that will improve the strategic performance of the organization.
- AFI should simplify its hierarchy structures to ensure easier information flows, more collaboration among the personnel, and teamwork. This likely to help improve staff understanding of the strategic objectives and align their efforts towards attainment of those goals.
- AFI should undertake policy modifications that are geared towards devolving decision making and authority to staff at all levels so that they feel empowered to act in areas of their expertise for the benefit of the organization as a whole. This is because empowered employees are likely to be more satisfied and committed to the organization. The organization should also revise its procedure manual to enable faster decision making.
• AFi needs to provide strict accountability measures for its staff so that all resource allocation decisions are thoroughly vetted, and that there is monitoring system for all allocations. This would also ensure that all resource allocation decisions serve the best interest of the organization.

**Suggestion for further research**

This study looked at the private sector firm that operated as a partnership enterprise. A study comparing strategic implementation of a private and public firm would seem likely to lead to new insights and therefore enrich the efforts that have been made in this study.

**REFERENCES**


