INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF KENYA POWER AND LIGHTING COMPANY LTD, NAIROBI COUNTY, KENYA

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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 4, Iss. 4 (16), pp 289 - 306, Oct 9, 2017, www.strategicjournals.com, ©strategic Journals

INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF KENYA POWER AND LIGHTING COMPANY LTD, NAIROBI COUNTY, KENYA

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Accepted: October 6, 2017

ABSTRACT

This study sought to establish the influence of strategic management practices on performance at Kenya Power & Lighting Company (KPLC) Central Office, Nairobi. Specifically, the study sought to assess the influence of e-procurement and evaluate the influence of strategic planning on performance at Kenya Power and Lighting Company Limited. The study adopted descriptive research design. The target population was 135 senior managers from the KPLC Central office Nairobi. The sample size of 100 senior managers was determined using the Yamane formula. Random sampling was used to select a sample of 100 respondents. Data was collected through structured questionnaire. Also secondary data was obtained from the related journals and reports. Validity and reliability of questionnaire was tested on pilot data targeting 10 respondents. Descriptive statistics was applied to analyze extent of variables. Both correlation and regression analysis was done. The results may be used by policy makers involved in the strategic management. The study established a positive correlation between e-procurement and performance. Moreover, the study established positive correlation between strategic planning and performance. The study therefore concluded that there was influence of e-procurement and strategic planning on performance at KPLC Central office, Nairobi. The study recommended that more effort should be put in place by the management to enhance its performance.

Keywords: *E-Procurement, Strategic Planning, Strategic Management, Kenya Power & Lighting Company*

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INTRODUCTION

Globally, strategic management has been considered as the most important practice which distinguishes organizations from each other's (Sharabati & Fuqaha, 2014). Strategic management is the key process to achieve organizational vision, strategy and objectives. All organizations whatever they are, whatever they do, they should perform a strategic management practices to ensure that they fit within their environment. Strategic management is a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance of firms in their external environments. (Nag, Hambrick, Chen 2007). It entails specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve these objectives, and then allocating resources to implement the policies and plans, projects and programs. Strategic management is a level of managerial activity under setting goals and over tactics. Strategic management provides overall direction to the enterprise. Strategic management includes not only the management team but can also include the Board of Directors and other stakeholders of the organization. It depends on the organizational structure. Veskaisri, Chan and Pollard (2007) posited that without a clearly defined strategy, a business will have no sustainable basis for creating and maintaining a competitive advantage in the industry where it operates.

In Africa, a study carried out by Muogbo (2013) in Nigeria revealed that strategic management is not common among the manufacturing firms in Anambra State; that the adoption of strategic management has significant effect on competitiveness and also influences manufacturing firms; that strategic management has effect on employee's performance and that its adoption has significantly increased organizational productivity of manufacturing firms; also, it enhances structural development of manufacturing firms. The study thus concluded that though strategic management is not yet a common business practice among manufacturing firms in Anambra State, it has been identified as veritable tool for improving the competitiveness, performance levels, and structural development of manufacturing firms in Anambra State in particular and Nigeria in general.

In Kenya, a study by Juma and Okibo (2016) on the effects of strategic management practices on the performance of public health institutions in Kisii County, Kenya revealed to a great extent that technology architecture strategy if fully embraced would lead to efficient service delivery in health care provision. Strategic drivers of performance are closely linked to specific strategies and value drivers in order to maximize organizational performance. Therefore, the current study will focus on the influence of strategic practices on performance at Kenya Power and Lighting Company.

The Kenya Power and Lighting Company (KPLC) started in 1875 when Seyyied Barghash, the Sultan of Zanzibar acquired a generator at his palace and nearby streets. KPLC was incorporated in 1922 as the East Africa Power and Lighting Company (EAPL) after the merger of two private utilities in Nairobi and Mombasa. In 1932, EAPL acquired a controlling interest in the Tanganyika Electric Supply Company Limited (TANESCO). In 1936, EAPL obtained generation and distribution licenses for Uganda, entrenching its presence in East Africa region. In 1954, Kenya Power Company was formed. In 1983 the company name was changed (EAPL) to Kenya Power and Lighting Company Limited. It was not until 1997 during a restructuring process that KPLC was split into two organizations: KenGen and KPLC. The function of generation was left to KenGen and transmission as well as distribution left to KPLC.

Kenya Power is a limited liability company which transmits, distributes and retails electricity to customers throughout Kenya. KPLC is a public company listed in the Nairobi Stock Exchange (NSE). The company is a national electric utility company, managing electric metering, licensing, billing, emergency electricity service and customer relations. The Government has a controlling stake at 50.1% of shareholding with private investors at 49.9%. KPLC headquarters are at Stima Plaza, Kolobot Road in Parklands, Nairobi. The company operates many offices throughout Kenya.

Management and staff of KPLC are committed to effective implementation and continual improvement of the Quality Management System that complies with ISO 9001:2000 to consistently meet its customers and other stakeholder's requirements and expectations (KPLC, 2015).

Statement of the problem

Performance measurement is important for organizations as a means of continuous improvement and also as a means of determining whether or not an organization is achieving its objectives (Nzuve & Nyaega, 2011). The strategic management practices such as strategic planning, information and communication technology and customer relationship management provides a competitive advantage of an organization to perform better than other competitions in the market (Porter, 2008). Companies that want to maintain a competitive edge, both now and in the future, are realizing that reactive customer interaction services must be replaced by a more proactive approach that recognizes the growing user-centricity of consumer communications networks. Kenya Powers' customer base has been increasing tremendously and as a result has led to increased transactions thus posing need for adoption ICT to cope with the growing demand, there has been need to determine the optimal capacity and quality to meet the short term and long term corporate requirements (Kenya Power Audit report 2005-06)

Today private sector generators provide 12 percent of power supply. The business environment in which firms operate is dynamic and turbulent with constant and fast paced changes that often render yester-years strategies irrelevant (Ofunya, 2013).

Kenya Power Company has been in the process of reforming its mode of service delivery to its customers and to improve its performance in the public sector by adoption of technology such as Okoa Stima, e-procurement, reducing connectivity cost, training of managers and staffs but they are still faced with strategic challenges, (GoK,2008). The extent to which these practices have led to improved performance for KPLC has not been established especially after KPLC recorded poor performance characterized by 16.4% drop in the net profit by the December 2015 and 2% of system failures(power outages) dues to increased customer size (African Energy Outlook, 2015).

Several studies have been done globally and locally on the influence of strategic management practices on organizational performance, among them Dauda et al (2010), Bakar et al (2011), Melchorita (2013) and JG Maroa (2015) but none of them focused on the influence of strategic management practices on performance of Kenya Power and Lighting Company which is the major power distribution firm in Kenya.

Therefore, this study sought to establish the influence of strategic management practices on performance at Kenya Power & Lighting Ltd, Nairobi County.

Research Objectives

The main objective of the study was to examine the influence of strategic management practices on performance at Kenya Power Central Office, Nairobi County. The specific objectives were:-

- To determine the influence of e-procurement on performance at Kenya Power and Lighting Company Limited

- To establish the influence of strategic planning on performance at Kenya Power and Lighting Company Limited

LITERATURE REVIEW

Theoretical framework

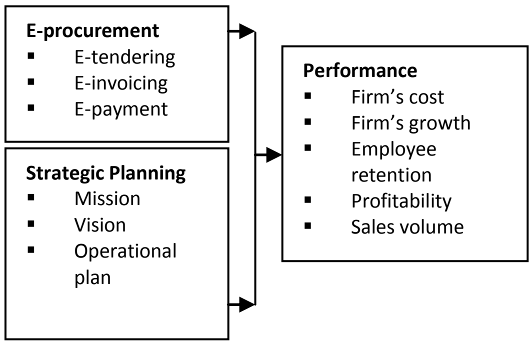
Resource based theory or view

The resource-based view (RBV) stems from the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin et al., 2007). The resource-based theory or view (RBV) of the firm's competitive advantage in particular will be the underlying theoretical foundation applied and fundamental basis of the variables and their ensuring relationships that are being studied. This is because of the nature of the Kenya Power Central Office that exposes the firm's strength in the adoption of information and communication technology towards attaining competitive advantage and thus superior firm performance. There was need for the Kenya Power office to implement ICT in order to enhance competitive advantage in service delivery to the customers. Information and Communication Technology enabled the KPLC effectively and efficiently delivery its services to its customers.

Strategic Management Theory

Strategic management is the process and approach of specifying an organization's objectives, developing policies and plans to achieve and attain these objectives, and allocating resources so as to implement the policies and plans. In other words, strategic management can be seen as a combination of strategy formulation, implementation and evaluation (David, 2005). According to Radua et al.,(2009), strategic management theories stem mainly from the systems perspective, contingency approach and information technology approach. Following David (2005) and Mohd Khairuddin Hashim (2005), among the common strategic management theories noted and applicable are the profit-maximizing and competition-based theory and the resource-based theory.
This theory was relevant to the strategic planning because it enables the Kenya Power Company to ensure that it achieves its set objectives and allocation of its resources through the plan schedules. The management must ensure that the strategic plans are in place in order to realize the desired objectives and also encourage the efficient utilization of the available resources.

Conceptual framework



Independent variables Dependent variable

Figure 1: Conceptual framework

Source: Author (2016)

Empirical review

E-procurement

E-Procurement refers to the use of Internet-based (integrated) information and communication technologies (ICTs) to carry out individual or all stages of the procurement process including search, sourcing, negotiation, ordering, receipt, and post-purchase review (Croom & Brandon-

Jones, 2004). While there are various forms of e-Procurement that concentrate on one or many stages of the procurement process such as e-Tendering, e-Marketplace, eAuction/Reverse Auction, and e-Catalogue/Purchasing, e-Procurement can be viewed more broadly as an end-to-end solution that integrates and streamlines many procurement processes throughout the organization. Parida and Parida (2005) define e-procurement as a technology solution that facilitates corporate buying using the Internet. The automation of the procurement processes so that the sourcing, vendor selection, procurement processes, shipment status tracking and payments can be made in an online environment (Bhaskar, 2005).

According to the Epiq Technologies (2010) report, adoption of e-procurement technology in an organization enables a firm to organize its interactions with its most crucial suppliers, a set of built-in monitoring tools to help control costs, assure maximum supplier performance and keeping an open line of communication with potential suppliers during a business process. The system allows managers to confirm pricing and leverage previous agreements to assure each new price quote is more competitive than the last. E-Procurement helps with the decision-making process by keeping relevant information neatly organized and time-stamped. Most are template-driven which makes all transactions standardized and traceable (Macharia & Mukulu, 2016).

Shale (2014) carried out a study on the role of e-procurement strategy on the performance of State Corporations in Kenya. A cross-sectional survey was used in this study. A descriptive statistics and inferential statistics using multiple regression and correlation analysis were applied to examine the relationship between research variables. The study findings revealed that customer service level strategy, procurement cost reduction strategy, inventory optimizations strategy, buyer/ supplier collaboration strategy and audits and compliance strategy significantly affect performance of state corporations. The study recommended that state corporation should have a good e-procurement software system as it would help them greatly reduce the time and effort required to complete purchasing transactions by eliminating traditional paper chain of requisitions, approvals, receiving and payment reconciliation. The previous study focused on the general state corporations while the current focused on Kenya Power Company Central Office Nairobi.

Barngetuny & Kimutai (2015), investigated the effects of E-procurement on supply chain management performance in Elgeyo Marakwet County. The study adopted the use of questionnaires and interview schedules to collect primary data. The research also adopted descriptive design to collect the quantitative and qualitative data that describes the effects of e procurement and supply chain management. The target population were employees in public entities in Elgeyo Marakwet County; this included the County Government of Elgeyo Marakwet and Iten County Referral Hospital. Stratified sampling technique was adopted where the study population was stratified into management and non- management strata. Then purposive sampling was used to select 30 employees of Elgeyo Marakwet County and 10 employees from County referral hospital Iten. The study established that payments online was more convenient and was interpreted to mean that the development of IT has enhanced the usage of e-payment and improved the use of supply chain management. Though the past study was carried out in Elgeyo Marakwet, the current study was based in the Kenya Power Company Central Office Nairobi.

Strategic planning

The history of strategic planning refers to long-range planning in organizations (Piccolli, 2008). Strategic planning was therefore a proactive alternative to long-range planning which was found to be obsolete because it was not increasing firm's true value. Strategic Planning is a core task of senior management which involves fourteen (14) processes (Armstrong, 2010). These processes are designing objectives, planning strategy, establishing goals, developing company philosophy, policies, procedures, organization structures, establishing personnel and facilities, capital, establishing standards, programs and operational plans and institutionalization, evaluation and control. Pearce and Robinson (2008) view Strategic Planning as an organizational process that is vision driven and that aims at developing the future value of an organization. Dan (2009) states that Strategic Planning process involves the implementation of strategy in an organization which should be managed through a sequence of steps. These steps include setting of objectives, analysis of environmental trends and capabilities, evaluation of the available options and planning, implementation, operationalization and institutionalization of strategy. Barney and Hesterly (2006) are of the view that the process of strategic planning has to be designed well such that it meets the specific needs of the organization. The strategic management planning process involves the mission and vision of the organization, environmental analysis, selection of objectives and analyzing strategic choices (Porter, 2008). Since there is not any best way of conducting the process of strategic planning in an organization strategies should therefore be formulated explicitly and implicitly. Hotels have embraced strategic planning as a tool for continuous improvement because it helps them to clearly identify and prioritize their objectives and targets (Aldehayyat, 2011).

Strategic planning however has to be done under a conducive strategic planning environment which has the appropriate structures for proper coordination and cooperation (Ocasio & Joseph, 2008). Manager's perception is also very important to the strategic planning process because they are the initiators as well as the implementers of the plans (Rigby & Bilodeau, 2007). The concept of strategic planning has been widely adopted by hotels but its dimensions, roles and impact to the performance of the overall hotel management is still disputable (Kamau, 2008). Creating a winning strategy is not a one-time event because a good strategy today might not be successful tomorrow. Jehad and Adel (2013) assert that there are several planning systems that are used by hotels in order to manage change and these systems have evolved in order to cope with the continuously changing business environment. Strategic plans can help hotels to communicate their goals, strategies and operational tasks to internal and external stakeholders (Galbreath, 2010). Higher planning formality is beneficial for firms that operate in highly competitive environments like hotels and this may assist them to meet competitive threats more systematically (Yang & Fu, 2007).

A hotel can adopt strategies in both the internal and external environment. The internal environment includes the physical and social factors within the boundaries of hotels or specific decision units that are taken directly into consideration in the decision-making behaviour of individuals in those systems (Richard et. al., 2009). Internal environment also can refer to the amount of attention devoted to a hotel's recent history and current situation, its past performance and an analysis of its strengths and weaknesses. External orientation involves the ability to obtain reliable research information in order to learn about external environmental opportunities and threats (Dancer, et al., 2006). These opportunities and threats refer to those relevant units outside the boundaries of the hotel or specific decision units that are taken directly into consideration. Aldehayyat (2011) states that for a formal planning process to assist in strategy development, it must include mechanisms to embrace proper customer services, efficiency of operating processes, alternating and retaining high quality employees, and analysis of financial strengths and weaknesses. The external orientation will create analysis of investment opportunities, analysis of competition and reforming market research. Wheelen and Hunger (2008) states that strategic planning attempts to look ahead to where you want to be together with the budget to get there. In recent times, the hotel industry has identified the importance of strategic planning by defining the mission of their businesses so that they are better able to give themselves a direction to focus their activities. Strategic planning helps managers to identify a clear-cut concept of their hotels and this makes it possible to formulate plans and activities that will bring them close to their goals (Pearce & Robinson, 2008). Kenyan hotel managers operate in a world that is ever changing and nothing is static whether in technology, politics or society. Hotels therefore have no choice but to come up with strategic planning as a tool for the future prospects of their hotels. The previous study was done in the hotel industry, while the present study focused on Kenya Power Company Central Office Nairobi

RESEARCH METHODOLOGY

The study adopted a descriptive design. According to Kothari (2012), states that descriptive studies are not only restricted to fact finding but may result in formulation of important principle of knowledge and solution to significant problems. The study targeted 135 senior managers from Kenya Power Central office.(KPLC Central office, 2016). The study implemented simple random sampling to select 100 respondents. The study adopted structured questionnaires to collect data. Data was analyzed using the statistical package for social sciences (SPSS) version 20.0 based on the questionnaires.

FINDING AND DISCUSSION

The researcher distributed 100 structured questionnaires out of which were received from the field. The questionnaires accepted as correctly filled were 94 which translated to a response rate of 94.0 percent. This response rate is acceptable for this study. The respondents were asked to state their gender. The finding of the study that 15(16.0%) of the respondents were female while 79(84.0%) are male. The findings indicated that male gender dominated the female gender. The study sought on the age of the respondents. The finding of the study showed that 0(0%) of the respondents were of age less than 25 years, 2(2.1%) of them were 25-30 years old, 6(6.4%) of them were 31-35 years old, 34(36.2%) of the respondents were of age 36-40 years while 52(55.3%) of the respondents were of age above 40 years. The study results indicated that majority 52(55.3%) are of age 40 years and above. It implied that the population was a mature one and therefore they were keen to carry out the strategic management practices to realize the desired organizational performance. The respondents were required to indicate their work experience in the organization. The finding revealed that 2 (2.1%) of the respondents had worked with KPLC for less than 2 years, 6(6.4%) of them had worked for 2-4 years, 22(23.4%) of them had worked for 5-7 years, 28(29.8%) of the respondent had worked for 8-10 years while 36(38.3%) had worked for more than 10 years at KPLC Central Office, Nairobi. This finding indicated that most of the respondents (85.1%) had worked at KPLC central office for 5 years and above. It implied that the staffs at KPLC Central Office had adequate experience in the matters that could improve the organization performance. The study looked at the academic level of the respondents. 39(41.5%) of the respondents had attained masters, 23(24.5%) of them had doctorate (PhD) while 32(34.0%) of the respondents had other education qualifications. The finding indicated that more than half (66.0%) of the respondents had post graduate degrees. This implied that the staffs at KPLC Central Office, Nairobi were literate enough and were able to tackle the issues on strategic management practices.

e-procurement and organization performance

The first objective of the study was to determine the influence of e-procurement on performance at Kenya Power and Lighting Company Limited.

The accompanying research question was, "How does e-procurement influence performance at Kenya Power and Lighting Company Limited?" The respondents were required to provide their opinion based on the likert scale of: 1 = strongly disagree (SD), 2 = disagree (D), 3 = Undecided (U), 4 = agree (A) and 5 = strongly agree (SA). Preliminary analysis involved descriptive analysis of waste management. The details are shown in table 1.

Table 1: Descriptive statistics on e-procurement

Statement	N	M	SD
Online procurements reduced cost of operations	94	3.14	1.074
Online tendering improves efficiency and effectiveness	94	3.44	.899
e-invoicing improves better services to the customers	94	3.70	.878
e-payment adoption reduces cost operation at KPLC	94	3.85	.803
Online procurement facilities improves speed of data processing	94	4.03	.873
Overall score	94	3.63	0.905

Key: 1.0-1.4 = strongly disagree, 1.5-2.4= disagree, 2.5-3.4= undecided, 3.5-4.4 = agree, 4.5-5.0 = strongly agree; M = mean; SD = standard deviation

Source: Survey data (2017)

The finding in table 1 showed respondents agreed that: e-invoicing improved better services to customers (M = 3.70; SD = .899); e-payment adoption reduced cost of operations at KPLC (M = 3.85; SD = .803); and online procurement facilitated improved speed of data processing (M = 4.03; SD = .873). Further the study revealed that respondents were undecided that online tendering improved efficiency and effectiveness (M =3.44; SD = .899); and. Overall scores revealed that respondents agreed that e-procurement influenced performance at Kenya Power and Lighting Company Limited (M = 3.63; SD= .905). The finding thus indicated that e-procurement influenced performance of KPLC. These findings confirmed Shale (2014) who established that e-procurement software system can help them greatly reduce the time and effort required to complete purchasing transactions by eliminating traditional paper chain of requisitions, approvals, receiving and payment reconciliation. Therefore, the management of KPLC should embrace electronic procurement so as to enhance to performance.

Though the respondents agreed that e-procurement influenced performance at Kenya Power and Lighting Company Limited, there was lack of surety about the degree of influence. In order to show the degree of influence, simple linear regression analysis was sought. The general simple linear regression model was

$$y = \beta_0 + \beta_1 x + \varepsilon \qquad \text{(Model 1)}$$

The response variable y is performance while explanatory variable x is e-procurement. The term ε is the residual and represents deviation of observed values of performance from that approximated by the model. Linear regression analysis was therefore sought and the results interpreted in stages. The details were provided in table 2.

Table 2: Regression analysis of e-procurement on performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.452	.324		7.573	.000
	e-procurement	.336	.095	.347	3.553	.001

Goodness of Fit:

R = .347[a]

R^2 = .121

AdjustedR^2= .111

F (1, 92)= 12.621

P < 0.05(.001[b])

a. Dependent Variable: Performance
b. Predictors: (Constant), e-procurement

Source: Survey data (2017)

In table 2 R is the correlation coefficient. It provides a weak degree of positive correlation (r= .347) between e-procurement and performance. R-square of .121 measures part of performance which was explained by e-procurement. It showed that approximately 12.1% of the variation in performance was attributed to variation in e-procurement**.** The adjusted R square provides an idea of how the model may be generalized. It should be as close to R square as much as possible if not the same. In this case, the difference for the final model was small; i.e. .010 or 1%. This meant that if the model was derived from the population rather than a sample, then it would have accounted for approximately 1% less variance in performance. The overall model was statistically significant ($F_{(1,\ 92)}$ = 12.621; p< .05). Therefore e-procurement had influence on performance.

Un-standardized coefficient values were used to construct the regression equation. The Beta coefficient for e-procurement involvement was .347(p<.05) and was statistically significant. It did make a unique contribution in explaining performance. Table 2 and model 1 showed that optimum regression equation showing the relationship between e-procurement and performance was

$Y = 2.452 + .336\, x$ (Model 2)

Regression model 2 had a weak degree of positive correlation (r= .347) between e-procurement and performance. The model was 12.1% explained by the variation in e-procurement and was statistically significant.

The finding above concurred with Barngetuny and Kimutai (2015 who established that payments online was more convenient and was interpreted to mean that the development of IT had enhanced the usage of e-payment and improved the use of supply chain management. Moreover, the findings was in agreement with Epiq Technologies (2010) report, who highlighted adoption of e-procurement technology in an organization enabled a firm to organize its interactions with its most crucial suppliers, a set of built-in monitoring tools to help control costs, assure maximum supplier performance and keeping an open line of communication with potential suppliers during a business process. Further, the study was in-line with Shale (2014) established that a good e-procurement software system will help an organization greatly reduce the time and effort required to complete purchasing transactions by eliminating traditional paper chain of requisitions, approvals, receiving and payment reconciliation

Since e-procurement facilitates the processes and can also lead to cost reduction the study advices the management to embrace new technology in its transactions. Though technology has its challenges such as the set up costs but it brings efficiency and effectiveness in the organization performance

Strategic planning and performance

The second objective of the study was to establish the influence of strategic planning on performance at Kenya Power and Lighting Company Limited. The accompanying research question was, “To what extent has strategic planning influenced performance at Kenya Power and Lighting Company Limited?” The respondents were required to provide their opinion based on the likert scale of: 1 = strongly disagree (SD), 2 = disagree (D), 3 = Undecided (U), 4 = agree (A) and 5 = strongly agree (SA). The finding of the study is summarized in the tables below.

The study sought on whether the strategic plan existed at KPLC Central office, Nairobi. The finding was summarized in table 3

Table 3: Existence of strategic plan

Response	Frequency	Percent
Yes	94	100.0

Source: Survey data (2017)

Table 3 showed that strategic plan existed in the organization. This was supported by the whole (94; 100%) sampled respondents from the KPLC Central Office, Nairobi.

Further, the study looked at the frequency at which the strategic plan was being reviewed in the organization. The study finding in summarized in table 4.

Table 4: Reviewing of strategic plan

Reviewing frequency	Frequency	Percent (%)
1-2 years	17	18.1
3-4 years	43	45.7
5 years	34	36.2
Total	94	100.0

Source: Survey data (2017)

The finding in table 4 showed that 17(18.1%) of the respondents stated that the strategic plan was being reviewed after 1-2 years, 43(45.7%) of them said that the strategic plan was being reviewed after 3-4 year. On the hand, 34 (36.2%) of the respondents cited that the strategic plan was being reviewed after 5 years. The finding implies that the reviewing of the strategic plan could result to better organization performance. Strategic plan is a fundamental tool for monitoring and evaluation of the organization's objectives and goals.

Preliminary analysis involved descriptive analysis of waste management. The details were shown in table 5.

Table 5: Descriptive statistics on strategic planning

Statement	N	M	SD
The mission statement influences the performance of your organization	94	3.70	.878
The Vision statement enhances the performance of your organization	94	3.85	.803
Formal planning process assist in strategy development	94	4.03	.873
Strategic planning helps managers to identify a clear-cut concept of the organization and this makes it possible to formulate plans and activities that will bring them close to their goals	94	3.14	1.074
Procedure on policy development influences the performance of your organization	94	3.44	.899
Overall Scores	94	3.63	.905

Key: 1.0-1.4 = strongly disagree, 1.5-2.4= disagree, 2.5-3.4= undecided, 3.5-4.4 = agree, 4.5-5.0 = strongly agree; M = mean; SD = standard deviation

Source: Survey data (2017)

Table 5 revealed that respondents agreed that the mission statements influenced the performance in the organization (M = 3.70; SD = .878); the vision statement enhanced performance of the organization (M = 3.85; SD = .803); and formal planning process assisted in strategy development (M = 4.03; SD = .873). In addition, the respondents were undecided that: to identify a clear-cut concept of the organization and this made it possible to formulate plans and activities that would bring them close to their goals (M = 3.14; SD = 1.074) and procedure on policy development influences the performance of your organization (M = 3.44; SD = .899). Overall scores showed that strategic planning had influence on the performance (M = 3.63; SD = .905). The findings were in agreement with Jehad & Adel (2013) who asserted that there strategic planning systems assists an organization in coping with continuously changing business environment and realize desired performance. The findings was also concurred with Yang & Fu (2007) who established that strategic planning gives a firm a competitive advantage over other competitors in the market.

Though there was general agreement that strategic planning had influence on performance at KPLC Central office, there was lack of surety about the degree of influence. In order to show the degree of influence, simple linear regression analysis was sought. The general simple linear regression model was

$$y = \beta_0 + \beta_1 x + \varepsilon \qquad \text{(Model 3)}$$

The response variable y was performance while explanatory variable x is strategic planning. The term ε was the residual and represents deviation of observed values of performance from that approximated by the model. Linear regression analysis was therefore sought and the results interpreted in stages. The details were provided in table 6.

Table 6: Regression analysis of strategic planning on performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.893	.261		11.074	.000
	strategic planning	.194	.071	.273	2.717	.008

Goodness of Fit:

$R = .273^a$

$R^2 = .074$

AdjustedR^2= .064

F (1, 92)= 7.381

P < 0.05(.008[b])

c. Dependent Variable: Performance

d. Predictors: (Constant), strategic planning

Source: Survey data (2017)

In table 6, R is the correlation coefficient. It provides a weak degree of positive correlation (r=.273) between strategic planning and performance. R-square of .074 measures part of performance which was explained by strategic planning. It showed that approximately 7.4% of the variation in performance was attributed to variation in strategic planning**.** The adjusted R square provides an idea of how the model may be generalized. It should be as close to R square as much as possible if not the same. In this case, the difference for the final model is small; i.e. .010 or 1%. This means if the model was derived from the population rather than a sample, then it would have accounted for approximately 1% less variance in performance. The overall model was statistically significant ($F_{(1,\ 92)}$ = 7.381; p< .05). Therefore, Strategic planning had influence on performance

Un-standardized coefficient values were used to construct the regression equation. The Beta coefficient for stakeholders involvement was .347 (p<.05) and was statistically significant. It did make a unique contribution in explaining performance. Table 6 and model 3 showed that optimum regression equation showing the relationship between strategic planning and performance was

$$Y = 2.893 + .194\,x \qquad \text{(Model 4)}$$

Regression model 4 had a weak degree of positive correlation (r= .347) between e-procurement and performance. The model is 7.4% explained by the variation in strategic planning and is statistically significant.

The finding above agreed with Hesterly (2006) who highlighted that the process of strategic planning helps to achieve specific needs of the organization. Moreover, it incorporates mission and vision of the organization, environmental analysis, selection of objectives and analyzing strategic choices (Porter, 2008). The finding further concur with Galbreath (2010) who stated that strategic planning assist senior managers to communicate the goals, strategies and operational tasks to internal and external stakeholders. Further, the finding of the study was in agreement with Aldehayyat (2011) stated that for a formal planning process to assist in strategy development, it must include mechanisms to embrace proper customer services, efficiency of operating processes, alternating and retaining high quality employees, and analysis of financial strengths and weaknesses.

In this case, the study encouraged the senior management to always adopt strategic planning for the organization. They should ensure that other stakeholder in the process of designing strategic plan for the organization. This would result into better organizational performance.

Organization performance

The study looked at the overall organization performance. The respondents were required to provide their opinion based on the likert scale of: 1=Not at all; 2= Minimal extend; 3=moderate extend; 4= Large extend 5= very large extent. Preliminary analysis involved descriptive analysis of organization performance factors as in tables below.

The respondents were asked to rate the firm's financial performance in terms of profitability over the past 5 years. The finding was shown in table 7.

Table 7: Financial performance in terms of profitability

Rating	Frequency	Percent (%)
average	16	17.0
Good	41	43.6
excellent	37	39.4
Total	94	100.0

Source: Survey data (2017)

The finding in table 7 revealed that 16 (17.0%) of the respondents cited that the firm's financial performance in terms of profitability for the past 5 years was average; 41(43.6%) of them stated good financial performance in terms of profitability for the past 5 years while 37(39.4%) of the respondents believed that financial performance in terms of profitability of the firm over the past 5 years was excellent. The finding was in agreement with Minal and Kasim (2009) who asserted that strategic management practices will lead improved profits. Therefore the management of KPLC should ensure continued execution of the strategic management practices for enhancing profitability.

Further, the study assessed the respondents perception on the extend in which their firm had grown in the last five years in the area listed and the results shown in table 8.

Table 8: Extent of growth of the organization performance

Statement	N	Mean	Std. Deviation
net profit	94	3.14	1.074

Sales volume	94	3.44	.899
Growth in number of employees	94	3.82	.829
Employees retention	94	3.77	.679
Increased market share	94	3.82	.927
Overall scores	94	3.6	.882

Key: 1.0-1.4 = Not at all; 1.5-2.4 = Minimal extend; 2.5-3.4 = moderate extend; 3.5-4.4 = Large extent 4.5 – 5.0 = very large extent**;** M = mean; SD = standard deviation

Source: Survey data (2017)

Table 8 shows that the respondents pointed out moderate growth in: net profit (M = 3.14; SD = 1.074); and sales volume (M = 3.44; SD = .899). In addition, the finding shows a large growth of: the number of employees (M = 3.82; SD = .829); employee retention (M = 3.77; SD = .679) and increased market share (M = 3.82; SD = .927). The overall score reveals that the respondent cited the organization performance had grown to a large extent (M = 3.6; SD = .882). These findings agreed with Minal and Kasim (2009) who stated that strategic management practices can lead to profitability.

Besides, the study sought the respondent's opinion on the firms saving cost over the last 3 years. The study result is shown in table 9.

Table 9: Firm's saving cost over the last 3 years

Cost Saved (Kshs)	Frequency	Percent (%)
0-50 million	9	9.6
50-100 million	44	46.8
100-500 million	38	40.4
>1 billion	3	3.2
Total	94	100.0

Source: Survey data (2017)

The finding in table 9 showed that the 9(9.6%) of the respondents indicated that the firms had saved 0-50 million Kenyan shillings; 44(46.8%) of them stated that the firm had save 50-100 million shillings; 38(40.4%) of the respondents had saved 100-500 million shillings while 3(3.2%) of them had said the firm had saved over 1 billion shillings over last 3 years. The finding evidently showed that the firms save cost due to the strategic management practices adopted by the management.

The respondents were also tasked to state the financial performance of the firm in terms of cost reduction in the past 5 years. The finding was summarized in table 10.

Table 10: Financial performance in terms of cost reduction in the past 5 years

	Frequency	Percent (%)
average	10	10.6
good	34	36.2
excellent	50	53.2
Total	94	100.0

Source: Survey data (2017)

Table 10 revealed that 10(10.6%) of the respondents perceived that the financial performance of the firm in terms of cost reduction in the past 5 years was average; 34(36.2%) of them believed that the financial performance in terms of cost reduction over the past 5 years was good; 50(53.2%) of the respondents mentioned that the financial performance in terms of cost reduction was excellent over the past 5 years.

Further, the study sought on the firms percentage increase in terms of net profit over the past 5 years. The result was shown in table 11.

Table 11: Firms Percentage increases of net profit in the past 5 years

rate	Frequency	Percent (%)
0-10	4	4.3
10-30	18	19.1
30-60	25	26.6
60-100	36	38.3
> 100	11	11.7
Total	94	100.0

Source: Survey data (2017)

Table 11 revealed that 4(4.3%) of the respondents felt that the net profit of the firm had increased between 0-10% over the past 5 years; 18(19.1%) of them stated 10-30% increase of net profit over the past 5 years; 25(26.6%) of the respondents cited 30-60% increase of net profit over the last 5 years; 36(38.3%) of them said that there was 60-100% increase in the net profit while 11(11.7%) of them stated that net profit over the last 5 years had increased over 100% .

CONCLUSION AND RECOMMENDATIONS

The first objective of the study was to determine the influence of e-procurement on performance at Kenya Power and Lighting Company Limited. The study found out that respondents agreed that: e-invoicing improves better services to customers (M = 3.70; SD = .899); e-payment adoption reduced cost of operations at KPLC (M = 3.85; SD = .803); and online procurement facilities improved speed of data processing (M = 4.03; SD = .873). Further the study revealed that respondents were undecided that online tendering improves efficiency and effectiveness (M =3.44; SD = .899); and. Overall scores reveals that respondents were agreed that e-procurement influenced performance at Kenya Power and Lighting Company Limited (M = 3.63; SD= .905). The regression analysis has revealed a weak degree of positive correlation (r= .347; p< .05) between e-procurement and performance. R-square of .121 measures part of performance which was explained by e-procurement. It showed that approximately 12.1% of the variation in performance was attributed to variation in e-procurement**.** The overall model was statistically significant ($F_{(1, 92)}$ = 12.621; p< .05). Therefore e-procurement had influence on performance.

The second objective of the study was to establish the influence of strategic planning on performance at Kenya Power and Lighting Company Limited. The finding of the study revealed that respondents agreed that the mission statements influenced the performance in the organization (M = 3.70; SD = .878); the vision statement enhanced performance of the organization (M = 3.85; SD = .803); and formal planning process assisted in strategy development (M = 4.03; SD = .873). In addition, the respondents were undecided that: to identify a clear-cut concept of the organization and this made it possible to formulate plans and activities that brought them close to their goals (M = 3.14; SD = 1.074) and procedure on policy development influenced the performance of your organization (M = 3.44; SD = .899). Overall scores showed that strategy planning had influence on the performance (M = 3.63; SD = .905). Regression analysis showed a weak degree of positive correlation (r=.273; p< .05) between strategic planning and performance. R-square of .074 measures part of performance which was explained by strategic planning. It showed that approximately 7.4% of the variation in performance was attributed to variation in strategic planning**.** The overall model was statistically significant ($F_{(1, 92)}$ = 7.381; p< .05). The null hypothesis was rejected. Therefore, Strategic planning had influence on performance.

Conclusion

Based on the findings above, the study concluded that E-procurement had influence on performance at KPLC Central Office, Nairobi. The study also concluded that Strategic Planning had influence on performance. Overall, the study concluded that strategic management practices had influence on performance.

Recommendation

- There is need to improve on e- procurement practices to enhance performance at KPLC.

- The management of the KPLC should enhance the strategic planning techniques in order to improve performance.
- The firms should ensure that they adopted the appropriate strategic management practices which could boost their performance.

Suggestion for Further Research

- The study suggested that similar study could be carried out in the private sector.
- Moderating effect of organizational culture on the influence of strategic management practice on organizational performance
- Influence of strategic management practices on performance of public secondary schools in Kenya.

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