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DETERMINANTS OF STRATEGY IMPLEMENTATION AMONG FIRMS OPERATING IN THE PETROLEUM INDUSTRY IN KENYA

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ABSTRACT

In order for the study to achieve its main objective was guided by the following specific objectives; To establish the influence of leadership on strategy implementation among firms operating in the Petroleum industry in Kenya, to determine the influence of employee involvement on strategy implementation among firms operating in the Petroleum industry in Kenya, to investigate the influence of resource allocation on strategy implementation among firms operating in the Petroleum industry in Kenya and to investigate the influence of organization culture on strategy implementation among firms operating in the Petroleum industry in Kenya. The target population for the study was 10 oil companies. Analysis of data was done using the statistical package for the social sciences (SPSS). The findings indicated that the oil companies' chain of command was flexible. As well, there was a strong feeling of togetherness to other businesses and a job structure. Results showed that the leadership in place in the oil companies had led to the realization of objectives, motivated employees and led to the implementation of strategy. It was found out that the oil companies used the available technologies in oil companies operations. This study expanded our knowledge on the effect of strategic change on the performance of oil companies. Though this study had fulfilled its aim and objectives, there were a number of areas for additional studies and empirical research, given the limitations of the research. The leadership had coefficients of estimate which was significant basing on $\beta_1 = 0.097$ (p-value = 0.001 which was less than $\alpha = 0.05$) thus we concluded that leadership had a positive and significant effect on firm performance. This suggested that there was up to 0.097 unit increase in firm performance for each unit increase in leadership. Resource allocation revealed that 71% of the respondents strongly agreed that organizational Resources contributed to strategy implementation in organization, while 29% agreed that organizational Resources did not contribute to strategy implementation in organization.

Keywords: *Leadership, Employee Involvement, Resource Allocation, Organization Culture, Strategy Implementation*

INTRODUCTION

Strategy implementation is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue a strategy (Thompson and 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 leader\ 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. 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 leadership formulation and implementation.

The major task of managers is to assure continued existence of their organizations (Aosa, 2012). To this end, one of the concepts that have been developed and is very useful to management is strategy. Various leading management scholars and practitioners have underscored the importance of this concept. Such scholars include Porter (2010), Mintzberg (2007) and Johnson and Scholes (2007) among others. Chandler (2012) defines strategy as the determination of the basic long-term goals and objectives of an organization, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Chandler considers strategy as a means of establishing the purpose of an organization by specifying its long-term goals and objectives, action plans and resource allocation patterns to achieve the set goals and objectives. Strategy is viewed as building a defense against the competitive forces and finding positions in the industry where the forces are weakest (Porter, 1980). Knowledge of the company's capabilities and of the causes of the competitive forces will highlight the areas where the company should confront competition and where it should avoid. Strategies need to be considered not only in terms of the extent to which the existing resource capability of the organization is suited to opportunities but also in terms of the extent to which resources can be obtained and controlled to develop a strategy for the future.

According to Smith, (2004) strategy implementation is an effective management tool in transforming a bureaucratic public sector to a more responsive and innovative administration. According to Robert and Duncan (2007), strategy implementation gives overall direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy, to achieve success. Strategy implementation betters decisions making. Information communicated through vision and strategy allows people to make the best decisions in hiring and rewarding the right people, adopting and developing the right systems, and making the right investment decisions. In addition, strategy implementation increases energy resulting from rallying behind a cause, and elimination of conflict and confusion of priorities. It also improves customer satisfaction; a true test of value and leads to higher retention and growth. As a result, good planning leads to competitive advantage in doing what you do better than others. It will also lead to better decision making, uncovering the enormous intellectual and creative capacity of an organization that collectively works toward solutions rather than relying on selected few. Over time, good leadership will lead to market recognition such that a person can "own" a position and space in the marketplace. This greatly enhances the chance of success (Balance Scorecard Institute, 2002). The issue of firm performance has been central in strategy research and encompasses most other questions that have been raised in the field. For instance, why firms differ, how they behave, how they choose strategies and how they are managed (Porter, 1991). The last three decades have witnessed the proliferation of scholarly debates, business interest and studies regarding the role of strategic leadership in the achievement of sustainable competitive advantage (SCA) and organizational performance. Organizations are downsizing, rightsizing, re-engineering, and reinventing them. Change theories and models abound, each seeking to direct organizations along the path to successful change. However, these efforts are yet to provide sound conceptual, theoretical, and empirical underpinnings in the field of strategy literature and practice, a phenomenon that is considered to be undermining the status of the strategy field (Maholtra & Hinings, 2005). Interestingly, the spread of theoretical perspectives through which change has been studied in organizational settings has appeared to add to (rather than resolve) the confusion and complexity surrounding the concept and critics have questioned the value of the strategic programs being heralded as sources of competitive advantage.

According to the World Bank Group's (2007) country assessment report, the quality of service in the Kenya public sector was very low prior to 2003 due to inadequate accountability and responsibility, as well as poor governance. Poor management of the public assets led to almost total collapse of infrastructure, decline in productivity and an increase in poverty (close to 56 percent of the population were living with incomes of less than US$2 per day) (Kenya National Bureau of Statistics, 2006). Some public servants would also not attend to their duties diligently and it was common to find members of the public waiting to be served while there was no one in the office. The poor service delivery was also due to unclear direction and non-existent strategic plans. Where plans were present, there was no effective implementation and monitoring system. The lack of accountability was caused by an organizational culture characterized by negative values among staff (Republic of Kenya, 2003a; 2004; 2006).

Statement of the problem

Petroleum is an essential product to a developing country such as Kenya economy as it contributes greatly to the Kenya's GDP. The petroleum industry in Kenya, just as it is in other parts of the global market which has been thought of to be chaotic and subjected to immense pressures making strategy implementation important (Simmons, 2005). The Kenyan petroleum industries have been dodged with a lot of issues affecting their performance (PIEA, 2011).Inadequate storage facilities, poor risk management for instance volatility in transportation costs, capacity constraints leading to delays of clearing the products at the depots resulting too long lead times, supplier relationship issues, weak exchange rates, slump in the value of the shilling against the dollar, rise in prices of oil per barrel, and increased role of traders and speculators are all signs of an inefficient distribution (Economic Survey, 2011). Long lead times and other distribution inefficiencies continue to erode consumer satisfaction ultimately impacting negatively on Kenya's economic growth as stipulated in the vision 2030 (PWC, 2011).

Despite the exploration and reduction in the global petroleum price, Kenya petroleum sector is not adequately playing the expected role of economic development as envisioned in vision 2030.

Leadership at strategic level has been identified as one of the primary issues facing organizations in the 21st century, and that without effective strategic leadership strategic implementation will be rendered useless and the capability of a company to achieve or sustain competitive advantage is greatly constrained (Rowe, 2001: 81). Strategy implementation can make an organization capable to better respond the future trends, technological changes, social and economic changes, and can also provide a competitor edge in this age of high competitions. Strategic implementation can also improve the performance of an organization which at the later end may lead organizations towards a long term success and sustainability. This study seeks to investigate the determinants of strategy implementation among firms operating in the petroleum industry in Kenya.

Study Objectives

The general objective of this study is to examine the determinants of strategy implementation among firms operating in the Petroleum industry in Kenya. The specific objectives were:-

- To establish the influence of leadership on strategy implementation among firms operating in the Petroleum industry in Kenya.
- To determine the influence of employee involvement on strategy implementation among firms operating in the Petroleum industry in Kenya.
- To investigate the influence of resource allocation on strategy implementation among firms operating in the Petroleum industry in Kenya.
- To investigate the influence of organization culture on strategy implementation among firms operating in the Petroleum industry in Kenya.

LITERATURE REVIEW

Theoretical Review

Agency Theory

Based on the separation of ownership and control of activities between the agent and the principal, various agency problems may arise, such as asymmetric information between the principal and the agent, conflicting objectives, differences in risk aversion, outcome uncertainty, behavior based on self-interest, and bounded rationality (Luc and Elisabeth, 2006). The contract between the principal and the agent governs the relationship between the two parties, and the aim of the theory is to design a contract that can mitigate potential agency problems. The “most efficient contract” includes the right mix of behavioral and outcome-based incentives to motivate the agent to act in the interests of the principal (Sajad et al., 2012). The alignment of incentives is an important issue in strategic management. Misalignment often stems from hidden actions or hidden information. However, by creating contracts with strategic management partners that balance rewards and penalties, misalignment can be mitigated (Narayanan and Raman, 2004). In this case, the mechanism for controlling the relationship is the contract between the principal and the agent and, depending on the situation; the contract is a behavior-based or outcome-based. The heart of the principal-agent theory is the trade-off between the cost of measuring behavior and the cost of measuring outcomes and transferring risk to the agent (Plambeck and Gibson, 2010). Well managed relationship equates performance. This theory supported the leadership theory.

Corporate Communication Theory

Munter's (2011) corporate communication theory starts with an action-based communication loop. A communicator identifies an objective that he wants to achieve. He decides on an action -- signing up for more information. Ideally, the action-based communication loop ultimately helps the communicator achieve his goal. Munter added the elements of channel choice and cultural context to the communication loop to make it more relevant in a multicultural workplace. At its most fundamental level, the communicator chooses between a written channel and a spoken channel. Sub-channels for spoken communication include face-to-face meetings, telephone calls and video conferences. Sub-channels for written communication include email messages, faxes and brochures. The audience and the subject matter help steer the communicator to a particular channel. Complex financial data, for example, presents itself well in a written channel, where charts and graphs make the message easier to understand. Under Munter's theory of corporate communication, every aspect of the communication loop is interrelated. An organization may choose a spokesperson of a particular age or gender based on the audience's culture. When the communicator delivers a spoken message, she uses deliberate words, tones and gestures that resonate in the culture of the audience. Careful consideration is given to the medium in which the message is delivered, and the desired audience response is culturally appropriate. This theory supported employee involvement variable.

The Human Capital Theory

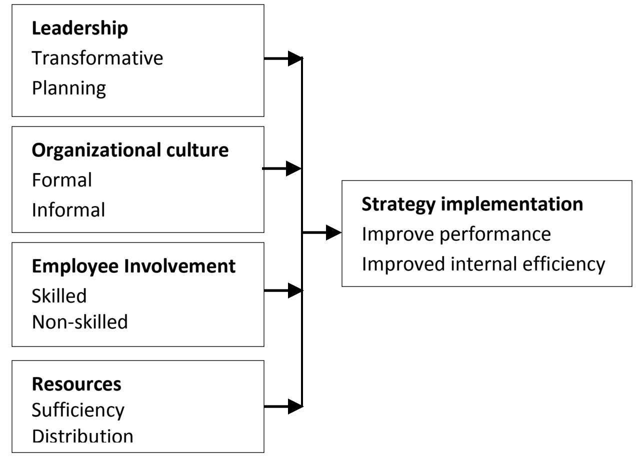
The HCT is attributed to the works of Gary Becker and argues for the human capital, structural capital and organizational capital issues. Human capital issues relate to attracting, maintaining, developing and rewarding human resources in order to create and maintain a skilled, dedicated and motivated personnel, while structural capital issues relate size and development of organizational structures that stimulate the process of creating, capturing and sizing of knowledge. Organizational capital relate to knowledge management (Buta, 2015). Buta further argues that the key questions for organizations to ask are what knowledge do we have? What knowledge do we need now and in the future? How can we create an environment and a culture that encourages individual and organizational learning? And how can we do so that both explicit and tacit knowledge is captured, stored and used judiciously? The human capital approach has often focused on various aspects raising questions of definition and operationalization. However, most analysts include in the structure features like learning (at childcare & family stage), education and professional training (educational capital), workplace training (through research and innovation or various professional networks), informal education at work (on the job) in everyday life and civic activities, the state of health (biological capital) measured by investment in healthcare and social assistance of the human resources, the volume and structure of household consumption (affects demand for education, professional training and quality of labour supply). Others include the migration/mobility (internal and external) of population and labour force, and non-cognitive skills specific to a cultural array and/or some cultural environments (Buta, 2015). Barney (1991) argues that HCT is associated with the resource-oriented perspective of the organization. This views the sustained competitive advantage as achieved when the organization has a human resources that cannot be imitated or substituted by its rivals in the market (Buta, 2015). Manolescu (2013) as quoted by Buta (2015) further argues that the stock of knowledge and all that implies the knowledge become the ultimate resource for organizations, that is, the resource that ensures/maintains competitive advantage such that human resources in organizations become equivalent to human capital and in time become a vector carrying the knowledge that is difficult to replace or imitate.

However, this theory has been critiqued in that strategy represents a new terrain that is often inconsistent with the logic of HCT (Coff, 2014). For instance, Coff opines that scholars often assume that firm specificity is important since it hinders mobility and allows the firm to capture rent, but recent works suggests that this effect may be overstated. For this assumption to be compelling, it requires strong information about human capital as opposed to the course signals that employers often rely upon. Therefore, a worker moving from a successful organization may have ample opportunities as the organization's success serves as a signal of the worker's capabilities. Other factors have focused on general human capital (workers who have skills that are valuable across organizations) which is a rare and scarce skill especially at the higher levels. These factors cause market imperfections that are at the core of strategy theory that breaks down the classical HCT logic. This theory supported the variable on employee involvement in the organization.

Resource based Theory

Firms are also viewed to be different based on the resources they are endowed with. (BirgerWernefelt,(1984) is a proponent of the resource based theory. The resource based theory stipulates that firms perform better when they assemble resources that are valuable, durable, rare, difficult to imitate, non-substitutable and superior to competitor's resources and successfully bundle them into unique capabilities which they could use to generate competitive advantage and superior performance Penrose, (1995). The resource based theory was popular in the 1960s when adoption of strategic planning practices was on increase both in the U.S.A. and overseas.

Conceptual frame work



Independent variables   Dependent variable

Figure 1: conceptual framework.

Leadership and strategy implementation

According to Smith, (2004) leadership is an effective management tool in transforming a bureaucratic public sector to a more responsive and innovative administration. According to Robert and Duncan (2007), strategic leadership gives overall direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy, to achieve success. Strategic leadership betters decisions making. Information communicated through vision and strategy allows people to make the best decisions in hiring and rewarding the right people, adopting and developing the right systems, and making the right investment decisions (Guo, 2004). In addition, strategic leadership increases energy resulting from rallying behind a cause, and elimination of conflict and confusion of priorities. It also improves customer satisfaction; a true test of value and leads to higher retention and growth.

Organizational Culture and strategy implementation

According to He, (2009) relationship performance and organizational culture has been discussed often. Most research results showed that performance has a significant relation with the organizational culture, and different strategy implementation styles may have a positive correlation or negative correlation with the organizational culture, depending on the variables used by researchers. Sun (2002) compared the strategy implementation styles with the performance in social enterprises, and showed that the strategy implementation has a significantly positive correlation with the organizational culture in social enterprises. Broadly speaking, the performance is identical with the organizational culture (Huang, 2006).

Business management attributes their successes to the strategy implementation efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational culture (Terry, 2010). The organizational culture has a considerable influence on the performance of employees. Strategy implementation is determined by the organizational culture that subordinates need realize, and gives suggestions and feedback to execution. In this course, subordinates can know the requirements of their role and executives can know demands of subordinates at the same time. Thus under the implementation stage; executives, subordinates can make organizational requested performance and get their rewards. Research results showed that the effective strategy implementation has a significantly positive correlation with the organizational performance (Elenkov, 2002).

Employee Involvement and strategy implementation

Differences in needs and expectations must be assessed and balanced among the various constituencies that have a critical interest in decisions. Members of one's own organization and key external constituencies such as the Congress, the media, and the citizens who are served by the military must be considered Huang (2006). This has substantial implications for making strategic decisions and constructing strategic plans. For example, each service has its own concept of its strategic mission, and how it should contribute to joint operations. These expectations may be at odds Liao (2005). Effective employee involvement requires understanding these different expectations and an ability to balance them in creative and non-destructive ways. Desert Storm provides an illustrative example. Political considerations governed selection of the ground forces to "liberate" Kuwait City, and determined the selection of forces that were to cross the Iraqi borders Qiu (2008).

Decisions are required on the number and types of subordinate and lateral organizations that must be brought together around a single set of understandings and purposes in order to achieve unified action Sun (2002). This issue derives from different cultural understandings, even among the services. Language used and understood by one might not have the same meaning to another. Frames of reference will differ enough to require tradeoffs between what is optimum as a 108 course of action, and what is feasible, based on current skill levels, training, concepts of employment, etc. Coordinating the action of multi-national forces was daunting (Jaramilo et al., 2005). There were enormous differences in equipment and languages. The anticipation was that communication problems would be massive. However, a staff member suggested that Special Forces soldiers (trained in the language and customs of the multi-national combatant forces, but equipped with U.S. equipment and concepts) would be an effective interface (Barney, 2001; Wright et al., 2001).

Resources and strategy implementation

The mid-levels are responsible for setting near- and mid-term goals and directions, and for developing the plans, procedures and processes used by the lower levels (Guo, 2004). (Plans, procedures, and processes are major tools for coordinating effort, particularly in large-scale organizations with many interdependent parts that must act in a coordinated way.) The mid-levels are also responsible for prioritizing missions and allocating major resources to tailor capability at the lower levels. Correspondingly, Delery and Doty (2006) claimed that this includes formulating intermediate-range resources allocation plans that implement concepts developed at higher levels, as in the Planning, Programming, Budgeting and Execution System (PPBES).

According to Delery and Doty (2008) top-level leaders are responsible for the strategic direction of their organization within the context of the strategic environment-now increasingly global. The term "strategic" implies broad scale and scope. It requires forward vision extending over long time spans-in some cases 50 years or more. Huselid (2005) thought that strategic leadership is a process wherein those responsible for large-scale organizations set long-term directions and obtain, through consensus building, the energetic support of key constituencies necessary for the commitment of resources.

Strategic leadership involves making choices between competing alternatives that are, to some extent, mutually exclusive Chien (2004). Sometimes, one choice commits resources that cannot later be allocated to another. This is "opportunity cost." At other times, opportunity has a sharply defined window, demanding quick initiation. Then there is no later opportunity for another choice. Trade-offs between a course of action that will pay off maximally in the short term, and one that will pay off maximally-if it pays off at all-in the long term contribute to the complexity of strategic decisions Zhu (2002) and Li (2002).

Empirical Literature

Leadership

Hodgetts and Kuratko (2001) and Kraus, Harms and Schwartz (2006) are of the opinion that strategic direction can contribute to performance by generating relevant information, by reducing uncertainty and by creating a better understanding of the important environment. Based on the previous findings of the researchers, Rhyne (1986) argued that the theorists of strategic management have recommended strategic planning as an essential tool for managers. Generating a greater understanding of the process of planning initiation is of interest and importance to both practitioners and theorists Harris and Ogbonna (2006). Mostly the strategic management scholars concern with variables as organizational structures and processes, business environments and performances of businesses and investigate planning in businesses (Harris & Ogbonna, 2006).

Mintzberg, (2008) notes that the realized strategy may be as a result of the deliberate (intended strategy) or emergent strategy. This is because a well-developed, logically complete strategy can be tested by the market and adjusted by managers to improve its ability to generate competitive advantage (Barney, 2009).This also implies that practitioners that uphold the design school of thought (deliberate, deterministic or prescriptive strategic plans), should also appreciate the arguments brought forth by the process school (emergent, intuitive, contingency or descriptive strategic plans). It is therefore, a surmise to say that strategic decisions should be sustainable, should offer competitive advantage, should develop processes to deliver the strategy, should exploit the linkages between the organization and its environment and should move the organization forward to a significant position (Lynch, 2009).

Organizational culture

The strategic management process entails four core stages including environmental analysis, strategy formulation, implementation and the evaluation and control stage. It is critical to both business management and planning process to understand the environment in which small business operates (Hannon & Atherton, 2007). By the external environment focus business firms can adapt market change and these enterprises have been recognized as prospector adaptive businesses (Weinrich (2007). In 1980s the strategic planning focus shifted and started to broad range of concepts and techniques aiming at the anticipating and exploiting business opportunities. In small businesses strategic planning must be made with sufficient understanding of the external environments as every business have dynamic external environment (Spillan & Ziemnowicz, 2003). The external environment analysis helps in increasing efficiency and effectiveness of planning in smaller enterprises (Kraus, Harms, & Schwarz, 2006). Hodgetts and Kuratko (2001) mentioned that by generating relevant information and understanding important environment, strategic planning can contribute to performance. The changing external environment conditions impacts on all companies' strategic direction and overall performance (O'Regan & Ghobadian, 2008). Generally opportunities for businesses are hidden in the external environments of the businesses (David, 2013; Hitt, Ireland, Sirmon, & Trahms, 2011). The companies need to prepare plans to cope with changes as they face dynamically changing environments especially such changes may be unpredictable and may occur suddenly (Phelps, Chan, & Kapsalis, 2001).

Domestic firms competing within emerging economies face a "high velocity" environment of rapid political, institutional and economic changes that are accompanied by product markets and relatively underdeveloped factors (Wright, Filatotchev, Hoskisson, & Peng, 2005). In dynamic environments where demand constantly shifts, opportunities become abundant and performance should be highest for those firms that have an orientation for pursuing new opportunities because they have a good fit between their strategic orientation and the environment (Wiklund & Shepherd, 2005).

Employee Involvement

Harris and Ogbonna (2006) stated that a key driver of organizational inertia is a lack of information about the key stakeholder involvement of the business and in-depth insight of the scenario regarding competition. Muzainah Mansor and Mahamad Tayib (2012) stressed that particular attention should be paid to competitor's actions in small businesses. The extent to which firms are oriented toward and understand not only the strengths and weaknesses but also the tactical and strategic capabilities of both current and potential stakeholder involvement is called as competitor orientation of a firm. The lack of knowledge of a firm about its stakeholder involvement drags it into troubles (Harris & Ogbonna, 2006). Temtime (2003) stressed that nowadays for success and survival the use of strategic planning is necessary because of the increasing intensity of competition in the market. As for small businesses the ever changing competitive business environment often requires to adapt quickly to a challenging environment. SMEs face competition from bigger corporations as well. Thus in order to be more competitive, resilient and relevant in the business world, SMEs need to prioritize, identify, and minimize their business challenges in today's world (Talib, Ali, & Idris, 2013).

Ieva, Putans and Muravska, (2012) mentioned that the organizations and their management who are ignorant of competitor actions are less likely to instigate efforts to change. In such conditions, firms with existing strategies are likely to become increasingly committed to their current course of action with no planning process and the initiation of planning is unlikely. Stakeholder involvement' orientation encompasses the extent to which firms are oriented toward and understand not only the strengths and weaknesses but also the strategic capabilities and tactical of both current and potential stakeholder involvement. In the context of SMEs, Pelham and Wilson (1996) have shown a positive association between market (customer and competitive) orientation and performance. The customer and market focus, planning and external environment are found among those factors which influence SMEs business success in Thailand (Islam, Keawchana, Yusuf, & Chittithaworn, 2011). French, Kelly and Harrison (2004) conducted a study in Australian small firms and found no relationship between stakeholder involvement' orientation and the small firms' performances.

Resources and strategy implementation

Narver and Slater (2010) concluded a positive relationship between resource allocation and business profitability in a sample of product and service businesses operating in a variety of industries. The findings of a study conducted by Jaworshi and Kohli (2003) suggested that resource allocation responsible to overall judgmental performance of business. Chang and Chen (2008) reported that overall more resource allocation - oriented business units seem to enjoy a higher level of business performance. Ieva et al., (2012) reported in their study that resource allocation facilitating an organization's capacity to innovate which in turn positively influences its business performance. Slater and Narver (2010) reported that the resource allocation and business performance (profitability) are positively related. Pulendran, Speed and Widing (2003) found a positive and significant relationship between resource allocation and business performance of small sized service retailers. This is the basis on which this study is designed.

METHODOLOGY

This research problem was studied through the use of a descriptive research design. Descriptive research is the investigation in which quantitative data is collected and analyzed in order to describe the specific phenomenon in its current trends, current events and linkages between different factors at the current time (Cooper, 2009). The target population for the study was 10 oil companies (see appendix). The 10 oil companies picked represent the major oil companies in the county. Descriptive statistics such as the mean score, frequencies and percentages for each variable was calculated. The mean score for each attribute was calculated and the standard deviation used to interpret the respondents deviation from the mean.

The results were presented on frequency distribution tables, pie charts and bar charts.

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \text{error}$

Where;

Y= the dependent variable (strategy implementation)

α - Is a constant; the concept explaining the level of strategy implementation given and it's the Y value when all the predictor values (X_1, X_2, X_3, X_4) are zero

β_1, β2, β3, β_4 – Are constants regression coefficients representing the condition of the independent variables to the dependent variables.

X_1 – Leadership

X_2 – Organizational culture

X_3 – Employee involvement
X_4 _ Resources

e- Error Term

RESULTS AND DISCUSIONS

Leadership and strategy implementation

The study sought to establish the influence of leadership on the strategy Implementation on the performance of oil companies. Table 1 illustrated the results.

Table 1: Leadership

	Mean	Std. Deviation
Leadership influences strategy implementation	2.85	1.066
Leaders motivate the employees	3.13	0.829
Leaders support the organizations strategy implementation	3.46	0.84
Continuous improvements in Leadership have enabled the firm to provide their services in a more direct manner?	3.86	1.015

From the results, 34.3% (35) of the respondents strongly agreed that the oil companies' have continuous improvements in Leadership have enabled the firm to provide their services in a more direct manner as indicated by a mean for the item was 3.86 and the standard deviation 1.015. There is therefore order and accountability in the oil companies environment. Johnson *et al.,* (2005) employed a meta-analytic approach using data from 26 previously published studies and concluded that strategic change positively influences Oil Company's performance. Johnson *et al*., (2005), surveyed 82 Belgian Business oil companies and reported a link between strategy and performance.

In terms of having a strong feeling that leaders support the organizations strategy implementation,31.4% (32) of the respondents strongly agreed that leaders support the organizations strategy implementation, 42.2% (43) of them agreed,9.8% (10) strongly disagreed while 16.7% (17) of the respondents were undecided. The results imply that majority of the respondents were in agreement that leaders support the organizations strategy implementation. This is backed up by a mean of 3.46 and standard deviation of 0.84. Various empirical studies have been done to establish the relationship between strategy Implementation and Oil Company's performance with varied conclusions. The initial studies include that done by Thompson *et al.,* (2007). Thompson *et al.,* (2007) studied 36 companies employing the approach of examining the performance of each company both before and after leadership was initiated. The comparison showed that leadership outperformed the oil companies with a strategy implementation on all the performance measures that were used.

In a bid to establish if the oil company's leaders motivate the employees, the respondents were asked to respond accordingly. The results were such that 6.9% (9) of the respondents strongly agreed that the oil companies leaders motivate the employees, 47.1% (48) of them agreed, and 12.7% (13) disagreed while 32.4% (33) of them were undecided. The item realized a mean of 3.13 and standard deviation of 0.83. When asked whether Leadership influences strategy implementation, 24.5% (25) of them strongly agreed that Leadership influences strategy implementations,18.6% (19) of them agreed, 18.6% (19) strongly disagreed, 9.8% (10) disagreed while 28.4% (29) of them were neutral. The mean for the item was 2.85 and the standard deviation was 1.006, an indication that it was undefined if Leadership influences strategy implementation in the oil companies.

In a related item to the extent to which Leadership contribute to strategy implementation in your firm.,4.9% (5) of the respondents strongly agreed that leadership contribute to strategy implementation in your firm,26.5% (27) of them agreed,23.5% (24) of them disagreed while 45.1% (46) of them were undecided. The item realized a mean of 3.13 and standard deviation of 0.829.It could be that the oil companies' leadership contribute to strategy implementation in your firm.

This is an indication that the respondents were not in complete agreement on whether decision making is influenced by other groups outside the oil companies, if the oil companies hierarchy keeps changing with time and modern business environment and whether the oil companies explains thoroughly the reason for the change to its employees and stakeholders. However, it was established that the job structure changes after some time and that there is a strong feeling of togetherness to the business. Thompson, Strickland & Gamble (2007) postulate that the essence of leadership is to build a market position strong enough and an organization capable enough to produce successful performance despite unforeseeable events, potent competition, and internal difficulties. The respondents were requested to comment on whether leadership contribute to strategy implementation in the oil firms. From the results, 74% (75) of the respondents noted Leadership does not contribute to strategy implementation in the oil firm's influence on the performance of the oil companies. It could be that the leadership has not been fully embraced by organizational members hence they do not perceive it as key in enhancing the firm performance.

Employee Involvement

This section of the analyses illustrated the results on employee involvement. The results were as presented in table 2. The study sought to establish how employee involvement affects the performance of the oil companies.

Table 2: Employee involvement

	Mean	Std. Deviation
Treating customers as unique individuals	2.73	0.924
Approachability and ease of contact with the service provider and their efforts to understand customers' needs	2.92	1.078
Companies can easily understand customer requirements through their employee involvement	3.44	1.165
Management can be able to visualize employee involvement as they should deliver it by asking themselves how they would want to be treated if they were the customer.	3.21	1.146
Listening to customers' concerns and proving them with a positive solution is how companies show their supplier relationships	3.49	0.805

The results were such that 9.8% (10) of the respondents agreed that managers are Treating customers as unique individuals, 8.8% (9) of them strongly disagreed, and 21.6% (22) disagreed while 59.8% (61) of them were neutral. The results summed up to a mean of 3.71 and a standard deviation of 0.765.This implies that the managers are willing and able to try new things and balance risk/reward. The leadership in place is flexible and willing to make changes to meet the conditions in the business environment. Previous empirical research and Meta analyses have indicated that leadership change has a positive effect on individual performance and organizational outcomes (Howell & Hall-Merenda, 1999). Numerous studies have reported positive relationships between leadership change and outcomes at the individual level and oil companies levels (Avolio, 1999;Kirkpatrick & Locke 1996). Most recently, many empirical studies have reported that leadership change has a positive impact on follower performance and oil companies outcomes (Avolio 2003 Jung &Sosik 2002; MacKenzie 2000; Walumbwa, 2002).

When asked whether listening to customers' concerns and proving them with a positive solution is how companies show their supplier relationships, 8.8% (9) of them strongly agreed with the statement,42.2% (43) of them agreed,10.8% (11) disagreed while 38.2% (39) of the respondents were undecided. The item realized a mean of 3.49 and a standard deviation of 0.805, an indication that the management is willing and able to fully appreciate the employees' experience of change without attaching a value judgment to it. Prior research has examined various factors to explain the growth of petrol stations, but the role of the employee involvement of CEO has not been studied. Understanding relationships between performance, employee involvements, business strategies, and management systems should provide clues on how the growth paths of fast track oil companies differ from those of lazybones. Prior research has focused on diverse personal, oil companies, and market characteristics that influence small business success.

In a bid to establish if the oil companies can easily understand customer requirements through their employee involvement, the respondents were asked on their opinion on the same. The results revealed that 16.7% (17) of the respondents strongly agreed that the oil companies can easily understand customer requirements through their employee involvement, 42.2% (43) of them agreed,6.9% (7) of them strongly disagreed,17.6% (18) disagreed while 16.7% (17) of the respondents were undecided. On the whole, managers that can easily understand customer requirements through their employee involvement. The results summed up to a mean of 3.44 ad a standard deviation of 1.165. Prior research has focused on diverse personal, oil companies, and market characteristics that influence small business success. Crespi (2003) in his study argues that the attitudes and behaviors change of the leaders substantially shape the functioning of smaller oil companies. In fact, owner/CEOs of small businesses have a strong influence on oil companies functioning and overall performance.

In regards to whether the oil companies management can be able to visualize employee involvement as they should deliver it by asking themselves how they would want to be treated if they were the customer., 14.7% (15) of the respondents strongly agreed that the oil companies have Management can be able to visualize employee involvement as they should deliver it by asking themselves how they would want to be treated if they were the customer, 28.4% (290 of them agreed, 4.9% (5) strongly disagreed, 27.5% (28) of them disagreed while 24.5% (25) of them were undecided. The mean for them item was 3.21

meaning that it has not been fully established if the oil companies immediately fires leaders who do not bring back change to the oil companies. Furthermore, 4.9% (5) of the respondents strongly agreed that the oil companies approachability and ease of contact with the service provider and their efforts to understand customers' needs, 22.5% (23) of them agreed, 16.7% (17) of them strongly disagreed, 6.9% (7) disagreed while 49% (50) of the respondents were undecided. The results were backed up by a mean of 2.92 and a standard deviation of 1.078. From the preceding results, it is undefined whether the oil companies are approachable to their customers.

Finally, 2.9% (3) of the respondents strongly agreed that oil companies are treating customers as unique individuals, 23.5% (24) of them agreed, and 56.9% (58) of the respondents disagreed while 16.7% (17) of them were neutral. The item realized a mean of 2.73 and a standard deviation of 0.924. The results suggest that it is undefined whether the oil companies keeps managers that bring change to the oil companies, if the oil companies immediately fires leaders who do not bring back change to the oil companies, if the oil companies regularly changes its customers and whether the oil companies has experienced change in leadership. Despite this, the leadership in place is flexible and willing to make changes to meet the conditions in the business environment. Also, the management is willing and able to fully appreciate the employees' experience of change without attaching a value judgment to it.

The study sought to establish the manner in which employee involvement affects the performance of the oil companies.

Table 3: How Employee involvement affects the performance of the oil companies

	Frequency	Percent
Through motivating employees	81	79.4
Through implementations of strategy	21	20.6
Through make sure objectives	61	59.8

As evidenced in table 3, the employee involvement affects the performance of the oil companies through motivating employees (79.4%), realizing objectives (59.8%) and implementation of strategy (20.6%).

Resource Allocation and Strategy Implementation

Table 4 illustrated the results on resource allocation. The findings on resource allocation revealed that 71% of the respondents strongly agreed that organizational Resources contribute to strategy implementation in your organization, while 29% agreed that organizational Resources does not contribute to strategy implementation in your organization. Studies by Zhang & Liu (2006) indicates that resource allocation contributes to the organization's healthy working environment and self-assessment capabilities which in turn increases the proficiencies of individual, teams and the entire organizations. Empirical studies also provide evidence of link between organizational resource allocation and oil companies related performance outcome.

Table 4: Resource allocation

	Mean	Std.
Resources have shown to be rather sufficient.	3.45	0.816

Resources are considered as the sustainable development pillars of strategy implementation.	3.98	0.808
Without resources strategy implementation is almost impossible.	4.09	1.025
Compared with other factors, few companies can implement extensive programmes and social ethics without even distribution of resources	3.96	1.03

On the whole, the respondents were in agreement that without resources strategy implementation is almost impossible. This was supported by a mean of 4.09 and a standard deviation of 1.025. In relation to whether Resources are considered as the sustainable development pillars of strategy implementation, 22.5% of the respondents strongly agreed that t Resources are considered as the sustainable development pillars of strategy implementation, 61.8% (63) of them agreed, 8.8% (9) disagreed while 6.9% (7) of them were undecided. The mean for the item was 3.98 and standard deviation of 0.808 meaning that the oil companies Resources are considered as the sustainable development pillars of strategy implementation. Oparanma (2010) found that organizational resource allocation is an important variable to be considered when organizational performance in consideration. The results published by Zain, Ihsak, & Ghani (2009) show that resource allocation motivates the employees to be committed to their organization. Research has shown that technology is related to organizational forms and performance (Jang, 2001), that growth rate was a determinant of business strategy.

Compared with other factors, few companies can implement extensive programmes and social ethics without even distribution of resources, 43.1% of the respondents strongly agreed that Compared with other factors, few companies can implement extensive programmes and social ethics without even distribution of resources, 22.5% of them agreed, 12.7% (13) of them disagreed while 21.6% (22) of the respondents were undecided as to whether Compared with other factors, few companies can implement extensive programmes and social ethics without even distribution of resources. The item realized a mean of 3.96 and a standard deviation of 1.08, an indication that most of the respondents were in agreement that few companies' oil companies can implement extensive programmes and social ethics without even distribution of resources. Using a dataset obtained from merging data from two Italian surveys of the services sector, Cainelli *et al*. (2006) also found out that Resources has a positive impact on the economic performance of oil companies.

In a bid to establish if the oil company's resources have shown to be rather sufficient. The respondents were asked for their opinion on the same. The results were such that 26.5% of the respondents strongly agreed that the oil companies resources have shown to be rather sufficient, 28.4% of them agreed, 4.9% disagreed while 40.2% (41) of them were undecided. This summed up to a mean of 3.45 and standard deviation of 0.808.The results suggests that the oil companies has resources have shown to be rather sufficient. Research has shown that resources are related to organizational forms and performance (Jang, 2001), that growth rate is a determinant of business strategy.

Organization culture and Strategy Implementation

Table 5: Extent of Organizational Culture contribute to strategy implementation

	Frequency	Percent
Very High	75	73.5
Very low	38	37.3

As evidenced in table 5, the respondents noted that Organizational Culture contribute to strategy implementation in organizations thus leads to improved performance.

The study sought to establish if the oil companies Organizational Culture contribute to strategy implementation. majority (99%) of the respondents confirmed that the oil companies uses the available technologies in oil companies operations. This section of the analysis presents the results on organization culture and Strategy Implementation. Table 6 illustrated the results. In an attempt to establish whether the oil companies influence organizational resources on strategy implementation.

Table 6: Organization culture

	Std. Deviation
Organizational Culture is very closely linked with strategy implementation needs.	1.124
Formal Organizational Culture is necessary to achieving strategy implementation	1.047
acknowledging informal Organizational Culture is necessary to achieving strategy implementation	1.04
In Organizational Culture, customer service teams provide expertise to select the best product which is in line with strategy implementation policy	0.959

The results revealed that 26.5% (27) of the respondents strongly agreed that Organizational Culture is very closely linked with strategy implementation needs. 19.6% of them agreed, 20.6% disagreed while 32.4% of them were undecided. The results summed up to a mean of 3.5 and standard deviation of 1.124.This means that the oil companies Organizational Culture is very closely linked with strategy implementation needs. Farooq (2011) mentioned in his study that training and development programs, as one of the vital human resource management practice, positively affects the quality of the workers knowledge, skills and capability and thus results in higher employee performance on job. This relation ultimately contributes to supreme organizational performance.

In an attempt to establish whether the Formal Organizational Culture is necessary to achieving strategy implementation. The results were such that 35.3% of them strongly agreed that the oil companies Formal Organizational Culture is necessary to achieving strategy implementation, 37.3% of them agreed, 4.9% disagreed, 3.9% strongly disagreed while 18.6% of them were undecided. The results summed up to a mean of 3.95 and standard deviation of 1.047. The results implies that the oil companies Formal Organizational Culture is necessary to achieving strategy implementation. According to Swart *et al*., (2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the workers and enhancing employee performance.

Also, the study enquired whether the oil companies acknowledged informal Organizational Culture is necessary to achieving strategy implementation the results were such that 22.5% of the respondents strongly agreed that the oil companies acknowledge informal Organizational Culture is necessary to achieving strategy implementation, 42.2% of them agreed, 3.9% strongly disagreed, 8.8% disagreed while 22.5% of them were undecided. The results summed up to a mean of 3.71 and a standard deviation of 1.04.

Finally, 47.1% (48) of the respondents strongly agreed that In Organizational Culture, customer service teams provide expertise to select the best product which is in line with strategy implementation policy, 27.5% of them agreed, 6.9% of them disagreed while 18.6% of them were undecided. The item had a mean of 4.15 and a standard deviation of 0.959.The results imply that the oil companies ensures employees are regularly trained to customer service. As depicted by the work of Harrison (2000), learning through training influence the organizational performance by greater employee performance, and is said to be a key factor in the achievement of corporate goals.

Generally, the results on organization culture summed up to a mean of 3.826 and a standard deviation of 0.832 an indication that the oil companies through organizational culture allow new innovative ideas among new employees, encourages creativity among employees, regularly hires new employees with expertise in different areas and ensures employees are regularly trained to bring new change to the firm. As mentioned by Swart *et al*.(2005) this employee superior performance occur only because of good quality training program that leads to employee motivation and their needs fulfillment.

Strategy Implementation Firm Performance

The study sought to establish the performance (Strategy Implementation) of the oil companies. The results are as presented in table 7.The performance of the firms was sought over a 4 year period right from the year 2012 to 2015.From the findings, there has been a significant decline in the sales volume from a high of 3,924,001.00 in the year 2012 with a slight decline to 3,779,265.00 in 2013 and the least being 1,591,245.00 in 2015.The net profit is also the highest in 2012 and lowest in 2015. Moreover, the result of the study of Sultana *et al.,* (2012), conducted in telecom sector of Pakistan, states that the variation in employee performance is brought by training programs. Further, they explain that training is good predictor of employee performance.

As depicted by the work of Harrison (2000), learning through training influence the organizational performance by greater employee performance, and is said to be a key factor in the achievement of corporate goals. However, implementing training programs as a solution to covering performance issues such as filling the gap between the standard and the actual performance is an effective way of improving employee performance (Swart *et al*., 2005). Firm performance is used as one indicator of effectiveness for small and large businesses and is a fundamental concern of many practicing managers. Ultimately, success and growth will be gauged by how well a firm does relative to the goals it has set for itself and as Sababu (2007) states; the formal strategic management systems significantly influence organizational performance.

Table 7: Firm Performance

		Return on asset (ROA)	Sale volume	Net profit	Customer base in "millions"
2015	Mean	0.501	1,591,245.00	1,500,000	3.5
	SD	0.119	238,445.00	204,480	1.6
2014	Mean	1.127	3,424,770.00	2,270,133	3.2
	SD	0.644	109,621.00	10,788	2.2
2013	Mean	1.4047	3,779,265.00	2,822,478	2.9
	SD	0.931	98,401.00	12,411	2.4
2012	Mean	1.881	3,924,001.00	2,970,193	2.9
	SD	0.74	113,400.00	99,681	1.1

Various studies have been carried out on the effects of strategic management practices on performance. These studies range from regional, national and international. Ofunya and Afande (2013), studied on the effects of strategic management practices on performance of financial institutions in Kenya. They Found out that outstanding customer service, improving operational efficiency, controlling quality of products and services, intense supervision of frontline personnel, developing brand or company name identification, targeting a specific market niche or segment and providing specialty products and services. In this study the researcher looked at the financial institutions that whose customers are driven by the zeal to accumulate wealth by growing their investments. Kathama (2012), studied strategic planning practices and performance of state corporations in Kenya and found that there is a positive relationship between strategic planning process and performance of corporations.

Correlation results

Correlation analysis is conducted to study the level at which two variables move or diverge together from one case to the next, and to assess the significance of the connection. This analysis generates a correlation coefficient which explains the extent to which the two variables move together. The correlation coefficient is coded as "r". The "r" value range is between 0 to ±1. The value of zero (0) indicating that there is no relationship between the two variables. The value of ±1 showing that there is a perfect linear relationship between the two variables. A positive value shows that the two variables move together in the same trend, and when the "r" is a negative value, it shows that the variables move in opposite direction or trend.

Table 8: Correlation results

	firm performance	Leadership	Employee involvement	resource allocation	Organization culture
firm performance	1				
Leadership	.319**	1			
	(0.001)				
Employee involvement	.667**	.326**	1		
	(0.000)	0.001			
Resource allocation	.717**	.369**	.676**	1	

	(0.000)	(0.000)	(0.000)		0
Organization culture	.721**	0.131	.570**	.676**	1
	(0.000)	(0.000)	(0.000)	(0.000)	

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

Table 8 presented Pearson correlation results of the study dependent and independent variables to assess the association of the variables. Findings revealed that leadership was positively and significantly associated with firm performance (r = 0.319, ρ<0.01). Further, employee involvement was positively and significantly correlated to firm performance (r = 0.667, ρ<0.01). Likewise, resource allocation was positively correlated with firm performance (r = 0.717, ρ<0.01). Also, organization culture change was indicated to positively relate with firm performance (r = 0.721, ρ<0.01). This implies that leadership, employee involvement, resource allocation and organization culture change are expected to influence firm performance.

Regression Results

According to table 9, the R value indicates a relatively strong correlation between predictor variables and the consequent variable (firm performance). This is because the R value is positive (.812). This means that firm performance that the studied oil companies recorded was attributed to a certain percentage of predictor variables. According to the value of the R-Square, 65.9% of the firm performance could be explained by independent variables. Therefore independent variables would have a 65.9% influence on the performance of the studied oil companies while the remaining 34.1% could be attributed to other factors other than predictor variables.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.812[a]	0.659	0.645	0.61941	1.77

a Predictors: (constant), organization culture, leadership, employee involvement, resource allocation
b Dependent Variable: Firm performance

Findings in table 10 showed that leadership had coefficients of estimate which was significant basing on $\beta_1 = 0.097$ (p-value = 0.001 which is less than $\alpha = 0.05$) thus we conclude that leadership has a positive and significant effect on firm performance. This suggests that there is up to 0.097 unit increase in firm performance for each unit increase in leadership. The effect of leadership is more than the effect attributed to the error, this is indicated by the t-test value = 1.486.Consistent with the results, Thompson *et al.,* (2007) posit that leadership helps in building a market position strong enough to produce successful performance despite potent competition, unforeseeable events and internal difficulties. This implies that those firms that have made use of leadership are likely to outperform those with no strategic change on all the performance measures.

The results are also in line with that of Johnson, Scholes & Whittington (2005) elucidating that companies with strategic change outperformed companies with little strategic change. In a similar vein, Johnson *et al.,* (2005) in their meta-analytic approach concluded that strategic change positively influences Oil Company's performance. Further support to the study findings is by Rukunga (2003) who postulates that organization structural change at the Nairobi Bottlers Ltd positively affected their operations and improved their overall performance. The results are also in line with that of Balkin (2000) asserting that structural change within an organization is inevitable if great performance is to be achieved.

Table 10: Coefficient of Estimate

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-1.048	0.444		-2.362	0.02
Leadership	0.179	0.121	0.097	1.486	0.001
Employee Involvement	0.329	0.115	0.237	2.846	0.005
Resource Allocation	0.303	0.118	0.246	2.575	0.012
Organization culture	0.508	0.105	0.407	4.846	0.000

a Dependent Variable: Strategy Implementation (firm performance)

Research findings also showed that employee involvement had coefficients of estimate which was significant basing on β_2= 0.237 (p-value = 0.005 which is less than α = 0.05) implying employee involvement has a significant effect on firm performance. This indicated that for each unit increase in employee involvement, there was 0.237 units increase in firm performance. Furthermore, the effect of employee involvement was stated by the t-test value = 2.846 which implied that the standard error associated with the parameter was less than the effect of the parameter. Cognate to the results, Crespi (2003) in his study argues that owner/CEOs of small businesses have a strong influence on oil companies functioning and overall performance. Similarly, Avolio, (1999) notes that employee involvement is an essential ingredient in the mix of factors that influence a oil companies's success. The results are also in tally with that of McShane & Von Glinow, (2000) indicating that leadership change creates a strategic vision, communicate the vision through framing and use of metaphor hence improving the overall firm performance.

According to Sekaran (2003) a correlation of +1 implies a perfect positive linear relationship between variables. As presented in table 10, all the independent variables had a strong positive correlation with effect of strategic change on performance of petroleum industry in Kenya which are the dependent variable (p-value <0.01). Table 4.12 demonstrates that employee was found to have a statistically significant strong positive correlation with performance of oil companies (r=0.508, p=value =0.000).

In addition, findings showed that resource allocation had coefficients of estimate which was significant basing on β_3= 0.246 (p-value = 0.012 which is less than α = 0.05) implying resource allocation has a significant effect on firm performance. The results suggest that resource allocation brings about improved firm performance. As such, for every unit increase in resource allocation there is also an increase in firm performance by the same unit. Furthermore, the effect of resource allocation was stated by the t-test value = 2.575 which implies that the standard error associated with the parameter is more than the effect of the parameter.

In line with the results, Zhang & Liu (2006) indicate that resource allocation contributes to the organizations healthy working environment which in turn increases the proficiencies of individual, teams and the entire organizations. In a similar vein, Lee & Yu (2004) reported that resource allocation was found to impact a variety of organizational processes and performance. As well, Oparanma (2010) found that organizational resource allocation is an important variable to be considered if organizational performance is to be improved. Further support to the study findings is by Jang, (2001) who provided evidence of link between organizational resource allocation and oil companies related performance outcome. Also, Klette & Kortum (2004) observed a positive correlation between technological change and productivity across oil companies. The results are also in tally with that of Cainelli *et al*. (2006) indicating that technological change has a positive impact on the economic performance of oil companies. Besides, Hall (2011) found out that there is a positive relationship between technological change and productivity.

Finally, findings showed that organization culture change had coefficients of estimate which was significant basing on $\beta_4 = 0.407$ (p-value = 0.000 which is less than $\alpha = 0.05$) thus organization culture change has a significant effect on firm performance. This suggests that there is up to 0.407 unit increase in firm performance for each unit increase in organization culture change. The effect of organization culture change is four times the effect attributed to the error, this is indicated by the t-test value = 4.846.This conforms to a study by Farooq (2011) indicating that training and development programs positively affects the quality of the workers knowledge, skills and capability and thus results in higher employee performance on job. The results also corroborate with that of Sultana *et al.,* (2012) indicating that the variation in employee performance is brought by training programs. Also, Harrison (2000) posits that learning through training influence the organizational performance by greater employee performance. Besides, Wright & Geroy (2001) elucidates that employee competencies changes through effective training programs which in turn improves the overall performance.

Optimal Model

Table 11: Optimal Model

Variable	B
Leadership	0.179
Employee involvement	0.329
Resource allocation	0.303
Organizational Structure	0.508

The most significant variable at 5% significance level was Organizational Structure at 0.508.

CONCLUSIONS AND RECOMMENDATIONS

The aim of the study was to determine effect of strategic change on performance of petroleum industry in Kenya. The study was guided by four research questions and the first research question sought to determine the effect of leadership on performance of petroleum industry in Kenya. The findings indicated that the oil companies' chain of command is flexible. As well, there is a strong feeling of togetherness to other businesses and a job structure. It was however not fully established if the oil companies usually has a job structure after sometime and whether decision making is influenced by other groups outside the oil companies. Besides, there was doubt whether the oil companies’ hierachy keeps on changing with time and modern business environment and if the oil companies explains thoroughly the reasons for the change to all employees and other stakeholders.

The second research question sought to determine effect of employee involvement on performance of petroleum industry in Kenya. Results showed that the leadership in place in the oil companies has led to the realization of objectives, motivated employees and led to the implementation of strategy. Furthermore, the managers are willing and able to try new things and balance risk/reward. They are also willing to fully appreciate another person’s experience of change and not attach a value judgment to it. There is however doubt if the oil companies keeps managers who bring new changes to the oil companies, immediately fires leaders who do not bring back change to the oil companies, regularly changes its customers and experiences change in leadership.

The next research question aimed at determining the effect of resource allocation change on performance of petroleum industry in Kenya. It was found out that the oil companies uses the available technologies in oil companies operations. The technology is fast and efficient and has enhanced good customer relation. Consequently, embracing of new technologies is an advantage. In addition, the oil companies has increased online marketing and the online communication with clients and staff. Also, the oil companies has implemented IFMIS together with E-procurement and ERP. Furthermore, the oil companies has implemented new electronic communicative devices within the oil companies and has adopted modern technologies on online payments and depositing.

The final research question aimed at determining the effect of change in organization culture on performance of petroleum industry in Kenya. It was found out that the oil companies allow new innovative ideas among new employees and encourages creativity among them. Besides, the oil companies regularly hires new employees with expertise in different areas and ensures employees are regularly trained to bring new change to the oil companies.

Conclusion

Leadership is of essence in that it helps marshal and allocate an organization’s resources into a unique and viable posture hence improving the overall performance. In most cases, firms that have embraced leadership have a flexible chain of command and a feeling of togetherness thus making it possible for them to have an edge over competitors and sustainable competitive advantage. It can therefore be said that leadership has actually enhanced the performance of the oil companies in central business district.

The employee involvement helps oil companies to achieve their objectives by linking job performance to value rewards and ensuring that the resources required to meet the said objectives are available. As such, the employee involvement facilitates the improvement of performance. This is especially the case when the oil companies’ strategies are in line with the employee involvement in place. Also, leaders and subordinates can also influence each other in order to achieve organizational goals. For instance, when the leaders are willing to fully appreciate another person’s experience of change and to not attach a value judgment to it, improved oil companies performance is realized. Set objectives are realized, employees are motivated and there is implementation of strategy. As such, employee involvement positively influences Oil Company's performance.

In addition, the study established that resource allocation change has a positive impact on Oil Company's performance. Resource allocation improves the market position for firms which is indicative of superior performance. Through resource allocation change, oil companies are able to make use of technologies that are fast and efficient. The technology enhances their good customer relation and increases both their online communication with clients and staff and enhances good customer relation. It can therefore be said that resource allocation change is key in enhancing Oil Company's performance.

Finally, organization culture change is crucial since it increases employees' level of understanding on the job they are tasked with. Specifically, it is pivotal to the realization of high output levels in the oil companies. In the event that employees recognize the organization has interest in them through offering training programs, they are likely to apply their best efforts to achieve organizational goals thus enhancing organizational performance.

Recommendations

The study established that leadership had a positive and significant effect on the performance of oil companies in central business district.It is therefore utmost necessary for oil companies to have a flexible chain of command so that they can effectively adapt to the challenges in the external environment and in turn counter potent competition.There is also need for organzational members to have a feeling of togetherness to the business and a job structure that is in line with the overall objectives of the organization.Besides,it is also important for the oil companies to explain thoroughly the reasons for changes to its employees and stakeholders so as to facilitates integration and coordination.

The study established that employee involvement is a key driving force for improved oil companies' performance. It plays a role in enhancing or retarding the interest and commitment of the individuals in the organization. Therefore, it is utmost necessary for managers to be willing to fully appreciate person's experience of change and to not attach a value judgment to it. They also need to be willing and able to try new things and balance risk/reward. The leadership in place should be a source of motivation to the employees, lead to realization of objectives and the implementation of strategy.

The resource allocation change had a positive and significant influence on the performance of oil companies. There is therefore need for oil companies to embrace new technology in oil companies operations so that they are ahead of the competition. Such technology will also enhance their good customer relation and increase their online marketing. It is thus crucial for the oil companies to embrace new technology by making use of new electronic communicative devices within the oil companies and the adoption of modern technologies on online payments and depositing.

The organization culture change had exhibited a positive and significant influence on the performance of oil companies. There is therefore need for organization culture so that they can develop the appropriate knowledge and skills to work efficiently, and achieve oil companies' objectives. Also, oil companies need to allow new ideas among new employees and encourage creativity among them. In addition, oil companies should engage in hiring new employees with expertise in different areas and ensure that they are regularly trained.

Suggestions for further studies

This study expands our knowledge on the effect of strategic change on the performance of oil companies.Though this study has fulfilled its aim and objectives, there are a number of areas for additional studies and empirical research, given the limitations of the research. Despite the in-depth coverage of this study and its findings, there still exists a gap that future research could explore. This study only focused on the firm performance of oil companies but firm performance is quite wide. Therefore, the study suggests that further research should focus on other performance measures such as internal business process, learning and growth and customers.

On a geographical dimension, this study was primarily limited to petroleum industry in Kenya. Therefore, it may not be appropriate to generalize to the whole population of oil companies in this country or any other country. For this reason, further empirical investigations in different regions and countries are needed. The methodology that has been chosen to achieve the research objectives was limited to questionnaires. As such, future research could build on this study by examining influence of strategic change on firm performance in both a qualitative and quantitative way. Also a replication of this research on different industries would provide data for comparison.

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