STRATEGY, TRAINING AND PERFORMANCE IN THE PUBLIC SECTOR: A CASE OF THE MINISTRY OF ENERGY AND PETROLEUM

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

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DECLARATION

This research project is my original work and has not been presented for award in any other University.

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This research project has been submitted for examination with my approval as University supervisor.

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I thank God for sufficient grace to complete this project. Were it not for His grace, I could not have managed to come up with this project. To you I say thank you Lord. I also thank my supervisor Dr. Regina Kitiabi for providing me with valuable feedback and guidance during the entire process of developing this project. May God bless you.
DEDICATION

I dedicate this project to my fellow class mates and friends who gave me all the support while developing the project and to my wife Millicent, children Donnet, Laura, Larry and Daniella for their understanding of my absence from home during the period of this research project.
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<tr>
<td>CIC</td>
<td>Cooperative Insurance Company Limited</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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ABSTRACT

Strategy has a tremendous impact in training because it aids in determining the required skills in current market settings and how an organization would develop their capabilities to offer the best training to its employees for continuous success within dynamic business environment. Organizations are faced with many challenges trying to implement strategies due to a number of reasons. The public service to a great extent has been affected by globalization, public reforms, human resource development, information, communication and technology (ICT), regional and international partnerships. The purpose of this study was to examine the effect of strategy and training on performance of Ministry of Energy and Petroleum. Specifically, the study examined the effect of strategy on performance of Ministry of Energy & Petroleum and how training affected performance of Ministry of Energy and Petroleum. The study was informed by the Human Capital theory and Resource Based theory. The study adopted descriptive research design. The researcher collected both primary and secondary data. The collected data was analyzed using SPSS software. The findings suggested that formal strategic planning processes guide the operations of the Ministry of Energy and Petroleum. The model explained some of the variation in the dependent variable, and considering that the regression model is significant, this proportion of variation is indeed actual and not random. Efficiency and effectiveness are logical outcomes of improving the skills of employees. The Ministry of Energy and Petroleum considers employee training to be a valuable tool that helps it attain its strategic goals. The study concludes that training and strategy have a significant impact on performance at the Ministry of Energy and Petroleum. With a clear training policy and strategy, it is not hard to see what makes the employees efficient and effective in discharging their work tasks. The study recommends that the Ministry of Energy and Petroleum should increase the investment in training employees because it is a good way of enhancing service delivery.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In this fast paced global business environment, both commercial and public sector firms have to ensure the employee skills are oriented with the direction of the firm for maximum performance and response to the dynamics of the external environment. The strategy concept is essential in enhancing performance of the public services through training of the work force. Strategy has a tremendous impact in training because it aids in determining the required skills in current market settings and how an organization would develop their capabilities to offer the best training to its employees for continuous success within dynamic business environment (Robert, 2004). Employees are the most valuable asset in firm that enables the business to gain and sustain competitive advantage within the marketplace but this requires set- skills to enhance on their competencies to be aligned with the changing external context. Through strategy, a firm is capable to identify the best ways to train employees and foster continuous success within the firm (Sims, 2006). According to Johnson and Whittington (2005) strategy is a direction and a scope of an organization in order to achieve firms’ objectives and to be sustainable in the changing external environment over a period of time through mobilization of the firms’ resources.

This study was supported by Human Capital theory and Resource Based theory. The Human Capital theory provides that investment in labour in terms of knowledge, skills, creativity, education and experience in a person by an organization increases ability to perform work of economic value for competiveness of an organization. The study was also based on the Resource Based View of the firm theory which recognizes
organizational processes, knowledge sharing and close working relationships as resources that can be used to improve the competitiveness of organizations. This theory argues that organizations are open systems and are environment dependent, and thus need to continuously respond and adjust to the changes in the unstable environment. It is in this framework where the present research problem under study evolves.

Strategy improves corporate performance in various ways which are embedding in training. Strategy is perceived as a merging paradigm that provides consistency and direction of the organization activities hence sustained competitive advantage. Andrews (1971) asserted that strategy has an influence of the firm performance by making managers able to cope up with external challenges by adopting an appropriate strategy and ensuring the structure is matched with the intended strategy. Strategy is critical in performance since it provides the linkage of the firm’s capabilities and resources to explore the environmental challenges and deal with its threats. Firms that are profitable have a well thought and executed strategy (Thune & House, 1970). This has a greater determination of the employee skills and how efficiently they execute their value creating activities.

1.1.1 The Concept of Strategy

A strategy is developed plan by an organization which integrates an organizational goals and objectives in order to enhance performance and to be sustainable in the environment (Quinn, 1980). Its purpose is to provide direction on the operation of the organization so as to achieve the set targets to fit in the ever dynamic environment (Pearce & Robinson, 2007). Machuki (2010) defines strategy as configuration of firms’ resources, actions,
processes and capabilities in order to enhance sustainable success in the dynamic external environment. It helps position a firm competitively in a given industry to attain competitiveness (Johnson & Scholes, 2008). In addition, strategy identifies the key areas of focus for an organization if it is to remain competitive in the industry (Pearce & Robinson, 2007). With the increasing competition among firms, a strategy enables firms to gain competitive advantage by laying strategies that would move its operations from one point to a future desired position.

According to Thompson and Strickland (2007) a strategy creates fitness between organizational competencies and opportunities in the operating environment. A strategy matches internal resources to challenges posted by the external environment for competitiveness. Andrews (1997) argues that a strategy aligns organizational operations to the changes in the operating environment for competitiveness. The operating environment changes very fast and renders organizations uncompetitive unless they are ready and willing to change and adapt in a timely manner to remain competitive.

1.1.2 The Concept of Training

Training is a valuable tool and an investment in the organization that helps to improve profitability, reduce costs and increase employee motivation, commitment and effectiveness (Edmonds, 2010). In recent years, training is being influenced by the extent of global competition and technological development. The current trends of globalization and the dynamism that they engender in the labor market have given rise to unforeseen challenges and market demands that were previously not addressed in the current educational and vocational curricular (Jiang, Lepak, Hu & Baer, 2012).
The focus on the human behaviour within the scope of their job should be the basis of any training session (Guest, 1997). Training puts emphasis on the performance of the job by employees and identifications of the skills and knowledge ‘gaps’ in undertaking some tasks. According to Liebermann and Hoffmann (2008) contended for the apparent useful importance of the training was to coordinate the trainee's desires, employees would be fulfilled. Consequently, when down to earth importance coordinates or surpasses the trainee's desires, he/she will respond all the more decidedly. On the off chance that the training is less pertinent, the trainee will be less fulfilled or may demonstrate a negative response. Positive response with respect to the trainee improves learning.

Wang and Wang (2006) contend that a more reasonable method for assessing response is to get the learner's input on the enthusiasm for, consideration regarding and inspiration towards the learning object furthermore, if the training fulfills the adapting needs of the trainee and the response is sure, the other assessment levels like learning, exchange and results ought to demonstrate a more profitable yield. In the long haul, exchange can prompt to enhance organizational and individual execution.

Nikandrou, Brinia and Bereri, (2009) found that trainees' objectives and assumptions with respect to training exchange to the work environment toward the start of the training had a huge effect. A man's objectives had the most unequivocal part in either exchanging or not exchanging the training to work. The effect of "inspiration to learn" and trainees' objectives was huge and the two related elements were essential for the training procedure.
1.1.3 The Concept of Organizational Performance

Organization performance is the extent to which organizations is able to achieve its objectives (McNamara, 2010). Firms have developed to discover new ways to assess their performance, as a result organizational performance refers to how an organization is able to exploit the environment that it operates to gain access to and use the resources which are limited (Yachtsman & Seashore, 1967).

Understanding organizational objectives was a more complicated process than what was considered at first, Directors started to comprehend that an organization is just prosperous if it successfully achieves its objectives using least resources (effectiveness). Along these lines, the consequent organizational hypotheses held to the possibility of an organization that accomplishes its performance purposes in spite of the imperatives forced by restricted resources (Lushes & Adrian, 1998). In this viewpoint, benefit has been one of the numerous measures of performance.

Institutional performance is an arrangement of financials and non-financial related pointers which give understanding with regards to the level of accomplishment of objectives and results (Lawrimore, 2009). There are two main measures of firm performance. The first one is financial whereas the second one is non-financial. Financial performance is a measure concerned with the firm’s overall financial wellbeing over a predetermined time period. Financial measures include the ratios, the firm’s profitability and the overall health of the balance sheet.

The other measure of organizational performance is non-financial (qualitative). Put in another way, these are intangible measures. Pearson and Robinson (2007) contend that
the earlier measures of organizational performance, give insufficient or erroneous perspective of the status of the business and its capability to keep growing. They further argue that a company should persistently try to find ways to grow and enhance its qualitative measures. Some of the measures of non-financial performance include customer base, branch network, employees and customer satisfaction. Kaplan and Norton (2008) agree with the view that quality improvement must be a process unto infinity. Performance is the goal of every organization. It refers to the end result of activities while strategic planning aims to improve these results.

1.1.4 Energy and Petroleum Sector

Energy and Petroleum is considered as one of the infrastructural enabler of the three pillars of the vision 2030 of Kenya. The Kenya energy and petroleum sector has been changing over the recent past. Through the passing of the electric power Act in 1997, the Petroleum Cap 308 of laws of Kenya and Geothermal Resource Act 91 of 1997, there was a separation of commercial functions in the sector from strategy policy setting, regulatory and coordinating function. The government of Kenya realized the essentials of the energy and petroleum sector due to the high inflation rate experienced in the 1973/74 and 1979 which made the country to spend a lot of the foreign exchange to import oil. Various public ministries were formed to manage and settle the issue arising from the energy and petroleum sector, thus the establishment of the Ministry of Energy and Petroleum, that led to the formation of the electricity development organizations such as Rural Electrification Programme, Kenya Electricity Generating Company, the Kenya Power & Lightning Company, National Oil Corporation of Kenya, Kenya Pipeline
Company Limited and the Kenya Petroleum Refineries Limited as key players in the energy and petroleum sector but regulated by the Energy Regulatory Commission (ERC).

Kenya is believed to possess enough energy resources due to its advantaged geographical location ranging from geothermal, wind and solar and the recent development in the energy and petroleum sector like the discovery of oil tunnels in the Northern Eastern part of Kenya thus there is need to establish a commercial viability efforts of the energy sector in order to ensure that the energy and petroleum sector is significant to the economy of the country.

1.1.5 The Ministry of Energy and Petroleum in Kenya

This ministry in Kenya is mandated with the responsibility coordinating as well as developing the energy sector in the country (Institute of Economic Affairs, 2015). This ministry is further involved with the formulation as well as articulation of efficient policies to govern the utilization of energy and petroleum in the nation. Through these policies, the ministry is able to create a productive environment for all its stakeholders. The tasks in its docket range from planning the national energy and petroleum, proper use of available resources to facilitate training of work force and mobilization of the financial resources at its disposal (Ministry of Energy and Petroleum, 2013). The ministry of energy oversees and guides policy implementation of the energy sector in the country. The ministry is a traditional organization with electricity and petroleum being the dominating subsectors within it (Kant, Masiga & Veenstra, 2014).

The Ministry’s five key functions include: Setting the Energy Sector Policy, vision and strategic direction; developing least cost power development master plan; undertaking
geological, geophysical and geochemical mapping for geo-energy minerals; promoting development of renewable energy; energy efficiency and conservation and lastly exploring, appraising and developing petroleum resources. The ministry is broadly responsible for the provision of energy power consumers both commercial and households, and the management of downstream processes. The ministry role is essential in the development of the Kenya’s socio-economic dimension because it forms the main drivers of the economy and social pillar (Ministry of Energy & Petroleum, 2015).

1.2 Research Problem

Strategy is important for any organization to achieve its goal be it in the corporate or public sector. Organizations are faced with many challenges trying to implement strategies due to a number of reasons. Implementing a strategy requires changes in an organization. This may take the form of developing new processes of doing things, improving on the existing process and capacity building among staff and customers to enable them work comfortably with new systems implemented in an organization (Thompson & Strickland, 2007). Strategy has a tremendous impact in training because it aids in determining the required skills in current market settings and how an organization would develop their capabilities to offer the best training to its employees for continuous success within dynamic business environment. Through strategy, a firm is capable to identify the best ways to train employees and foster continuous success within the firm (Sims, 2006).

The public service to a great extent has been affected by globalization, public reforms, human resource development, information, communication and technology (ICT), regional and international partnerships (KAPAM annual paper on the role of Kenyan
public service in a changing global environment, 2010). Strategies developed in the Kenyan public sector has not been effective and the sector has been seen as ineffective and irrelevant (Ministry of Planning, strategy paper on growth and employment in Kenya 2003 - 2007). There is increased effort to refine and transform Kenya’s public sector management due to the mindset that public service delivery has not satisfied public interest optimally (Hope, 2012). There is need for public service management to be reshaped and enhanced in a manner that makes it more sensitive to public demands through effective training of employees tasked with strategy implementation.

Numerous studies have been carried globally and locally on the influence of strategy and training on organization performance. However most of the studies conducted have concentrated on strategy without taking into account the impact of training while still others have discussed training without its alignment with organizational strategy. There are also other studies conducted on strategy and training but failed to consider their impact on organizational performance.

Waruguru (2010) studied on strategic human resource training and development practice for co-operative Bank of Kenya and established that Co-operative Bank has a strategic plan which consists of among others strategic human resource training and development plan. The management believes that training plays a big role in the achievement of the bank’s strategic plan through providing employees with up to date expertise to meet present and future performance demands.

Kiarie (2012) carried out a research at Co-operative Insurance Company Ltd (CIC) and found out that they were using balanced scorecard in implementing the chosen strategies.
This study concentrated on how balanced scorecard could be used in strategy implementation and did not bring in the issues to do with performance which the current study seeks to provide.

Wambua (2012) did a research on strategy implementation at Balozi Sacco Society and her findings revealed that there was staff involvement; commitment from management and that leadership was an important practice in the strategy formulation. Training of staff, preparation of an implementation plan and regular reviews of strategy were found to be important practices in strategy implementation. However, Wambua failed to examine the influence of strategy and training on organizational performance which the current study seeks to determine using a case study of Ministry of Energy and Petroleum.

Teresa (2013) studied on the implementation of strategic plans in non-governmental organizations in Kenya. The study reveals that focusing on the functional strategies with resource availability contributes to the success of strategy implementation.

Oanda (2013), studied the challenges of strategy implementation in Private Security Companies in Kenya, and the study revealed out that poor communication and lack of capabilities and skills for executing strategy due to inadequate training posed a big challenge to the successful implementation of strategies.

From the aforementioned studies it is clear that little research has been done on influence of strategy and training on performance specifically at Ministry of energy and petroleum; hence creating a gap that this study intended to fill by answering the research question: What is the influence of strategy and training on performance of Ministry of Energy and Petroleum?
1.3 Research Objectives
The study sought to determine the effect of strategy and training on performance of Ministry of Energy and Petroleum. The specific objectives of the study were:

i) To determine the impact of strategy on performance of Ministry of Energy and Petroleum;

ii) To establish the impact of training on performance of Ministry of Energy and Petroleum;

1.4 Value of the Study
The study would be important to the policy makers in the Government and other Government bodies responsible in making policies related to energy and petroleum provision. Through the findings of this study, the Government through the Ministry of Energy and Petroleum would develop appropriate policies to guide policy formulation and implementation in autonomous government bodies in Kenya.

The finding of the study would form a future reference to researchers, scholars and students who may aspire to take out research on the same or correlated field. The study may also be helpful to scholars and researchers in identification of further areas of research on other related studies by highlighting related topics that require further research and reviewing the empirical literature to establish study gaps. The study would contribute significantly to strategy and training in the public sector.

The study would be important to the management of the Ministry of Energy and Petroleum who formulate strategies and the whole organization since they implement the strategies. The management and all staff at Ministry of Energy and Petroleum would
understand how strategy and training affects the organization in its quest to deliver on its mandate.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter entails the theoretical framework that forms the basis of the study, literature on strategy, training and strategy training and performance. A review of empirical studies alongside the conceptual framework underlying concepts and variables on the effect of strategy and training on organization performance is also examined.

2.2 Theoretical Foundation

Several theories offer insights into the rationale underlying strategy and training. They are discussed below. They include the human capital theory and resource-based view of the firm theory. It is in this framework where the present research problem under study evolved (Sarkis, 2011).

2.2.1 The Human Capital Theory

The theory on Human Capital proposes that education raises the profitability of laborers by bestowing valuable learning and abilities, thus raising specialists’ future pay by expanding their lifetime income. It proposes that consumption on preparing and education is exorbitant, and ought to be considered a speculation since it is attempted with a view to expanding personal salaries.

The human capital approach sees Human capital in particular terms that is, the acquisition of a specific expertise with a restricted mechanical application and in this manner a method for production and one's yields depend somewhat on the rate of give back the human capital one possesses. In this manner, human capital is a method, into which
additional venture yields additional yield. Human capital is substitutable, however not transferable like land, work, or altered capital (Becker, 1996).

The term human capital is characterized by all human capacities intrinsic or gained. Human capital is characterized as the consolidated insight, skills and abilities that give the organization a particular face. The components of human capital in an organization are fit for learning, changing, enhancing and giving the inventive push, which if legitimately roused, can guarantee the long-term survival of the organization. The human capital concept is helpfully seen as a spanning concept and gives a connection between human resource practices and business execution as far as resources as opposed to business forms. Learning, aptitudes and capacities of people in an organization creates and sustain the human capital paradigms (Becker, 1996).

The role of human capital as a potential wellspring of feasible upper hand has as of late been the center of considerable enthusiasm for the scholarly and mainstream press. The present terms, for example, scholarly capital, information work and specialists, and elite work frameworks (HPWS) all mirror another enthusiasm for "individuals" as a wellspring of upper hand, instead of a cost to be minimized. By extension, scholarly resources and the organizational frameworks that draw in, create, and hold them are rising as huge components in vital decision-production. A gifted and propelled workforce giving the speed and adaptability required by new market goals has expanded the vital significance of Human Resource Management (HRM) issues when traditional wellsprings of upper hand (quality, innovation, economies of scale, and so forth.) have ended up simpler to emulate (Becker, 1996).
This theory was relevant to the study as it recognized that investment in labour in terms of knowledge, skills, creativity, education and experience in an individual person by an organization increases ability to perform work of economic value for enhancement of competitiveness of an organization.

2.2.2 Resource Based Theory

The resource based theory is in view that for a sustained competitive advantage and improved performance by a firm may be realized by exploiting resources that are non-substitutable, rare, imperfectly imitable and valuable (Hart, 1995). A valuable resource or bundle of resources allows an enterprise to harness opportunities and reduce threats in its environment. A rare resource or bundle of resources is one that is not possessed by a large number of firms. A non-substitutable resource or bundle of resources is one for which an equivalent resource cannot easily be created by competing firm or firms. An imperfectly imitable resource or bundle of resources is one that is difficult to replicate or one that can be replicated at a significant cost (Hart, 1995). Resources in an organization are in a form of assets, information, skills and knowledge, processes, capabilities, and firm attributes, among others. (Daft, 2001)

Helfat and Peteraf (2003) argued for dynamic capabilities, that is, resources can only be valuable in a firm if they are employed in a way that considers the dynamic external business environment (Sirmon, Hitt & Ireland, 2007). The resources can be categorized as tangible or intangible (Mentzer, Min & Bobbitt, 2004). Knowledge is one frequently discussed intangible resource in the theories of the firm (Mentzer et al., 2004). The learning that incorporates buyers and suppliers concerning business processes and
activities such as collaborating with suppliers to ensure lead time reduction, but such learning is strongly directly related to supplier performance and reduced operating costs in supply chain relationships (Carter, 2005).

This theory is relevant to the study because it recognizes organizational processes, knowledge sharing and close working relationships as resources that can be used to improve the competitiveness of organizations.

2.3 Strategy and Organization Performance

Strategic management is important for organizational performance. Statistics indicates that many strategies that are well formulated end up not well implemented because of challenges in strategy implementation. Well implemented strategies lead to realization of better organizational performance (Blahová & Knápková, 2010).

Scientific studies from strategic management standpoint, suggests that applying appropriate strategies in an organization is essential in achieving better organizational performance (Brown & Blackmon, 2007). Operationalizing strategy is as important as formulation only that it involves many stakeholders compared to formulation (Favaro, 2015). Without well planned strategy implementation program, no strategy would be implemented regardless of its superiority. Better strategy implementation assures companies of improved returns on investment (Lefort, 2015).

Effective strategy implementation enables organization record great benefits in terms of improved customer satisfaction, loyalty and repeat purchase. Signs of poor strategy implementation could involve low self-esteem among employees, low employee retention, low customer satisfaction and struggling organizational performance found that
companies which emphasize on good strategy implementation sustained twice financial success compared to poor implementers. Sometimes implementation is hard to get right, yet success of organizations depends on effective implementation. Shah (1996) posits that without effective implementation of strategy, establishment of the organizational route of operation and the formulation of the organizational strategy performance may not be realized. Therefore, for performance to be realized, measures have to be put in place to ensure effective implementation of the strategy.

The influence of strategy implementation on performance is subject to soft factors, which are the factors related to human capital like commitment, communication, and consensus, hard factors like hierarchy of positions in the organizational and administrative systems and mixed factors. Most organizations do not report good performance outcomes because the organizations and their managers forget the vital role of strategy implementation (Rahimnia, 2009).

In a study to establish the effect of strategic management on organization growth and development, Mougbo (2013) observed that strategic management was not regularly practiced among the manufacturing firms in Anambra State Nigeria but those firms that adopted strategic management practices had significantly increased in competitiveness; in influence on employee’s performance; in organizational productivity and had enhanced structural development.

Locally, Maroa and Muturi (2015) examined the influence of strategic management practices of floriculture firms in Kenya. The study findings revealed that those firms that had strategic plans, and implemented them as planned as well as conducted strategy
evaluation and exercised control over their strategies mainly had their financial performance for the last five years being good, and a few of them experienced extremely good (excellent) performance.

Mbaka and Mugambi (2014) conducted a study on strategy implementation in the Water Sector in Kenya through descriptive design. By use various secondary data reports on how various water projects were implemented. The findings show that strategy implementation in the water sector was affected to a large extent by the level of management support, inadequacy of resources and technical expertise among staff. The findings further indicated that strategy implementation was affected by the type of management leadership and the communication effectiveness.

Ndegwah (2014) studied strategy implementation in learning institutions by focusing on Public Secondary Schools in Nyeri County, Kenya. The study collected primary data using a semi structured questionnaire to collect data. The explanatory variables of the study included: Managerial skills, Resources allocation, Rewards & Incentives and Institutional policies. The targeted respondents included institutions’ Principals who were free to delegate to their Deputies in the 2 Sub-counties: Mukurweini and in Othaya. The findings show that: Resources allocation, institutional policies, Managerial skills and Incentives greatly affected strategy execution. Proper management of these factors had a great influence on strategy implementation among secondary schools in the study area.

2.4 Training and Organization Performance

Training and development aspect, is one of the essential human resource management practice that positively influences the employees’ capability and skills thus leading to
higher employees’ performance rate which eventually affects the organizational performance (Guest, 1997). According to Nonaka and Takeuchi (1995) there is a positive correlation between employees training and employees performance which it showcased that a firm gain higher returns when the employees have the relevant knowledge and skills in their operations in the firm.

Learning through training and development has an impact on the organizational performance through increase in employees’ performance, (Harrison, 2000). There is high need to incorporate programs on training and development to effectively enhance the performance of employees to be able to achieve the objectives of the firm and to remain sustainable in the dynamic environment (Swart, 2005). In order to bridge the gap of performance there is an emphasize to adopt relevant training intervention in order to improve the employees’ skills and abilities and enhance their performance which increases the morale of the employees who may be not be confident on their capabilities. Good training programs increase employees’ motivation and morale and their need fulfillment thus impacting on the organizational performance.

Training not only improves the workers’ skills and abilities in the organization on the current tasks and responsibilities but it enhances ultimate knowledge, attitude and capabilities for the future job thus enhancing to superior organizational performance (Wright and Geroy, 2001). Training leads to higher level of employees’ commitments to their objectives thus improves both organizational and individual performance level (Ahmad and Bakar, 2003)
Arthur and Bennett (2003), sought to establish the relationship between specified training design and evaluation features and the effectiveness of training in organization. Meta-analytic procedure was used to empirically assess specified training design and evaluation features on the training programs. They found that the training procedures employed, the skill or task characteristic trained and the choice of training evaluation procedures are related to observed effectiveness of training programs. This research was conducted in the department of psychology. The results of this study cannot be generalized as data was collected from the department of psychology in America therefore a similar study in the Kenyan context would be of importance.

Myles (2000) in study established that there is need to enhancement of employees’ motivation through skills and capabilities which eventually influences the performance of the employees and the organization at large. For the employees of the organization it will improve on the customer service levels and lead to more referrals from the satisfied customers hence increase in the sales levels. This result to increase in the profitability of the organization and thus suppliers will tend to collaborate with the organization due to the financial strength and its positive reputation; therefore the company will tend to negotiate on a friendly basis with the suppliers. This will be the same as described by Lisk (1996) on the virtuous circle that training and development and performance have a relationship which is reciprocal.

To further illustrate the reciprocal relationship due to the training and development. Firms with organizational culture that empathize on training and development in regards to employees outperformed other companies in the industry due to their high performance
rate and sustainability due to the changes in the environment (Learner, 1986). According to Seligman (1978), training increases productivity and job satisfaction which eventually improves the organizational performance. Firms that have embraced training and development practices are able to sustain in the dynamic environment due to the retention of the shareholders, suppliers, employees and customers as they are perceived to have the interest of stakeholders and this influences financial performance of the organization positively (Noe, 2001).

Batool and Batool (2012) in their paper analyzed the effect of employees training as to how it brought competitive advantage to an organization. Three variables were examined; learning experience, trainer quality and, training design. On learning experience, it was established that the employers rewarded skills and creativity from the training. Training design specified whether training was designed for on-the-job, off-the-job, or whether the course was rather specific or general in nature. Competitive strategy was on how to sustain competitive advantage in the competitive environment and the need to achieve a cost or differentiation position in the industry. Data was collected using sampling technique. It was established that employees in the organization need training and progress in order to sustain the organization competitive advantage and overall performance of the firm.

Odinga (2010) carried out a study on staff development programs and job performance of lecturers of Moi University to determine the relationship between training and promotion of lecturers and job performance. A sample size of one hundred and fifty two lecturers was adopted. Simple stratified random sampling was used to identify the lecturers and
self-administered questionnaires were used to collect data. The study concluded that training has a positive correlation with job performance, in which the lecturers who take opportunity of the seminars, conferences, and short training courses, PhD programs training and learning tend to increase job performance rate. The study also revealed that a promotion, both administrative and academic needed training indication for it is a contributing factor towards job performance of lecturers in Moi University.

Ombui (2014) carried out a study to determine how training and development influence employee performance in research institutes in Kenya. The research employed a descriptive and correlation research designs while the target population was from all government research institutes formed under the Science & Technology Act. The study revealed that there is a highly significant relationship between employee performance and training and development at 0.383 (P=0.000). The research study recommended the need for research institutes to initiate training and development programs which are essential to their programs.

2.5 Research Gap
From the aforementioned studies (Arthur and Bennett, 2003; Myles, 2000; Batool and Batool, 2012; Odinga, 2012, Ombui, 2014) it show how specific elements of strategy and training impact on the performance of the organization, but are drawn from firms in different sector of the economy and their focus on different variables of training and strategy from the variables in the public sector especially in the Ministry of Energy and Petroleum.
Thus, there is need for comprehensive understanding of the impact of implemented strategy and training programs on the performance of the public sector. This study therefore intended to fill this research gap by focusing on the training, strategy and performance of the Ministry of Energy and Petroleum.
Table 2.1: Summary of the Research Gaps

<table>
<thead>
<tr>
<th>Author of study</th>
<th>Focus of Study</th>
<th>Methodology</th>
<th>Findings</th>
<th>Knowledge Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maroa and Muturi (2015)</td>
<td>Influence of strategic management practices of floriculture firms in Kenya.</td>
<td>The data was collected from prominent organizations and the associations between variables tested by use of rigorous techniques.</td>
<td>Firms that had strategic plans, and implemented them as planned as well as conducted strategy evaluation and exercised control over their strategies mainly had their financial performance for the last five years being good</td>
<td>Need to better understand whether employees understanding of the strategy influences performance.</td>
</tr>
<tr>
<td>Mbaka and Mugambi (2014)</td>
<td>Strategy implementation in the Water Sector in Kenya and its influence on performance</td>
<td>The study used various secondary data reports Data was analyzed using non-parametric approaches.</td>
<td>Strategy implementation in the water sector was affected to a large extent by the level of management support, inadequacy of resources and technical</td>
<td>Need to better understand whether the factors affecting strategy implementation in the water sector are also in the</td>
</tr>
<tr>
<td>Author of study</td>
<td>Focus of Study</td>
<td>Methodology</td>
<td>Findings</td>
<td>Knowledge Gaps</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------</td>
<td>-------------</td>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td>Ndegwah (2014)</td>
<td>Strategy implementation in learning institutions</td>
<td>The study collected primary data using a semi-structured questionnaire to collect data. The data was analyzed using non-parametric approaches.</td>
<td>Resources allocation Managerial skills, Institutional policies, and Rewards/Incentives greatly affected strategy implementation.</td>
<td>Information lacking on how strategy implementation influences organizational performance.</td>
</tr>
<tr>
<td>Author of study</td>
<td>Focus of Study</td>
<td>Methodology</td>
<td>Findings</td>
<td>Knowledge Gaps</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
<td>-------------</td>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td>Odinga (2010)</td>
<td>To determine the relationship between training and promotion of lecturers and job performance.</td>
<td>Simple stratified random sampling was used to identify the lecturers and self-administered questionnaires were used to collect data.</td>
<td>The study concluded that training is positively related with job performance.</td>
<td>The study did not relate training with organization strategy</td>
</tr>
<tr>
<td>Ombui (2014)</td>
<td>To determine how training and development influence employee performance in research institutes in Kenya.</td>
<td>The study adopted descriptive and inferential statistics. Primary data was collected for the study</td>
<td>The study revealed that there is a highly significant correlation between employee performance and training and development.</td>
<td>The study did not relate training with strategy. The findings can also not be generalized to other institutions</td>
</tr>
</tbody>
</table>
2.6 Conceptual Model

The conceptual model aims at illustrating the presumed relationship between Strategy, Training and Performance. In this model, strategy and training are the independent variable while performance is the dependent variable. The strategy entails the organization culture, stakeholder involvement and communication in strategy implementation while Training involves expertise and performance training seminars. Proper implementation of strategy and training determines the organization performance.

Similarly cost reduction, productivity, flexibility, quality products, service delivery, customer satisfaction, innovation and efficiency in asset utilization are indicators of performance.

Figure 2.1: Conceptual Model

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
<td><strong>Organization Performance</strong></td>
</tr>
<tr>
<td>- Organization culture</td>
<td>- Cost Reduction</td>
</tr>
<tr>
<td>- Stakeholder involvement</td>
<td>- Productivity</td>
</tr>
<tr>
<td>Communication</td>
<td>- Flexibility</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>- Quality Products</td>
</tr>
<tr>
<td>- Expertise training</td>
<td>- Service Delivery</td>
</tr>
<tr>
<td>- Performance training</td>
<td>- Customer Satisfaction</td>
</tr>
</tbody>
</table>

Source: Author (2017)
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the methodology that was used in establishing the impact of strategy and training on organization performance. It addresses the research design that was adopted, the population of study, criteria for data collection and analysis.

3.2 Research Design
A descriptive research design was employed. This is because the study involves getting detailed information from public units and using numbers to analyze or determine the existing relationship (Khan, 2008). A single entity study was considered suitable since it allowed the researcher to focus on one unit namely Ministry of Energy and Petroleum in Kenya and to conduct an in-depth study on the impact of strategy and training on performance at the ministry.

3.3 Data Collection
This study used both primary and secondary data to address the two objectives of the study. Primary data was acquired directly from the respondents and this was done using a well-structured questionnaire. The questionnaire had both open and closed ended questions and captured the respondents’ perception about the impact of strategy and training on the firm’s performance.

The choice of the respondents was based on respondents’ excellent experience or knowledge of specific issues associated with strategy and training. The respondents were drawn from the different departments in the Ministry of Energy and Petroleum, in which
the study targeted a population of forty respondents which five respondents were drawn from the eight departments of the Ministry of Energy and Petroleum.

Documentary secondary data was obtained from the organization’s records dates ranging from (2008 - 2016). The secondary data capture the performance of the Ministry of Energy and Petroleum.

3.4 Data Analysis

Data pertaining to training and strategy being qualitative was coded using the numeric scales that were used by the respondents in responding to the questions posed in the questionnaire. This transformed the data into a quantitative form that permitted analysis using quantitative methods. The Statistical Package for Social Sciences (SPSS) software was used to analyze the data. To address objectives of the study, descriptive statistics including measures of central tendency and dispersion were employed in the analysis. These were means and the standard deviations, and they assisted in exploring the underlying features in these data.

Frequencies were adopted in examining the features underlying the data on demographic characteristics of the respondents, which stemmed from the fact that such data was categorical. Regression analysis was used in establishing the relationship between strategy and training and performance of the Ministry of Energy and Petroleum.

The analytical model used is;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 \]

Where:
Y=Composite measure of firm performance encompassing various aspects of efficiency and effectiveness that result from training and development.

\(X_1, X_2, =\) Strategy and training respectively

\(\beta_0=\) The intercept of the regression model

\(\beta_1, \beta_2 =\) Coefficients of the regression model.
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the research data alongside the outcome of its analysis. It covers the descriptive statistics, correlation analysis, regression analysis, and the interpretation of the findings. The findings yield insights that offer answers to the research questions.

4.2 Descriptive Statistics

Descriptive statistics were used to evaluate the central tendency and dispersion of the data. This section presents the descriptive statistics for various variables.

4.2.1 Demographic Data

Out of the forty (40) respondents that the researcher contacted for this study, thirty five (35) completed the questionnaires, translating to a response rate of 87.5%; this response rate was considered satisfactory since it crossed the minimum threshold recommended by Cooper and Schindler (2010). The researcher sought to know the period over which the respondents had worked at the Ministry of Energy and Petroleum. Table 4.1 below shows the findings

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>4</td>
<td>11.43</td>
</tr>
<tr>
<td>1 - 5 years</td>
<td>7</td>
<td>20.0</td>
</tr>
<tr>
<td>6-10 years</td>
<td>18</td>
<td>51.43</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>6</td>
<td>17.14</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Most of the respondents (51.43%) indicated that they had worked at the Ministry of Energy and Petroleum for between 6 to 10 years. The second-largest category of
respondents were those who had worked at the Ministry of Energy and Petroleum for between 1 and 5 years (20%), while the smallest categories comprised the workers whose work experience spanned over 10 years (17.14%) and less than a year (11.43%). From the findings, it is clear that most of the respondents had worked at the Ministry of Energy and Petroleum for a considerably long period, making them knowledgeable about strategy, training and performance at the ministry. Figure 1 below further illustrates the findings tabulated above.

**Figure 4.1: Respondent’s Work Experience**

4.2.2 Strategy at the Ministry of Energy and Petroleum

The researcher sought to know the aspects of strategy at the Ministry of Energy and Petroleum. The respondents were asked to use a 5-point Likert scale to indicate how they agree with statements describing aspects of strategy. The responses were then analyzed using descriptive statistics. Table 4.2 below shows the findings.
Table 4.2: Descriptive Statistics-Strategy at the Ministry of Energy and Petroleum

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ministry regularly evaluates developments in the external environment</td>
<td>4.25</td>
<td>0.04</td>
</tr>
<tr>
<td>Appraising developments in the external environment helps the ministry formulate the strategic goals</td>
<td>3.69</td>
<td>0.43</td>
</tr>
<tr>
<td>The strategic goals change from time to time as the external environment demands</td>
<td>3.59</td>
<td>1.37</td>
</tr>
<tr>
<td>The organizational culture changes every time the ministry has changed the strategic goals</td>
<td>3.59</td>
<td>2.12</td>
</tr>
<tr>
<td>The ministry ensures that the organizational culture aligns with the external environment</td>
<td>3.31</td>
<td>0.31</td>
</tr>
<tr>
<td>The ministry involves all stakeholders when formulating the strategic goals</td>
<td>3.22</td>
<td>0.71</td>
</tr>
<tr>
<td>The ministry communicates strategic goals to everyone</td>
<td>2.94</td>
<td>0.25</td>
</tr>
<tr>
<td>The strategic goals inform the tactical and operational plans</td>
<td>2.94</td>
<td>0.85</td>
</tr>
<tr>
<td>The ministry’s strategic goals are formulated in the context of the mission and vision</td>
<td>4.06</td>
<td>0.21</td>
</tr>
<tr>
<td>All the employees understand the ministry’s mission and vision</td>
<td>4.06</td>
<td>0.21</td>
</tr>
</tbody>
</table>

From the findings, it is clear that formal strategic planning processes guide the operations of the Ministry of Energy and Petroleum. The respondents agree that regular evaluation of the external environment helps the ministry appraise the issues it needs to consider when deciding on strategic goals. The respondents also agree that strategic goals do not remain static, and they do change in tandem with the developments in the external environment. Indeed, according to the resource based theory, for a sustained performance by an organization, there is need to exploit resources that are non-substitutable, rare, imperfectly imitable and valuable (Hart, 1995). The Ministry of Energy and Petroleum cannot know how to exploit good resources if it has not evaluated the strategic demands that the external environment poses. The respondents also agree that the strategic goals are communicated to the employees, and that they inform other aspects of operations such as the organizational culture, the tactical and operational plans. When the employees barely know the strategic goals that an organization is pursuing, it becomes difficult for
them to cooperate in implementing those goals. Therefore, the Ministry of Energy and Petroleum has no choice but to communicate the details of the strategic plan to all employees.

4.2.3 Training at the Ministry of Energy and Petroleum

The researcher sought to know the aspects of employee training at the Ministry of Energy and Petroleum. The respondents were asked to use a 5-point Likert scale to indicate how they agree with statements describing aspects of employee training. The responses were then analyzed using descriptive statistics. Table 4.3 below shows the findings.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ministry regularly evaluates the external environment in order to determine the training needs</td>
<td>3.97</td>
<td>0.28</td>
</tr>
<tr>
<td>Changes in the strategic goals often inform the staff training needs</td>
<td>3.87</td>
<td>0.74</td>
</tr>
<tr>
<td>The ministry has a clear employee training and development policy</td>
<td>3.78</td>
<td>0.30</td>
</tr>
<tr>
<td>The staff training needs reflect the skills deficiencies necessitated by a changing operating environment</td>
<td>3.59</td>
<td>0.03</td>
</tr>
<tr>
<td>The training strategy is always congruent with the ministry’s strategic goals</td>
<td>3.50</td>
<td>0.49</td>
</tr>
<tr>
<td>The ministry ensures that all staff attend regular seminars and workshops</td>
<td>3.31</td>
<td>0.89</td>
</tr>
<tr>
<td>The ministry has provided all staff with adequate incentives for participating in training activities</td>
<td>3.22</td>
<td>0.15</td>
</tr>
<tr>
<td>The ministry trains staff in the skills they require to discharge the duties that the strategic goals demand of them</td>
<td>3.13</td>
<td>1.86</td>
</tr>
<tr>
<td>The training initiatives are aimed at making the staff more efficient in their tasks</td>
<td>4.25</td>
<td>0.75</td>
</tr>
<tr>
<td>The resources allocated for training have been changing depending on how the training needs change</td>
<td>4.15</td>
<td>0.35</td>
</tr>
</tbody>
</table>

From the findings, the respondents agree that the ministry trains the employees in order to equip them with skills that help them meet emerging demands of the workplace. Changes in the strategic goals imply a change in the tactical and operational plans, and in turn, this means the employees have to change how they go about their work tasks. To enable the employees go about their work tasks effectively, the ministry must train them
well; the logic informing this is easy to figure considering that the resource-based view of
the firm advocates for the development of dynamic capabilities that help an organization
to deal with changes in its external environment (Simon, Hitt & Ireland, 2007). The
respondents also agree that the ministry goes to great lengths to ensure the employees
undertake training, including allocating adequate resources and giving the employees
appropriate incentives in order to encourage them to participate in training. Overall, from
the findings, it is clear that the Ministry of Energy and Petroleum considers employee
training to be a valuable tool that helps it attain its strategic goals.

4.2.4 Organizational Performance

The researcher also sought to establish the performance of the Ministry of Energy and
Petroleum. The respondents were asked to use a 5-point Likert scale to indicate how they
agree with statements describing performance outcomes. The responses were then
analyzed using descriptive statistics. Table 4.4 below shows the findings.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The costs of implementing the ministry’s strategic initiatives have</td>
<td>4.50</td>
<td>0.04</td>
</tr>
<tr>
<td>declined</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The staff use fewer resources to accomplish their work tasks</td>
<td>3.91</td>
<td>0.45</td>
</tr>
<tr>
<td>The staff have become more productive in their work tasks</td>
<td>3.81</td>
<td>1.45</td>
</tr>
<tr>
<td>The ministry’s staff can accomplish their work tasks more flexibly</td>
<td>3.81</td>
<td>2.24</td>
</tr>
<tr>
<td>With more skills from training, the staff have become innovative in</td>
<td>3.51</td>
<td>0.32</td>
</tr>
<tr>
<td>discharging their work tasks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The quality of service that the ministry provides has increased</td>
<td>3.41</td>
<td>0.75</td>
</tr>
<tr>
<td>The ministry’s stakeholders have expressed satisfaction with the services</td>
<td>3.12</td>
<td>0.27</td>
</tr>
<tr>
<td>The levels of innovation in the ministry have improved</td>
<td>3.12</td>
<td>0.90</td>
</tr>
<tr>
<td>The ministry’s staff have come up with better ways to address</td>
<td>4.30</td>
<td>0.22</td>
</tr>
<tr>
<td>stakeholders’ needs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The ministry has become more efficient in utilizing its assets</td>
<td>4.30</td>
<td>0.22</td>
</tr>
</tbody>
</table>
From the findings, the respondents agree that the Ministry of Energy and Petroleum has experienced an improvement in efficiency and effectiveness. Increased efficiency is embodied in the fact that tasks cost less to accomplish, while increased effectiveness is manifest in the fact that employees can complete the tasks they are mandated with. Efficiency and effectiveness are logical outcomes of improving the skills of employees. When the external environment places new demands on the tasks that the employees should accomplish in the workplace, training gives them the skills they require in order to remain efficient and effective (Swart, 2005).

4.3 Correlation Analysis

The Pearson correlation coefficient was used to evaluate the nature of the relationship between the study variables. The following table shows the matrix of correlation coefficients.

<table>
<thead>
<tr>
<th></th>
<th>Organizational performance</th>
<th>Training</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational performance</td>
<td>1</td>
<td>0.7013</td>
<td>0.4617</td>
</tr>
<tr>
<td>Training</td>
<td>1</td>
<td>0.5307</td>
<td>1</td>
</tr>
<tr>
<td>Strategy</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

The organizational performance at the Ministry of Energy and Petroleum correlates positively with training (Pearson coefficient = 0.7013) and strategy (Pearson coefficient = 0.4617), showing that increased investment in training, and strategic planning, result in improved performance. Training gives employees the skills they need to execute their work tasks, resulting in high levels of efficiency and effectiveness in performing work tasks. The findings also show that training has a positive correlation with strategy (Pearson coefficient = 0.5307), meaning a high level of effort expended in strategic
planning makes the organization invest more in training. Indeed, strategic planning helps the organization discern how factors in the external environment have necessitated employee training.

4.4 Regression Analysis

Regression analysis was used to evaluate how strategy and training predicted performance. This section presents the results of regression analysis.

4.4.1 Model Summary

The following table shows the summary of the regression model.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.5173a</td>
<td>0.2676</td>
<td>0.2813</td>
<td>0.1802</td>
</tr>
</tbody>
</table>

Predictors: (Constant), strategy, training

From the findings, the multiple R is 0.5173, while the R Square is 0.2676. The R Square implies that the regression model explains about 26.76% of the variation in the dependent variable. The multiple R means that the predicted values follow the same pattern as the actual values of the dependent variable do.

4.4.2 Analysis of Variance (ANOVA)

The F-test of significance of a regression model was used to test the significance of the regression model. The following table shows the results of the significance test.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.636</td>
<td>2</td>
<td>2.318</td>
<td>193.167</td>
<td>0.0000</td>
</tr>
<tr>
<td>Residual</td>
<td>0.395</td>
<td>33</td>
<td>0.012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.031</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), strategy, training
b. Dependent Variable: organizational performance

The findings show that the mean regression sum of squares exceeds the mean residual of squares, and this shows that the model fits the data well. Therefore, it is no surprise that the model is statistically significant. The significance value of the F-test statistic is 0.00, which is far less than the 0.05 significance level at which the significance of the model was evaluated.

4.4.3 Coefficients

The coefficients of the regression model were estimated and then tested for significance.

Table 4.8 below shows the findings.

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.7314</td>
<td>0.4833</td>
</tr>
<tr>
<td>Training</td>
<td>0.4206</td>
<td>0.2817</td>
</tr>
<tr>
<td>Strategy</td>
<td>0.8301</td>
<td>0.5312</td>
</tr>
</tbody>
</table>

Dependent Variable: organizational performance

The regression coefficients were tested for significance at the 0.05 significance level.

From the findings in table 4.8, the significance values of the test statistics used to evaluate the significance of the regression coefficients all fall below 0.05, indicating that the coefficients are significant predictors of the dependent variable. Therefore, the regression model is a good representation of the relationship hypothesized in this study.

4.5 Interpretation of Findings

The findings show that the regression model fits the data well; the Multiple R is 0.5173, meaning the performance that the regression model predicts is not significantly different
from the actual performance. The model explains up to 26% of the variation in the dependent variable, and considering that the regression model is significant, this proportion of variation is indeed actual and not random. The significance of the regression model shows that training and strategy have been beneficial for the Ministry of Energy and Petroleum. Strategy is the formal mechanism through which the organization decides the goals to pursue, and how to pursue those goals.

The formulation of strategy is preceded by the evaluation of the external environment in order to ascertain the appropriate goals to pursue. Once the strategic goals are clear, the organization can easily identify the skills deficiencies in its employees, and this helps it clarify the training needs and formulate the training strategy and policy. With a clear training policy, it is not hard to see why the employees would be efficient and effective in discharging their work tasks. From the findings, the coefficients of training and strategy are 0.4206 and 0.8301 respectively, meaning a unit change in training and strategy increases performance by 0.4206 and 0.8301 respectively. Strategy seems to have a higher impact than training does because it determines if training is effective in enhancing organizational performance.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the study and draws the necessary conclusions. The findings provide valuable insight on how the Ministry of Energy and Petroleum can leverage training and strategy to enhance performance. The chapter also highlights the limitations of the study and suggests areas for further research.

5.2 Summary

The findings suggest that formal strategic planning processes guide the operations of the Ministry of Energy and Petroleum. The respondents agree that regular evaluation of the external environment helps the ministry appraise the issues it needs to consider when deciding on strategic goals. The respondents also agree that strategic goals do not remain static, and they do change in tandem with the developments in the external environment. The respondents also agree that the ministry goes to great lengths to ensure the employees undertake training, including allocating adequate resources and giving the employees appropriate incentives in order to encourage them to participate in training.

The model explains some of the variation in the dependent variable, and considering that the regression model is significant, this proportion of variation is indeed actual and not random. The significance of the regression model shows that training and strategy have been beneficial for the Ministry of Energy and Petroleum. Increased efficiency is embodied in the fact that tasks cost less to accomplish, while increased effectiveness is manifest in the fact that employees can complete the tasks they are mandated with.
Efficiency and effectiveness are logical outcomes of improving the skills of employees. The Ministry of Energy and Petroleum considers employee training to be a valuable tool that helps it attain its strategic goals.

5.3 Conclusion

Training and strategy have a significant impact on performance at the Ministry of Energy and Petroleum. The ministry cannot know how to exploit good resources if it has not evaluated the strategic demands that the external environment poses. There is high need to incorporate programs on training and development to effectively enhance the performance of employees to be able to achieve the objectives of the firm and to remain sustainable in the dynamic environment. When the employees barely know the strategic goals that an organization is pursuing, it becomes difficult for them to cooperate in implementing those goals.

In order to bridge the gap of performance there is an emphasize to adopt relevant training intervention in order to improve the employees’ skills and abilities and enhance their performance which increases the morale of the employees who may not be confident on their capabilities. With a clear training policy and strategy, it is not hard to see what makes the employees efficient and effective in discharging their work tasks. Once the strategic goals are clear, the organization can easily identify the skills deficiencies in its employees, and this helps it clarify the training needs and formulate the training strategy and policy.
5.4 Recommendations

The Ministry of Energy and Petroleum should increase the investment in training employees because it is a good way of enhancing service delivery. In an era of increasing demands for accountability, public service entities like the Ministry of Energy and Petroleum cannot afford low levels of efficiency among their employees. These entities have no choice but to do what it takes to enhance their service to a level that satisfies all their stakeholders. Formal strategic planning and employee training will go a long way in helping the Ministry of Energy and Petroleum to enhance its service quality and justify the increased allocation of public resources that it has enjoyed in the recent past. The operating environment for public service organizations is constantly changing because socio-economic factors do not remain constant, and adapting to this change will help the Ministry of Energy and Petroleum stay true to its mission and vision. Strategic planning processes should change to reflect the realities that confront the modern organization because the use of outdated processes might cause the Ministry of Energy and Petroleum to adopt wrong tactical and operational plans, thereby making training ineffective. Ineffective training will not only be detrimental to the Ministry of Energy and Petroleum, but also to the employees who will face disincentives.

5.5 Limitations of the Study

The study was anchored on strategy models that are largely applicable to commercial entities. It is not clear how appropriate these strategy models are for public service organizations like the Ministry of Energy and Petroleum. Considering the unique nature of public service entities, there was need to include variables that control for the nature of the entity under study because this would have cured the deficiencies of using models
that are not suited for a particular organization. Such control variables would have helped generate insight on the extent to which the strategy models for commercial entities can be applied to public service organizations and still yield valid findings.

5.6 Suggestions for Further Research

This study should be replicated but there should be additional control variables that capture the idiosyncrasies of public service entities. The control variables would be helpful in figuring the applicability of strategy models for commercial entities in public service organizations, and such insight would help in the strategic planning process in public service entities. There is need for the Ministry of Energy and Petroleum to adopt effective mechanisms of strategic planning, and this means it is important for it to use the right models. Therefore, clarifying that what works for commercial entities may not necessarily work for public service entities will be helpful in ensuring that the Ministry of Energy and Petroleum does not waste resources in implementing strategies that do not work for it.
REFERENCES


Odinga (2010). *Staff Development Programs and Job Performance of Lecturers in Moi University*, Kenya, Unpublished research project


Yuchtman, E. & S.E. Seashore (1967) "A System Resource Approach to Organizational
APPENDICES

APPENDIX I: QUESTIONNAIRE

This questionnaire is intended for use in collecting data in pursuit of the objectives of the study titled “Strategy and training on performance in the public sector: A case of the Ministry of Energy and Petroleum”. It has three sections each containing questions on general survey participant information, training and strategy and effect of the training and strategy on performance. Kindly complete the questionnaire as per the instructions. All information given will be strictly confidential. All data collected is for academic purpose only. Your participation is highly appreciated

PLEASE DO NOT WRITE YOUR NAME OR EMPLOYMENT NUMBER

SECTION A: GENERAL INFORMATION

1. What is your position? .................................................................

2. What is your gender?

(a) Female [   ]

(b) Male [   ]

3. How long have you worked for the Ministry of Energy and Petroleum

(a) Less than 1 year [   ]

(b) 1-5 years [   ]

(c) 6-10 years [   ]

(d) More than 10 years [   ]
**SECTION B: TRAINING AND STRATEGY**

4. Please indicate how you agree with the following statements, using the scale; 1-not at all, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent.

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<th>Statement</th>
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<tr>
<td>The ministry regularly evaluates developments in the external environment</td>
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<td>Appraising developments in the external environment helps the ministry formulate the strategic goals</td>
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<td>The strategic goals change from time to time as the external environment demands</td>
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<td>The organizational culture changes every time the ministry has changed the strategic goals</td>
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<td>The ministry ensures that the organizational culture aligns with the external environment</td>
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<td>The ministry involves all stakeholders when formulating the strategic goals</td>
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<td>The ministry communicates strategic goals to everyone</td>
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<td>The strategic goals inform the tactical and operational plans</td>
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<td>The ministry’s strategic goals are formulated in the context of the mission and vision</td>
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<tr>
<td>All the employees understand the ministry’s mission and vision</td>
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5. Please indicate how you agree with the following statements, using the scale; 1-not at all, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent.

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<tr>
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<tr>
<td>The ministry regularly evaluates the external environment in order to determine the training needs</td>
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<td>Changes in the strategic goals often inform the staff training needs</td>
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<td>The ministry has a clear employee training and development policy</td>
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<td>The staff training needs reflect the skills deficiencies necessitated by a changing operating environment</td>
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<td>The training strategy is always congruent with the ministry’s strategic goals</td>
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<td>The ministry ensures that all staff attend regular seminars and workshops</td>
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The ministry has provided all staff with adequate incentives for participating in training activities.

The ministry trains staff in the skills they require to discharge the duties that the strategic goals demand of them.

The training initiatives are aimed at making the staff more efficient in their tasks.

The resources allocated for training have been changing depending on how the training needs change.

SECTION C: PERFORMANCE

6. Please indicate how various training and strategy has affected your performance based on the set targets KPIs, using the scale; 1-not at all, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent

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<tr>
<td>The costs of implementing the ministry’s strategic initiatives have declined</td>
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<td>The staff use fewer resources to accomplish their work tasks</td>
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<td>The staff have become more productive in their work tasks</td>
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<tr>
<td>The ministry’s staff can accomplish their work tasks more flexibly</td>
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<td>With more skills from training, the staff have become innovative in discharging their work tasks</td>
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<td>The quality of service that the ministry provides has increased</td>
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<td>The ministry’s stakeholders have expressed satisfaction with the services</td>
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<td>The levels of innovation in the ministry have improved</td>
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<td>The ministry’s staff have come up with better ways to address stakeholders’ needs</td>
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<td>The ministry has become more efficient in utilizing its assets</td>
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THANK YOU FOR YOUR CONTRIBUTION