INFLUENCE OF STRATEGY IMPLEMENTATION ON PERFORMANCE OF ENGINEERING FIRMS IN KENYA

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DECLARATION

I declare that this research project is my original work and has not been presented for a degree award in any other university or examination body.

Signature ……………………………… Date. …………………………………..

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This project has been submitted with my approval as the University of Nairobi Supervisor.

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DEDICATION

This research project is dedicated to my wife Dr. Catherine N.M and my daughter Zuri Claire who have been patient and supportive as I undertook this project.

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I would like to acknowledge and express my appreciation to the following for their support that made this research project a success.

To the Almighty God for the gift of life, health, wisdom and serenity to enable me to undertake a project at this level.

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ABBREVIATIONS AND ACRONYMS

BSC: Balanced Score Card

CEO: Chief Executive Officer

EBK: Engineers Board of Kenya

LGMA: Local Government Modernization Agenda

RBV: Resource-Based View

UK: United Kingdom

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ABSTRACT

The purpose of this study was to examine the influence of strategy implementation on the performance of engineering firms in Kenya. Strategy implementation was considered as a multidimensional construct comprising of; strategy formulation, organizational culture, organizational structure, resource allocation and monitoring and evaluation. Specifically, the study sought to identify the interrelations between these constructs and performance of the firms. Anchored on a descriptive research design, the study targeted a total of 124 engineering firms with operations in Kenya. Collection of data from these firms entailed the use of survey questionnaires. The collected data was input into Statistical Package for Social Scientists (SPSS) for descriptive and inferential statistical analyses. Through multiple regression analysis, the study found that: a unit increase in strategy formulation alternatives would improve the performance of engineering firms by 47.2%; a unit increase in incentives meant to promote positive organizational culture would increase the performance of engineering firms by 11.1%; an effective organizational structure would drive performance of the engineering firms by 18.3%; a unit increase in resource allocation would enhance performance of engineering firms by 21.2% and a unit increase in monitoring and evaluation would boost the performance of the firms by 14.4%. Based on these findings, it was concluded that engineering firms in Kenya recognize the important role of strategy implementation in driving business success and that they need to be agile in their approaches due to the fast-changing business environment. The study recommends that Kenyan engineering firms consider apportioning more funds to departments charged with the task of strategy implementation. Additionally, the firms should seek to have a tight strategy-culture co-alignment to facilitate implementation of organizational strategies.

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Strategy implementation is one of the major challenges faced by most organizations. Despite it being a challenge, it is very essential for organizations to implement strategies to ensure that they improve their general performance. The process is not easy. The goals of the company need to be communicated to the people so that they can be motivated to ensure the company achieves them (Hax, 2011). The strategies that are needed to make a company successful are known to the company as they know their businesses well enough. Despite the companies knowing their businesses and the strategies required, they struggle to make the plans a success through effective implementation and sustenance (Martin, 2010). This study then tends to find out how organization's performance is affected by implementation of strategies.

The institutional theory, resource-based view theory and stakeholder's theory are anchored in the study. Institutional theory involves an organization developing its formal structures which affect the implementation of strategies which also help in handling of market pressures (Dincer, 2006). The resource based theory involves how the organization is involved in distribution of resources to ensure that the process of strategy implementation is successful. The stakeholders' theory on the other hand explains the roles played by different stakeholders who advantage from the organizations in ensuring that strategic implementation is successful.

The engineering sector in Kenya has been identified as one of the most important sectors that has a positive relationship with the country's economic development. Due to the critical role the sector is expected to offer quality engineering services. The vision of a business in the sectors to provide timely and high quality services to customers in order to build a good reputation. Therefore the firms need to adopt clear strategy implementation ways to cope with the growing competition and improve their performance. The sector is highly competitive, especially with proliferation of foreign firms from Germany, China, Japan United States of America, Turkey and Great Britain (Njagi & Kombo, 2017). Hence, the local engineering firms must position themselves to get business in the long term by embracing strategy implementation for better firm performance. The competitiveness of the industry and proliferation of foreign firms motivates the study to establish whether clear implementation of strategies improves performance of engineering firms in Kenya.

1.1.1 Concept of Strategy

Strategy is a plan that is unified, comprehensive and integrated and related to strategic advantage to ensure that the challenges of the firm are solved and the objectives of the firm are achieved using an effective implementation process (Dobni, and Luffman, 2013). Since the earliest days of 1950, the concept of strategy has been very vital to managers and practitioners. The mangers and practitioners have then been able to bring out its importance. An organization without a strategy has no course, has no road map, no plan and thus its impossible to produce desired results (Newman, 2014). A business' game plan is its strategy. The objectives of the organization are achieved through strategy which gives then a direction. How objectives are achieved is through strategy as they are the end results. Thus when an organization wants its objectives to be achieved, it must have effective strategies to ensure they are achieved.

The process of implementation is what establishes a strategy. There are different versions of strategy as defined by different writers. Johnson and Scholes (2010) defines strategic planning as the process of planning for the success of an organization for a period of 3 to 5 years. Ostrom, (2011) defines strategic planning as the process of matching of capabilities and risks of the organization and its environment and Newman (2014) defined strategic planning as the process of decision making to direct the organization to ensure that its objectives are met.

1.1.2 Strategy Implementation

A set of procedures brought together, concepts and tools which are designed so that they can help leaders and managers to perform their tasks, so that they can make important decisions that help to build an organization in how it is, the activities it performs and the reasons why they do them (Bryson 2004). The relationship that exists between an organization and its environment is maintained and made viable through strategic planning which also develops and maintains it through the managerial process according to Kotler (2009). The long term achievements of an organization are also achieved through the strategic implementation. The implementation process also involves giving the organization a sense of direction, being able to make new discoveries and opportunities through their employees. Strategic implementation should focus much on the future opportunities rather than the problem's they face today (Kotelnikov, 2007).

When a company has adopted and implemented effective strategies, it is said to have the best competitive edge. This is due to the fact that effective plans made by an organization make is successful to take any kind of action (Godet & Poublet, 2006). Management teams face challenges in formulating strategies consistently, which makes implementation of the same strategy to make it effective in the organization even more difficult (Hrebiniak, 2006). There are several factors that affect the adoption of strategies and making sure that they are turned into organizational actions. Strategy formulation has been found to be different from strategy implementation which is a bit complicated as it is viewed as a craft which is not science and history has describe it as fragmented and eclectic (Noble, 1999).

1.1.3 Firm Performance

According to Richard et all (2009) organization performance as the transformation of inputs to outputs meant to achieve a specific outcome. Thus, performance depicts the relationship between the realized output also regarded as efficiency and the effective cost. For an organization to be able to achieve its shared purpose, it should be able to voluntarily associate its productive assets, which is the concept of organizational performance (Carton and Hofer 2006). The value that those that provide assets to the organization get in return is what makes then committed to the organization, while the assets are also being used alternatively, which makes organizational performance as the basis if value creation (Barney, 2002). When an organization is bale to uses its resources effectively and efficiently, it is then able to attain organizational performance as defined by Daft (2010).

Organizational performance further shows how well a firm is doing in its way to achieve its goals, vision and mission. The assessment of organizational performance is critical for executives to evaluate and know the performance of their firms in a bid to determine the strategic changes, if any that ought to be made. Organizational performance is a key indicator for investors to determine whether to invest in an organization or not. It is also a key gauge to the management and other stakeholders that show whether the firm is moving towards the envisioned direction or not (Richard et all, 2009)

According to Kaplan and Norton (2009) the Balanced Score Card (BSC) approach has been used to achieve organizational performance where performance is analysed and measured in a multi-pronged method. The objective of the BSC is to obtain a score of a set of parameters maintaining a balance between short-term as well as long term objectives measured between laggings and leading indicators, with the same standards applied for internal and external performance factors (Santos & Brito, 2012).

1.1.4 Engineering Firms in Kenya

The Engineers Act 2011 which is under Section 3(1) is the statutory body of the Engineers Board of Kenya (EBK). All the practices involving development and regulations in engineering are controlled by the board. Kenya's Vision 2030 has also included the engineering practices to ensure that its goals are met. The Engineers

Registration Act, Cap 530 (1969) had established the Engineers Registration Board (ERB) which was succeed by the board. The engineers firms and individuals are regulated by the board. The performance and profession of engineers are regulated by the board.

The legal framework regulating engineers is provided by the Engineers Act of 2011. For a person to qualify to be registered as a consulting engineer and practice as such, that person ought to have an experience practicing in a specialized engineering field as a professional engineer for a period determined by the Board and achieved a standard of competence. Section 20 of the Act requires that for the registration of a consulting Engineering firm, one partner of principal shareholder be a registered consulting engineer with a license to practice in that particular field (ERB,2016).

There are various engineering sectors like Civil1 Engineering, electrical engineering, mechanical engineering, structural engineering among many others. In Kenya, there is a close association between engineering consultancy and construction to an extent that it becomes difficult to accurately distinguish these two sectors (ERB,2016). A new trend is taking shape whereby the work of pure engineering consultancy firms and construction are getting integrated. In essence, consulting engineers ought to be independent from contractors, suppliers and fabricators in order to ensure that their services are independent.

1.2 Research Problem

There are many failures that have been experienced by businesses due to dramatic changes being experienced, global alliances and environmental changes. The development and implementation of strategies make it valuable. The management of a business thus becomes successful when its crafts and executes the strategy. To make strategies excellent, they need to be implemented after they are developed (Kostova, 2013). Implementation of strategies can become a failure through planning and communication that is adequate.

The Engineer's Registration Board, the body charged with regulation of the profession, requires that Engineering Firms in Kenya ought to be managed and run by engineers. As part of their professional study, engineers are not well equipped in school with anything related to management of organizations, strategy and other management skills. Hence, although engineers possess important engineering skills, they lack the soft skills of managing organizations, public relations and marketing (Ayele, 2016). This is aggravated by the fact that consulting engineering firms are prohibited by law from advertising their services. On the other hand, the engineering firms in Kenya are facing competition from foreign companies from Germany, China, Japan United States of America, Turkey Great and Britain and others hence challenging their performance and quality of work.

Many organizations have been studied on their strategy implementation in several studies. England was investigated by McAdam, and Hazlett (2011) to find out how their Local Government Modernization Agenda (LGMA) strategies related to its operations. The performance was found to be influenced greatly by the level of strategic measurement and management. The institutional theory, resource-based view theory and stakeholder's theory were used to anchor how performance was influenced strategy implementation. Australia was studied by Hopper and McClymont (2015) to find out how organizational performance was affected by strategy implementation in private hospitals. They found that performance of the private hospitals was influenced by strategic implementation. On organizational culture was the only one focused upon and organizational resources were not incorporated.

Commercial banks were studied by Ochieng (2013), to find out how the commercial banks performance was affected by successful implementation using resource allocation as the determinant. The main dependent was resource allocation and this study used performance as the main dependent. Oanda (2013) investigated Kenyan Private Security Companies on how resource allocation was influenced strategy implementation. There has been very little done on how firm performance was influenced by strategy implementation in Kenya engineering firms, thus the gap therein tends to be filled by this study: What is the influence of strategy implementation on firm performance of engineering firms in Kenya?

1.3 Research Objective

To determine the influence of strategy implementation on firm performance of engineering firms in Kenya

1.4 Value of the Study

The findings from this study will be of benefit to policy makers in the Engineers Board of Kenya, they will be used to formulate policies which will be relevant and sensitive to the understanding of the challenges brought about by changes in the business environment requiring new and greater strategic implementation systems to enhance performance.

The study will also be of benefit to the management of the Engineering Firms in Kenya in reviewing strategic implementation through effective strategic planning to improve on firm performance.

The study will benefit other practitioners and academicians both in the engineering sector by having contributed to the existing body of knowledge in the area of strategic implementation in general.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the following sections; theoretical review, empirical review, conceptual framework summary of the literature review.

2.2 Theoretical Framework

This study is anchored on the institutional theory. It is however important to take note of other theories that contribute to the research study such as the resource-based view theory and stakeholder theory as explained in the paragraphs below.

2.2.1 Institutional Theory

The organization's structures and how they are influenced by the environment is explain by Simpson & Weiner (1989) as the institutional theory. How the passing and receiving of information of strategy implementation is done involves reporting structures that are complex. Strategy implementation involves the flow of information directing its development through effective policies and procedures (Scott, 2001).

This theory generally involves how the performance of an organization is affected by its flow of information in its structure. The organization as an institution involves its particular culture through its policies and procedures. It generally involves having effective ways in which information is shared across the organization on the ways in which strategies should be developed and implemented effectively to achieve the organization's objectives (Guohui & Eppler, 2011).

For strategy implementation to be successful, there is need for effective communication (Lehtimäk and Karintau, 2012). The process of strategy implementation requires knowledge dissemination from the communication done in the organization. The context, process and implementation of objectives requires communication which eventually makes strategy implementation a success (Mutisya, 2016). The process of ensuring that the objectives of the organizations are achieved is through ensuring that strategy implementation is done which requires effective communication (Amenta, 2005). Different stakeholders are involved in the process as they benefit from the projects thus communication amongst them is vital. Thus this theory is effective for the study as it explains how organizational structure leads to effective communication structure which leads to effective organizational performance.

2.2.2 Resource-Based View Theory

The resource-based view (RBV) as explained by Wernerfelt (1984), states that it is possible to achieve competitiveness by ensuring superior services are delivered to customers. The main emphasis of the extant literature is the strategic understanding of the manner in which resources are used to achieve a competitive advantage in an organization, (Borg & Gall, 2009). According to the perspectives of international business theorists, the success and failure of organizations in different environments can be achieved by understanding the competitiveness in their environments of operations and their alliance formation strategies in the emerging markets. Local insight provided by the local alliance constitutes a significant factor in conceptualizing value according to the local demands (Gupta et al., 2011). Resource-based theory is based on the view that resources constitute inputs into production activities of an organization and can be categorized into physical, human, capital, and organizational resources.

The competitive advantage of a firm is achieved through development of the competences form the resources they have. Most of the food processing companies have been able to improve their performance through making use of their resources as it is emphasized in the theory (Barney, 2001). The resource-based view theory has gained a wide acclaim and attracted a lot of research in the recent past (Koumaditis et al., 2013) and looks at the firm in its resource base.

The internal environment of a firm is perceived in the resource-based view theory, where its resources and capabilities are taken into account as the main determinants of strategic actions Barney (2001). The strategies that organizations plan and implement are determined by the resources that the organization processes in their external environment which is an important aspect rather than focusing on the resources accumulated in the firm. The external environment opportunities are used in exploiting of the business strategies of the firm. The variables of the gender resources are the basis of the theory. The competitive advantage of a firm is achieved through the use of its unique resources which eventually leads to the superior performance of the firm.

2.2.3 Stakeholder's Theory

Freeman (1984) developed the Stakeholder theory and involves the roles played by different stakeholders that benefit from the business. This theory emphasizes that the sole responsibility of firms is value creation for all its stakeholders, i.e. Suppliers customers, employees and not just its stockholders. Stakeholder theory is normative, instrumental and descriptive. Social responsibility is advocated by the stakeholder theories (Jones, Freeman, & Wicks, 2002).

The strength of this theory unlike the agency theory, is that the needs of all stakeholders are put into consideration with a view to enhance market efficiency. The weakness of the theory is that most researchers find it to be fundamentally flawed and in violation of every organizations proposition of focusing on a single valued objective which is wealth creation or profit maximization for survival. With emphasis on several stakeholders, the managers are tasked with focusing on objectives of the several stakeholders which may lead to confusion and lack of purpose which eventually affects the company's competitiveness and survival (Jensen 2001). This study is important to the study as it shows how ownership structure relates to the Board and stakeholders.

2.3 Strategy Implementation

There are many organizational characteristics, which act to constrain strategy implementation. Some of these include: Strategy formulation, organizational culture, organizational structure and resource allocation.

2.3.1 Strategy Formulation

Formulation of strategy constitutes an important factor in the achievement of the desired change in an organization because if the right strategy is not developed, there are little chances that success can be achieved. During strategy formulation the management of an organization performs an evaluation of its present internal activities and determines areas that need to be improved. It also determines where external support may be necessary (Sackmann, 2013). The current challenges faced by an organization are resolved and preparations are made to determine the alternative approach to the performance of tasks while accounting for the desired goals. When all considerations have been made, a new strategy is developed.

If a strategy is poor or vague, it can result into a limiting impact on the process of implementing change. It is also not possible to use a good execution strategy as a method of achieving an outcome if the strategic planning efforts are vague. Most studies have supported the view that the manner in which a strategy is developed has a direct impact on its implementation. According to Radomska (2014), it is recommended that a good strategy should involve developing a good idea such as promoting a successful implementation task. Good implementation occurs when good strategic units are created. Formulation strategy is important, as stated by Ruth (2013), who explain that before implementation is carried out, members of a number of functions should participate in the Formulation process. Those who participate should be credible and comply with their lead to effect the changes. Consequently, those involved must also have the right knowledge for educating others. During the planning stage, the manager performs the role of organizing implementation in an effective manner. The allocation of resources has to be done in an effective manner, and responsibilities have to be set and concerns affecting the organization must be resolved.

2.3.2 Organizational Culture

The culture of an organization can be described as the beliefs of the members of the organization with regards to thoughts, perceptions, and feelings towards the goals and objectives of the organization in general (Sackmann, 2013). It constitutes a combination of patterns, views, ideas, and values that are commonly shared by the members of the organization (Pearce and Robinson 2015). It is also described as the combinations of assumptions that are shared by members of the organization.

According to a study by Raps (2014), the principles developed by the top management such as setting the required culture, tone, pace, and character ensures that it is effective in achieving success during the implementation of the creates strategy. The most limiting factor during strategy implementation can be the inability of the top management to demonstrate lack of commitment to the strategic objectives of an organization. Generally, this commitment constitutes an important requirement during the implementation of a strategy. It should not be assumed that managers in lower positions have similar perceptions of the strategic plan and methods of implementation in the same manner as top managers. On the contrary, it should be the role of the senior managers to persuade the lower managers and employees about the effectiveness of their ideas. When a sharing culture is developed in an organization, it is possible to transfer the knowledge about areas where change is necessary (Nutt, 2015). The development of corporate cultures provides employees with the sense of the manner in which they need to conduct themselves and perform actions so that the current strategy is developed in a manner that strengthens the implementation.

2.3.3 Organizational Structure

Frank, (2015) mentioned that the structure of an organization is the manner in which an organization tries to achieve a particular outcome after implementation of a strategy. Consequently, it is the basic manner in which different activities in an organization are organized. The implementation of a strategy in a successful manner involves creation of an organizational structure that addresses the key functions within the firm and the strategy to be used in coordinating them in order to achieve the strategic purpose of a firm. Nkosi (2014), state that the function of the Chief Executive Officer (CEO) in an organization is to lead other managers in the effecting of change strategy. The level of commitment of the CEO to the strategy has a significant influence on the manner in which the subordinates are committed to its implementation. The CEO is thus an important factor during clarification, provision of guidance, and contributing to adjustments during implementation of change.

A number of project management activities involve the identification of the commitment of leaders to the achievement of a strategy. The implementers of a strategy include top managers, lower-level managers, and non-management staff. The involvement of people of different categories is a contributing factor to the effective management and implementation of a strategy. In this case, quality implies capabilities, skills, attitudes, and a number of characteristics that are required in order to achieve success in the implementation of the strategy (Atkinson, 2012). It is recommended that the actual assignments should specified for each participant involved in the implementation of a strategy. This involves determining the person who is responsible for a particular task and diffusing responsibilities through a number of organizational units and increasing the levels of autonomy of different departments.

2.3.4 Resource Allocation

According to Hussey (2010), people are the main resource required during implementation of a strategy. Organizations are required to utilize the right knowledge of their employees at the right time. The management experience challenge during the assigning of tasks in addition to coordinating and facilitating the participation of employees to different functions. As illustrated in the planning stage of strategy implementation, it is recommended that the right people should be chosen to perform the right function. It is recommended that the right knowledge should not be thrown away by allocating resources in irrelevant areas or not connecting adequately with employees. Thus, a particular level of freedom is required to provide the opportunity for experimentation by allowing employees to participate in enabling the implementation of the required strategy. It is necessary to make adjustments of resources in order to improve the strategy, thus the management should be important in monitoring the process closely and implement the right intervention at an appropriate time.

There are particular resources that are important during the implementation of a strategy. These include: financial resources, technologies, physical resources, and human resources (Hussey, 2010). The allocation of resources is an important factor during strategy implementation because it ensures particular tasks are performed according to their resource requirements. There may be obstacles to effective resource allocations and organizations involved in the implementation of strategies must be aware of them. Some of the obstacles may include: being protective of resources, emphasis on short-term financial outcomes, and creation of a strategy that is not effective in achieving the objectives and missions of an organization.

2.3.5 Monitoring and Evaluation

The process of implementing of a strategy requires the monitoring and evaluation of the planning activities to ensure the organization's goals are achieved (Ruth, 2013). The strategic planning direction of the organization is established through monitoring and evaluation which is a great advantage.

The implementation process of strategies requires monitoring and evaluation for necessary generation of information. This then shows that during progress, there should be effective programs to measure, record and report regularly. Performance indicators thus need to be identified and the beneficiaries also need to be involved. Most of the studies done on evaluation show that most of the health services do not have effective monitoring plans which has made the management to have low priorities on monitoring and evaluation. Most of the management think that all the returns and reports done are added unnecessary work load (Sackmann, 2013).

Evaluation in organizations that were successful have mostly resulted from evaluation from previous projects that had either failed or had lessons to learn from which were used in current projects as pointed out by Williams (2015). Most of the mnagement do not take evaluation seriously which could help them in succeeding of other projects. Small agencies tend to undertake evaluation seriously as they have goals to make their agencies bigger thus they learn lessons which makes the large agencies a bit reluctant when it comes to evaluation (Atkinson, 2012).

2.4 Empirical Review

Ghana was studied by Ofori and Atiogbe (2011) on how strategy implementation had been implemented in the Universities. The study made use of interview guides that were open ended. Both the programs' past coordinators and center organizers were used as participants. The study concluded that effective strategies were required in the Universities to ensure that the objectives of the Universities were achieved.

U.K was also investigated by Atkinson (2012), to find out how strategies were implemented in University of Brighton. 13 University management staff were interviewed. Use of content analysis. They found that performance of the university was influenced by strategic implementation. On organizational culture was the only one focused upon and organizational resources were not incorporated.

Frank (2015), studied influencing employee behaviour for successful strategy implementation in Amsterdam. For this study a qualitative approach was used. A sample size of 44 managers was used in data collection which was via questionnaire. The study noted that managers have to check what is important for whom to know about the strategy since there are different departments and information should be tailored to each individual department.

South Africa was also studied by Nkosi (2014), to find out how their strategy implementation took place. The Chief Albert Luthuli Local Municipality senior management employees were targeted where 30 participants were selected. Use of questionnaires was applied to find out how the managers implemented strategies at the Municipal council.

Kamande (2017), studied the strategy implementation challenges at Commercial Bank of Africa, Kenya. The study interviewed 15 management staffs. An interview guide was used as it enables oral administration of questions in a face-to-face encounter therefore allowing collection of in depth data. The study found that strategy implementation process at Commercial Bank of Africa, Kenya, is faced with numerous challenges including, poor organizational structure, inadequate finances, time and human resources, bureaucracy in organizational structure and culture.

England was investigated by McAdam, and Hazlett (2011) to find out how their Local Government Modernization Agenda (LGMA) strategies related to its operations. The performance was found to be influenced greatly by the level of strategic measurement and management. The institutional theory, resource-based view theory and stakeholder's theory were used to anchor how performance was influenced strategy implementation. Australia was studied by Hopper and McClymont (2015) to find out how organizational performance was affected by strategy implementation in private hospitals. They found that performance of the private hospitals was influenced by strategic implementation. On organizational culture was the only one focused upon and organizational resources were not incorporated.

Oanda (2013) investigated Kenyan Private Security Companies on how resource allocation was influenced strategy implementation. There has been very little done on how firm performance was influenced by strategy implementation in Kenya engineering firms, thus the gap therein tends to be filled by this study.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

The chapter explains the intended research methodology. It explains the choice of the, research design, the population, data collection and data analysis method.

3.2 Research Design

According to Kothari (2013), a research design is a general and detailed outline indicating how data will be collected, analyzed and presented in a report to be shared with relevant audience. This study employed descriptive research design to achieve the objective of the study. The design gives an opportunity for a comprehensive description and analysis of the variables involved in the study while clearly outlining the relationship between independent and dependent variables. The design further allows the researcher to precisely illustrate this relationship without manipulating the variables involved in the study. Through descriptive research design, it becomes easily tenable to generalize the research findings to other areas with similar characteristics as the study subjects.

3.3 Target Population

Kothari (2011), states that a target population is the number of individuals, events or phenomenon used by a researcher to collect data from which conclusions are drawn. According to Engineers Board of Kenya (EBK, 2017) there are 124 registered engineering firms in Kenya. The study focused on all the 124 registered engineering firms in Kenya.

3.4 Data Collection

Structured questionnaires was used to gather the primary data. The questionnaires was self-administered through drop and pick later approach to the respondents. The responses were compatible due to the fact that there was uniformity in the way that the questions were asked in the questionnaire. The questionnaires provide the responses to be consistent as they are structured questionnaires whereas freedom is given to the respondents in answering of the unstructured questions where feelings are also determined as indicated by Brotherton (2008). The five-point Likert scale form was used in the structured questions where views were required to be provided in a scale of 1 to 5.

3.5 Data Analysis

The quantitative data acquired was analyzed by descriptive statistics via SPSS software version 23. The results were demonstrated using percentages, tables, and frequencies. Descriptive statistics were utilized to explain quantitatively the significant attributes of the variables using standard deviation; Frequencies, percentages, mean, and tables were used to present the findings. Inferential statistics and linear regression were applied.

The study applied the following regression model

$$\mathbf{Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e}$$

Where Y = Performance

X_1 = Strategy Formulation

X_2 = Organizational Culture

X_3 = Organizational Structure

X_4= Resource Allocation

$B_1 - \beta_4$ are the regression co-efficient

e is the random error term representing all the other variables that affect performance but not captured in the model.

a T-test was carried out at 95% confidence level to establish the importance of the independent variable in clarifying the changes in the dependent variable.

CHAPTER FOUR

RESULTS, INTEPRETATION AND DISCUSSION

4.1 Introduction

The purpose of this chapter is to present the findings derived from statistical analysis of this study's specific objectives. The chapter begins with a brief overview of the study's overview of the study's response rate. Next, the reliability and validity outcomes of the research instrument employed during the course of this investigation are reviewed. The profiles of the companies surveyed in the study, followed by descriptive statistics depicting the manifestation of the study's variables of interest. Next, the results from application of the multiple regression statistical tool are presented. A brief discussion around the nexus between the key findings and existing empirical studies is then presented.

4.2 Response Rate

The chief objectives of this study were evaluated on the basis of data collected via survey questionnaires. Therefore, it was important to determine the survey response rate to confirm whether the results generated from analysis of the data were representative of the study's sample. Quite simply put, a response rate denotes the proportion of participants who respond to a research instrument vis-à-vis the sample size, expressed as a percentage (Burns & Grove, 2011). Table 4.1 shows a breakdown of this study's response rate.

Table 4.1: Response Rate

Questionnaires	Respondents
Questionnaires distributed	124
Questionnaires returned and usable	100
Response Rate	**80.65%**

Table 4.1 shows that out of the 124 questionnaires issued to the research participants, only 100 were returned, complete and usable. Therefore, the survey exercise yielded a response rate of 80.65%. According to Bryman and Bell (2014), a response rate of 50% generates satisfactory statistical results; a rate of 60% is good enough and that which is at least 70% is excellent. Following these suggestions, the response rate obtained for this study was considered excellent in as pertains to the generalizability of the results.

4.3 Reliability Test Results

The survey questionnaire used in this study comprised of six scales each of which assessed a variable of interest. Strategy implementation, organization culture, organizational culture and resource allocation scales consisted of 6 items each. The scale assessing monitoring and evaluation had 9 items while that measuring performance was made up of 8 items. The reliability of each of scale was evaluated using the Cronbach's alpha coefficient. Table 4.2 displays the reliability statistic results.

Table 4.2: Reliability Test Results

Scale	Number of Items	Cronbach's Alpha	Interpretation
Strategy formulation	6	0.88	Reliable
Organizational culture	6	0.81	Reliable
Organizational structure	6	0.90	Reliable
Resource allocation	6	0.78	Reliable
Monitoring and evaluation	9	0.85	Reliable
Organizational Performance	8	0.86	Reliable

Table 4.2 illustrates that the reliability of the strategy of all scales was excellent. Generally, it is suggested that acceptable values of the Cronbach's alpha coefficient range between 0.7 and 0.95 (Burns & Grove, 2011). The Cronbach alpha coefficients for all the questionnaire scales were greater than 0.7 hence fell within the acceptable range of values recommended. Consequently, all the questionnaire items demonstrated sufficient reliability and were worthy of retention.

4.4 Validity Test Results

In evaluating the correctness of the study questionnaire, face validity assessment was carried out. Three content experts from the University were consulted and asked to scrutinize the questionnaire. The experts assessed the relevance of the questionnaire items in addressing the study objectives. The feedback offered upheld the viewpoint that questionnaire items were valid; hence there was no necessity of replacing any of them.

4.5 Background Information

This section presents the profiles of the engineering firms considered in this study. For the scope of this study, the characteristics covered the following elements; number of employees, age and number of locations. Frequencies and percentages were used to summarize these characteristics**.**

4.5.1 Number of Employees

The respondents were asked to indicate an estimate of the number of employees working in their respective firms. Assessing the number of employees the firms was necessary as it helped to provide a picture of how small or large the firms are. Table 4.3 shows the distribution of the engineering firms in terms of number of employees.

Table 4.3: Number of Employees

No. of Employees	Frequency	Percent
Less than 50	14	14
50-100	27	27
100-200	26	26
More than 200	33	33
Total	**100**	**100**

Table 4.3 indicates that a majority of firms (33%) had more than 200 employees. This is an indication that most engineering firms are relatively large sized. This finding is consistent with Otulia (2018) who found that a majority of Kenyan engineering had an employee count ranging between 500 to 1000 people.

4.5.2 Age of Firm

The participants were requested to indicate how long their firms had been in operation. As noted by Muafi (2009), organizational life is an influential factor in the maturity level of a company in a given market or industry, which in consequence affects different aspects of strategic and managerial practices of a firm. Table 4.4 shows the number of years the firms covered in this study have been in operation.

Table 4.4: Age of Firm

Period	Frequency	Percent
Less than 2 years	18	18
2 to 5 years	20	20
5-10 years	28	28
More than 10 years	34	34
Total	**100**	**100**

Table 4.4 shows that a majority of the firms (34%) had been in operation for more than 10 years. As such, it can be deduced that a large fraction of firms considered in this study had sufficient organizational life to allow for scrutiny in matters pertaining strategy formulation and implementation. This finding is, however, contrary to Odunga (2011) and Yamo (2006) who found that most engineering firms in Kenya have an organizational life of less than 10 years.

4.5.3 Scope of Operation

This study sought to identify the scope of operations for the engineering firms. The scope was measured in terms of the number of locations the companies carried out their operations. Table 4.5 shows the distribution of the companies in terms of their scope of operation.

Table 4.5: Scope of Operation

Scope	Frequency	Percent
One location	43	43
Multiple locations	57	57
Total	**100**	**100**

As evident in Table 4.5, more than half of the firms (57%) operated in more than one location. This was an indication that there was a good chance that most of the companies included in this study operated under multiple business models. As a result, the firms were suitable in investigating the influence of various strategy formulation and implementation practices on organizational performance.

4.6 Manifestation of Variables

This section presents obtained from the descriptive analysis of the study variables. The variables of interest for this study encompassed; strategy formulation, organizational culture, organizational structure, resource allocation, monitoring and evaluation and performance. The descriptive statistical analyses aimed at generating statistical measures of central tendency (mean) and variability (standard deviation).

4.6.1 Strategy Formulation

During the course of this investigation, the intent was to uncover the influence of strategy formulation on the performance of engineering firms in Kenya. Strategy formulation, as a predictor variable, was operationalized into six items. With respect to this objective, the participants' were asked to indicate their extent of agreement with the set of items, all of which were measured on a 5-point Likert scale. The participants' responses were analyzed using descriptive statistics and the results are displayed in Table 4.6.

Table 4.6: Manifestation of Strategy Formulation

Strategy Formulation	N	Mean	Std. Deviation
Strategy formulation in the firm is done by evaluating the current strategy and determining measures to improve them	100	4.32	0.64
External environment of business influences strategy formulation in the firm	100	3.42	0.51
For strategy to be formulated problems of the organization are resolved first	100	3.23	1.02
Strategy is formulated accordingly for implementation in the firm	100	4.20	1.33
Vague strategy formulation limits implementation efforts dramatically	100	4.15	1.02
The kind of strategy that is developed and the actual process of strategy formulation determines	100	4.02	0.34

strategy implementation			

Table 4.6 shows there were mixed reactions pertaining to strategy formulation among the engineering firms. The results show that a majority of respondents agreed to a great extent that strategy formulation of their firms was done by thorough evaluation of exiting strategies and determining measures to enhance them. This statement had a mean score of 4.32 (*SD*=0.64); the highest ranked of all the statements. Closely following this statement in ranking, was, “Strategy is formulated accordingly for implementation in the firm” with an average score of 4.2 (*SD*=1.33). This implies that most respondents agreed to a large extent that their firms formulate strategies depending on the available capacity to implement them. The statement, “Vague strategy formulation limits implementation efforts dramatically” was the third top ranked item in the scale as indicated by a mean score of 4.15 (*SD*=1.02). This meant that a large fraction of participants agreed to a large extent that their firms approach strategy formulation in a formal, clear and systematic manner devoid of obscurity. Generally, these findings reveal that strategy formulation is a critical aspect in the strategy implementation process of engineering firms in Kenya. This supports the view by Ruth (2013) who noted that although considered a subjective phase, strategy formulation should be a top priority in ensuring better organizational outcomes.

4.6.2 Organizational Culture

This study sought to investigate the influence of organizational culture on the performance of engineering firms in Kenya. In this regard, the participants were asked to report on the level of their agreement with a set of statements illustrating their organizational culture. A 5-point Likert scale was used to capture the responses provided by the participants. The responses were summarized with the support of descriptive statistics and are shown in Table 4.7.

Table 4.7: Manifestation of Organizational Culture

Organizational Culture	**N**	**Mean**	**Std. Deviation**
Top management plays a key role in the implementation of a strategy	100	4.14	0.33
Organizational beliefs influence implementation of strategies in the firm	100	3.89	1.06
Attitudes in an organization influence implementation of strategies in the firm	100	4.22	0.49
Senior executives must not assume that lower managers have the same perceptions of the strategic plan and implementation	100	3.79	1.11
A sharing culture makes interaction, communication, and knowledge transfer possible improving strategy implementation	100	4.11	1.02
Corporate culture gives employees a sense of how to behave and act and hence influencing employees to strengthen strategy implementation	100	3.86	0.85

As illustrated in Table 4.7, the mean item score was highest for the statement, "Attitudes in an organization influence implementation of strategies in the firm" (*M*=4.22, *SD*=0.49). This was an indication that a majority of participants agreed to a large extent that their organizational culture is characterized by high emphasis on employee attitudes. The second top rated item was the statement, "Top management plays a key role in the implementation of a strategy" with a mean score of 4.14 (*SD*=0.33). This had the implication that most respondents expressed strong agreement that their firm's culture was shaped heavily by the top management. The statement, "A sharing culture makes interaction, communication, and knowledge transfer possible improving strategy implementation" was the third top ranked item as indicated by an average score of 4.11 (*SD*=1.02). This signified that a large proportion of respondents agreed to a large extent that their organizational culture was marked by a strong focus on the importance of sharing. Overall, these findings are indicative of the significant role of organizational culture in driving the performance of engineering firms in Kenya. These findings tie well with the empirical evidence put forward by Mutai (2015) that organizational culture is pivotal in the strategy execution phase.

4.6.3 Organizational Structure

The third objective of the study was to determine the impact of organizational structure on the performance of engineering firms' in Kenya. The respondents asked to indicate their degree of agreement with list of statements that set out to capture the nature of their structure. Table 4.8 presents a summary of the participants' responses.

Table 4.8: Manifestation of Organizational Culture

Organizational Structure	N	Mean	Std. Deviation
The structure of the firm seeks to achieve its strategic objectives and implement strategies	100	4.01	0.23
Successful strategy implementation depends largely on the primary organizational structure	100	4.11	1.08

Managers are fundamentally important to successful implementation of strategy	100	4.24	0.44
The top management commitment to the strategy influence the commitment of the subordinate managers to implementation strategy	100	4.20	0.98
Effectiveness of strategy implementation is affected by the quality of people involved in the process	100	4.16	1.48
Strategy implementation processes frequently results in problems if the assignments of responsibilities are unclear	100	3.80	1.02

Table 4.8 reveals that there were varied responses with respect to manifestation of organizational structure for the engineering firms considered in the study. The results reveal that a majority of participants agreed to a large extent that their managers are fundamentally important to the successful implementation of strategies as indicted by an average score of 4.24 (*SD*=0.44). The next top ranked item was the statement, "The top management commitment to the strategy influence the commitment of the subordinate managers to implementation strategy" as shown by a mean score of 4.20 (*SD*=0.98). In addition, the results show most of the participants agreed to a large extent that the effectiveness of strategy implementation is affected by the quality of people involved in the process as indicated by an average score of 4.16 (*SD*=1.48). These results point to the paramount role of the hierarchy of an organization in the performance of engineering firms in Kenya. This finding supports the conclusion by Atkinson (2012) that the manner in which an organization's management team is designed has substantial implications on Effectiveness of strategy implementation is affected by the quality of people involved in the process the Effectiveness of

strategy implementation is affected by the quality of people involved in the process success of strategy implementation.

4.6.4 Resource Allocation

In assessing the effect of strategy implementation on performance, this study examined how resource allocation influences the performance of engineering firms in Kenya. The respondents were provided with a set of statements and asked to indicate the extent to which they believed each statement mirrored their resource allocation practices. The responses to the question were analyzed using mean and standard deviation. The results from these analyses are shown in Table 4.9.

Table 4.9: Manifestation of Resource Allocation

Resource Allocation	N	Mean	Std. Deviation
Financial resources are the major determining factors of strategy implementation processes in the firm	100	4.03	0.42
Overprotection of resources prohibit effective resource allocation	100	4.11	0.33
Resource allocation is a central management activity that allows for strategy execution	100	4.29	1.44
Strategic management enables resources to be allocated according to priorities established by annual objectives	100	4.15	1.02
Lack of sufficient knowledge prohibit effective resource allocation	100	4.04	0.66
Organizational politics prohibit effective resource allocation	100	4.10	0.52

Table 4.9 shows that various aspects of resource allocation in the firms were ranked differently. The results show high ranking for the statement, "Resource allocation is a central management activity that allows for strategy execution" (*M*=4.29, *SD*=1.44). This means that for most engineering firms in Kenya, the task of allocating resources is primarily the responsibility of the decision-makers. This is finding is reinforced by the second top rated statement, "Strategic management enables resources to be allocated according to priorities established by annual objectives" (*M*=4.15, *SD*=1.02). Moreover, the results reveal that most respondents agreed to a large extent that overprotection of resources impede the effective allocation of their firm's resources as indicated by a mean score of 4.11 (*SD*=0.33). This depicts that a majority of engineering firms in Kenya have resource allocation strategies that seek to avoid stringent usage of resources. Generally, these findings show that engineering firms in Kenya recognize the importance of resource allocation during the strategy implementation stage. This corroborates the findings by Kamande (2017) who noted that misappropriation of funds is a major barrier to successful implementation of strategies by organizations.

4.6.5 Monitoring and Evaluation

The study further sought to investigate the link between monitoring and evaluation on the performance of engineering firms in Kenya. The research subjects were provided with a set of statements descriptive of monitoring and evaluation and asked to indicate the extent to which the statements applied to their organizations on a 5-

point Likert scale. Table 4.10 shows the results obtained after the analysis of the participants' responses.

Table 4.10: Manifestation of Monitoring and Evaluation

Monitoring and Evaluation	N	**Mean**	**Std. Deviation**
The firm keeps track of its activities	100	4.05	0.33
The firm ensures that all projects are reported and documented	100	4.01	1.11
The firm notes significance of its operations	100	3.89	0.28
The firm ensures all its finances and budgets are well accounted for	100	4.16	1.39
The firm supplies and equipment are accounted for	100	4.12	1.05
The firm is governed by a set of standards	100	4.03	1.15
The stakeholders of the firm are involved in the decision-making process	100	4.08	0.91
The firm organization program is well followed	100	4.14	0.88
There is proper communication in the firm among the managers and employees	100	4.00	0.23

Table 4.10 shows that the average item scores were highest for the statement, "The firm ensures all its finances and budgets are well accounted for." This statement had a mean score of 4.16 (*SD*=1.39) implying that a large share of respondents agreed to a large extent that their organizations accord relatively higher priority for monitoring financial accountability than other motivations. The results also show that the second highest ranked statement was, "The firm organization program is well followed" with an average score of 4.14 (*SD*=0.88). This was an indication that most respondents agreed to a

large extent that their firms have specialized programs for monitoring and evaluating their activities. The results further show that the third most ranked item was, "The firm supplies and equipment are accounted for" with a mean score of 4.12 (*SD*=1.05). This was an indication that most engineering firms conduct evaluations primarily for accountability reasons rather than development purposes. Generally, these findings point to the importance of monitoring and evaluation during strategy execution as previously established by Oanda (2013).

4.6.6 Performance

Performance of engineering firms represented the study's outcome variable. The variable was operationalized using 8 items measured on a 5-point Likert scale. The participants' responses to these items were analyzed using mean and standard deviation. Table 4.11 presents a summary of the results.

Table 4.11: Manifestation of Performance

Performance	**N**	**Mean**	**Std. Deviation**
The firm is efficient in performing its mandate	100	3.89	0.22
The firm is effective in-service delivery	100	4.00	0.14
The firm has retained its customers for years	100	4.12	1.02
The firm clientele is good	100	4.01	1.33
The firm has been innovative and develops new products and services for its customers	100	4.06	0.20
The firm sales have been improving gradually	100	4.08	1.05
The returns on investments in the firm are noted	100	4.14	0.30

The market share of the firm has been on the rise	100	4.10	0.44

The study encountered a divergence in the frequency of performance levels of the sampled firms as shown in Table 4.11. Most respondents agreed to a large extent that their firms had significant return on investments as indicated by a mean score of 4.14 (*SD*=0.3). Following closely, was the statement, "The firm has retained its customers for years" (*M*=4.12, *SD*=1.02). The statement, "The market share of the firm has been on the rise" recorded the third top ranked item, as implied by a mean score of 4.10 (*SD*=0.44). Generally, the responses confirm that most engineering firms in Kenya are performing well, a finding that confirms a similar uncovering by Imbuhila (2016).

4.7 Regression Results

The overarching goal of this study was to establish how strategy implementation affects the performance of engineering firms in Kenya. Strategy implementation was assessed using five constructs; strategy formulation, organizational culture, organizational structure, resource allocation and monitoring and evaluation. In assessing the effect of these constructs on performance, a multiple regression analysis. In doing so, the responses to each of the five underlying constructs of strategy implementation were averaged into construct composite indices. The indices were then regressed on the performance composite index. However, prior to fitting the regression model, a Pearson correlation analysis was run to note the expected nature of association among the variables of interest. The results of the correlation analysis are shown in Table 4.12.

Table 4.12: Correlation Matrix

	Performance	Strategy formulation	Organizational culture	Organizational structure	Resource allocation	Monitoring & Evaluation
Performance	1					
Strategy formulation	0.54*	1				
Organizational culture	0.34*	0.11	1			
Organizational structure	0.37*	0.24*	0.38	1		
Resource allocation	0.44*	0.043	0.14*	0.19	1	
Monitoring & evaluation	0.51*	0.29*	0.19	0.31*	0.288	1

*$p < 0.05$

As evident in Table 4.12, a moderately strong, significant and positive link was found between performance and strategy formulation (r=0.54, p< 0.05), as well as, monitoring and evaluation (r=0.51, p< 0.05). It is also apparent that a relatively weaker, positive but significant association existed between the performance of the firms and; resource allocation (r=0.44, p< 0.05); organizational structure (r=0.37, p<0.05) and organizational culture (r=0.34, p< 0.05). Moreover, no high correlations were found to exist among the predictor variables to raise multicollinearity concerns. Generally, these findings support studies by Murugi (2015), Mwanthi (2018) and Ngugi (2017). Table 4.13 presents the results of the multiple linear regression analysis.

Table 4.13: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736[a]	.541	.483	.00000

a. Predictors: (Constant), S_Formulation, O_Culture,O_Structure, R_Allocation, M_E

As seen in Table 4.13, the value of the R^2 which denotes how much of variability in the outcome variable could be explained by the combined effect of the predictor variables was 0.541. This has the implication that taken together strategy formulation, organizational culture, organizational structure, resource allocation as well as, monitoring and evaluation account for 54.1% of variation in the performance of engineering firms in Kenya. Table 4.14 displays the results of the ANOVA.

Table 4.14: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.420	5	1.480	5.100	.000[b]
	Residual	27.420	95	.290		
	Total	34.840	100			

a. Dependent Variable: S_Implementation

b. Predictors: (Constant), S_Formulation, O_Culture, O_Structure, R_Allocation, M_E

The ANOVA results (F (5, 95) = 5.10, p<0.05) further show that regression model was statistically significant in predicting the influence of the strategy implementation on performance of the firms. In other words, the impact of strategy formulation, organizational culture, organizational structure, resource allocation, M & E on strategy implementation did not happen by chance. Table 4.15 presents the results of the regression coefficients.

Table 4.15: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.093	.671		3.119	.003
	S_Formulation	.472	.164	.766	2.878	.000
	O_Culture	.111	.061	.341	.180	.002
	O_Structure	.183	.072	.145	2.542	.031
	R_Allocation	.212	.083	.333	2.554	.000
	M_E	.144	.074	.452	1.946	.000

A closer inspection of the coefficients column in Table 4.15 reveals a number of key findings. The results show that a unit increase in strategy formulation alternatives would enhance the performance of engineering firms by 47.2%, *ceteris paribus.* This effect is significant as indicated by the t-statistic results, t (99) =2.88, p<0.05. Keeping all other factors constant, a unit increase in incentives meant to promote positive organizational culture would improve the performance of Kenyan engineering firms by 11.1%. The impact of organizational culture is statistically significant as shown by the *t*-statistic results, t (99) = 0.18 $p<0.05$. In addition, the results indicate that an effective organizational structure would drive performance of the engineering firms by 18.3% holding all other factors constant. The link between the two variables was found to be statistically significant as demonstrated by the *t*-statistic results, t (99) =2.54, $p < 0.05$.

Table 4.12 also reports that a unit increase in resource allocation would enhance performance of engineering firms by 21.2%, *ceteris paribus.* The nature of this effect is statistically significant as demonstrated by the *t*-statistic results, t (99) =2.55, $p<0.05$. Moreover, the results show that a unit increase in monitoring and evaluation activities would boost the performance of the firms by 14.4%. The effect of monitoring and evaluation is statistically significant as shown by t (99) =1.95, $p<0.05$. Generally, these regression results support the empirical evidence by Atkinson (2012), Oanda (2013), Kamande (2017), Mutai (2015) and Oanda (2013).

4.8 Discussion

The study endeavored to investigate the influence of strategy implementation on the performance of engineering firms in Kenya. This overarching goal was broken down into five specific objectives. These objectives involved the assessment of the link between performance and strategy formulation; organizational culture, organizational structure, resource allocation and monitoring and evaluation. Based on the regression results, it emerged that all the factors which proxied strategy implementation had a positive and significant effect on the performance of engineering firms. Therefore, in extension it can be inferred that strategy implementation does have a significant and positive impact on the performance. This finding is in tune with the empirical evidence presented by Murugi (2015), Mwanthi (2018) and Ngugi (2017) who found a significant and positive linkage between the two variables.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of this study's pertinent findings and corresponding conclusions. The implications and potential limitations of the findings are also discussed herein. Additionally, this chapter highlights suggestions for further areas of research in the future.

5.2 Summary of Findings

The core objective of the study was to examine the influence of strategy implementation on the performance of engineering firms in Kenya. Strategy implementation was proxied by five constructs namely; strategy formulation, organizational culture, organizational structure, resource allocation and monitoring and evaluation. Through multiple regression analysis, this study established that: a unit increase in strategy formulation alternatives would improve the performance of engineering firms by 47.2%; a unit increase in incentives meant to promote positive organizational culture would increase the performance of engineering firms by 11.1%; an effective organizational structure would drive performance of the engineering firms by 18%; a unit increase in resource allocation would enhance performance of engineering firms by 21.2% and a unit increase in monitoring and evaluation would boost the performance of the firms by 14.4%. The nature of the relationship between the strategy implementation proxies and performance was also found to be positive.

Generally, these results were empirically proved that strategy implementation has a positive and significant effect on the performance of engineering firms in Kenya.

5.3 Conclusion

The fast-paced business environment particularly in the 21st century has without a doubt pressured organizations to relook into their business models and strategies. The positive results of this study suggest that engineering firms in Kenya are cognizant of the fundamental role of strategy implementation to competitiveness and that how adequately they support their strategic iniatives is critical to their ultimate performance. However, the engineering firms need to ensure that their strategic experience evolves with time in order to sustain their overall long-term business performance. In this respect, there is much more to be accomplished by the firms in their capacity to re-orient and execute new strategies.

5.4 Recommendations

In light of this study’s findings, it is recommended that businesses stay agile. While some firms start with the goal for achieving growth and others opt to stay in their niche markets. Either way, it is crucial to be dynamic and ready for change, because the present ever-changing business environment may not tolerate stationary companies. Therefore, even if businesses are able to close the loop between strategy formulation and execution, they must be able to reinvent ways of doing so.

It was established that organizational resources are a critical factor in the successful implementation of strategy. As such, it is recommended that engineering firms consider apportioning more funds to departments charged with the task of strategy implementation. However, in doing so, the firms need to ensure the allocation of resources is conducted in a manner that is congruent with the organizational fit.

Following the finding that the organizational culture is an influential factor in the strategy execution, engineering firms should seek to have a tight strategy-culture co-alignment. The fit is essential in facilitating smooth implementation of organizational strategies. In this regard, it is important for managers to measure organizational culture of their firms in order to champion the desired culture.

5.5 Limitations

The study used a questionnaire to collect data from the research participants. Although self-reported instruments are routinely used in research, they are also prone to biases of unknown magnitude and direction. Therefore, the overall findings of this study may have been compromised by such biases. In addition, the scope of the study was limited to the potential relationship that exists among variables of interest in relation to engineering firms in Kenya. As such, results of this study limited the generalizability of the results to only engineering firms. In other words, the study did not address the influence of strategy implementation on the performance of companies that are not involved in engineering.

5.6 Suggestions for Further Researcher

Future researchers should also consider combining self-report research instruments such as questionnaires with other methods such as interviews, focus group discussions and content analysis. This would facilitate making of stronger inferences regarding the effect of strategy implementation on performance of engineering firms in Kenya. Future researchers should replicate the study in non-engineering companies. Alternatively, future researchers could consider using a more cross-sectional research design targeting firms across various industries.

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APPENDIX I: RESEARCH QUESTIONNAIRE

SECTION A: DEMOGRAPHIC INFORMATION

1. What is the name of your Firm?

…………………………………………………………………………………………………

2. How many employees does the firm employ? (Tick as applicable)

Less than 50 employees ( )

50 to 100 employees ( )

100 to 200 employees ( )

More than 200 employees ( )

3. How long has the firm been in operation? (Tick as applicable)

Less than 2 years ( )

2 to 5 years ( )

5 to 10 years ( )

More than 10 years ( )

4. Does the firm have more than one location?

No ( )

Yes (specify) ……………………………………………………………………………...

SECTION B: Strategy Implementation

Indicate the extent to which you agree with each of the following statements relating to strategy Formulation at the firm. Use a scale of 1-5, where (1= to a very less extend, 2= to a less extend, 3= to a moderate extend, 4= to a great extend and 5= to a very great extend)

Strategy Formulation	**1**	**2**	**3**	**4**	**5**
Strategy formulation in the firm is done by evaluating the current strategy and determining measures to improve them					
External environment of business influences strategy formulation in the firm					
For strategy to be formulated problems of the organization are resolved first					
Strategy is formulated accordingly for implementation in the firm					
Vague strategy formulation limits implementation efforts dramatically					
The kind of strategy that is developed and the actual process of strategy formulation determines strategy implementation					

Indicate the extent to which you agree with each of the following statements relating to Organizational culture at the firm. Use a scale of 1-5, where (1= to a very less extend, 2= to a less extend, 3= to a moderate extend, 4= to a great extend and 5= to a very great extend)

Organizational Culture	**1**	**2**	**3**	**4**	**5**
Top management plays a key role in the implementation of a strategy					
Organizational beliefs influence implementation of strategies in the firm					
Attitudes in an organization influence implementation of strategies in the firm					
Senior executives must not assume that lower managers have the same perceptions of the strategic plan and implementation					
A sharing culture makes interaction, communication, and knowledge transfer possible improving strategy implementation					
Corporate culture gives employees a sense of how to behave and act and hence influencing employees to strengthen strategy implementation					

Indicate the extent to which you agree with each of the following statements relating to Organizational Culture at the firm. Use a scale of 1-5, where (1= to a very less extend, 2= to a less extend, 3= to a moderate extend, 4= to a great extend and 5= to a very great extend)

Organizational Structure	**1**	**2**	**3**	**4**	**5**
The structure of the firm seeks to achieve its strategic objectives and implement strategies					
Successful strategy implementation depends largely on the primary organizational structure					
Managers are fundamentally important to successful implementation of strategy					
The top management commitment to the strategy influence the commitment of the subordinate managers to implementation strategy					
Effectiveness of strategy implementation is affected by the quality of people involved in the process					
Strategy implementation processes frequently results in problems if the assignments of responsibilities are unclear					

Indicate the extent to which you agree with each of the following statements relating to Resource Allocation at the firm. Use a scale of 1-5, where (1= to a very less extend, 2= to a less extend, 3= to a moderate extend, 4= to a great extend and 5= to a very great extend)

Resource Allocation	**1**	**2**	**3**	**4**	**5**
Financial resources are the major determining factors of strategy implementation processes in the firm					
Overprotection of resources prohibit effective resource allocation					
Resource allocation is a central management activity that allows for strategy execution					
Strategic management enables resources to be allocated according to priorities established by annual objectives					
Lack of sufficient knowledge prohibit effective resource allocation					
Organizational politics prohibit effective resource allocation					

Indicate the extent to which you agree with each of the following statements relating to Monitoring and Evaluation at the firm. Use a scale of 1-5, where (1= to a very less extend, 2= to a less extend, 3= to a moderate extend, 4= to a great extent and 5= to a very great extend)

Monitoring and Evaluation	**1**	**2**	**3**	**4**	**5**
The firm keeps track of its activities					
The firm ensures that all projects are reported and documented					
The firm notes significance of its operations					
The firm ensures all its finances and budgets are well accounted for					
The firm supplies and equipment are accounted for					
The firm is governed by a set of standards					
The stakeholders of the firm are involved in the decision-making process					
The firm organization program is well followed					
There is proper communication in the firm among the managers and employees					

SECTION C: Performance

Indicate the extent to which you agree with each of the following statements relating to Performance at the firm. Use a scale of 1-5, where (1= to a very less extend, 2= to a less extend, 3= to a moderate extend, 4= to a great extent and 5= to a very great extend)

Performance	**1**	**2**	**3**	**4**	**5**
The firm is efficient in performing its mandate					
The firm is effective in-service delivery					
The firm has retained its customers for years					
The firm clientele is good					
The firm has been innovative and develops new products and services for its customers					
The firm sales have been improving gradually					
The returns on investments in the firm are noted					
The market share of the firm has been on the rise					