

**PUBLIC PRIVATE PARTNERSHIP STRATEGY AND PERFORMANCE OF
PARASTATALS IN KENYA**

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2020

DECLARATION

I, the undersigned hereby confirm that this research Project is my original work and has not been previously presented in part or in totality to any other institution of learning for the award of any degree or examination.

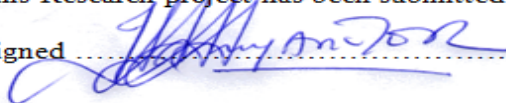
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DEDICATION

I dedicate this project to my parents and to wife and my children their understanding and unconditional support during the study period.

ACKNOWLEDGEMENTS

I am forever grateful to the Almighty God for the opportunity to conduct and complete this task in sound health.

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ABBREVIATIONS

NPM	New Public Management
PC	Performance Contract
PMM	Performance Measurement Matrix
PMS	Performance Management Systems
PPIAF	Public Private Infrastructure Advisory Facility
PPP	Public Private Partnership
PPPTI	Public Private Partnership Type Infrastructure
RBV	Resource Based View
RDF	Results and Determinants Framework
SPSS	Statistical Package for Social Sciences

ABSTRACT

In today's turbulent economic environment many governments have turned to partnerships with the private sector as they face increasingly constrained public budgets and with ineptitude to generate additional revenues. These contractual arrangements are usually associated with improved service delivery, increased quality, savings, high level of technology and lower costs of financing. The general objective of the study was to determine the influence of public private partnership strategy on performance of selected Parastatals in Kenya. The study was anchored on three theories namely; resource-based theory, new public management theory and lastly agency theory. The study adopted descriptive, cross-sectional design. The population of this study was 86 Parastatals operating in Kenya. The data was collected from chief operating officers, human resource managers, finance managers, communications managers and project managers. Analysis was done using descriptive statistics as well as multiple linear regression and correlation analysis. It was established that project funding affects greatly influences the decision to undertake PPPs. On the other hand, technological requirements moderately Parastatals decision to engage in PPPs whereas the ease of doing business has a great influence factoring in aspects such as labor mobility and allocation of resources. The findings established the existence of a strong positive correlation between public private partnership strategy and firm performance. It was concluded that government policies, project period and project funding are key moderating factors significantly influencing public sector participation in the implementation of public private partnerships projects. The study sought to determine the influence of effect of PPP strategies on of public private partnership strategy on performance of sampled Parastatals in Kenya. The study also recommends that the leadership of Parastatals should be committed to PPP strategies. Top leadership should allocate and provide more resources, both financial and human resources, to support strategies.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In today's turbulent economic environment many governments have turned to partnerships with the private sector as they face increasingly constrained budgets and with ineptitude to generate additional revenues. These contractual arrangements are usually associated with improved service delivery, increased quality, cost savings, high level of technology and lower costs of financing. Public Private Partnerships (PPP) have developed impressively in late decades and these days represent a critical bit of public investment (Pattberg,2012). Matokho and Anyieni (2018) revealed that Public Private Partnership strategy leads to a decrease in operational costs while increasing the firm's market share. Organizations should adopt Public Private Partnership strategy to enhance firm performance that leads to increased brand awareness, improved customer focus, which leads to greater consumer trust.

The study was guided by three theories namely; resource- based theory, new public management theory and lastly agency theory. Resource based view was founded by Wernerfelt (1984) and assumes that deliberate managerial efforts are undertaken by firms which are steered towards gaining a sustainable competitive advantage. The new public management theory discusses how public institutions should be managed and is therefore relevant in this study. Agency theory is a theory that can be defined as an individual act on behalf of the organization and it occurs when the owner of the business contacts someone or group of persons known as the agent to carry out day to day activity on behalf of the company, Laffont and Mattiford, (2002).

There are eighty-six parastatals in Kenya working in the different sectors of the economy. Each ministry in the Kenyan government has a number of parastatals to help it operate efficiently. In each ministry, different parastatals work alongside each other and are interdependent for effective delivery of services. The formation of parastatals gave government institutions an opportunity to develop and compete fairly with private institutions. This has resulted to excellence in government performance as is evident in the continued growth and success of parastatals such as the various public universities in Kenya.

1.1.1 Public Private Partnership

Strategy is how the business intends to achieve its goals that have been spelt out in the strategic plan. The how of achieving organizational goals is a complex concept which calls for critical thinking, analysis, intuition and experience on how to efficiently utilize organizational resources, configure and reconfigure systems and structures and align organizational thinking to changes in the environment. Porter (1980, 1985) views strategy from perspective of competitiveness, differentiation and focus. Strategy enables the organization to acquire a unique position in the industry which enables it to out-do other businesses offering similar goods and services. The unique position is earned when the organization creates uniqueness in its goods and services through differentiation. Through differentiation, the organisation acquires image that is associated with superior quality service delivery, customer care and responsiveness, innovation and corporate social responsibility.

According to Porter (1985) public private partnership is the coalitions, collaborations or strategic alliances are among those strategies that organizations can adopt so as to achieve a competitive advantage. On the other hand, Tolbert and Zucker (1983) describes partnerships as a way

through which organizations enhance their scope through working with other firms thus enhancing the value proposition of such firms. Similarly, Egan (2005) characterizes Public Private Partnership as the game plans for the acquirement of merchandise and enterprises using, diversifying and comparative game plans with the private division; the private segment is contracted to give open products and ventures in the interest of government. Additionally, Grout (2003) and Ahadzi (2004) opined that on a very basic level, the private substance turns into the long-haul supplier of administrations while government turns into the buyer of the administrations.

According to Bouma and Berkhout, (2015) Public-Private-Partnerships need to be effective in order to achieve good results in the public sector and mostly infrastructure financing (Bouma and Berkhout, 2015). This is because the Public-Private-Partnership approach endeavors to saddle an extensive variety of administrative, business and specialized aptitudes of the private part while profiting from the socio-political altruism and the lower cost of capital of the general population division. This blend is required to improve time, quality and cost productivity of resultant undertakings (Savas, 2000). It ought to likewise prompt higher adaptability and better hazard administration among open framework ventures. In Kenya, the idea of Public-Private-Partnership has grown with the administration going into organizations with Private segment financial specialists in the arrangement of different administrations.

There are various public private partnership strategy functions that include; improved quality, expertise knowledge and skills, cost efficiencies and adequacy, innovation and lastly spending imperatives. Public private partnerships enhance improved quality and better outcomes due to the potential for increased emphasis on monitoring and evaluation (Williams, 2013). PPP enable

public agencies to exploit the technical and professional expertise of the private sector in the delivery of public goods and services. PPP's can incite cost efficiencies and plausibility, which are the deferred results of broadened rivalry, an updated level of hazard exchange, a nearer coordination of the specific parts of an undertaking, better entire life costing and enhanced headway, (Van Herpen, 2002). Moreover, the shorter undertaking course of events and other efficient advantages more often than not bring about noteworthy reserve funds which can be used to subsidize other required administrations. Innovation: PPPs render access to cutting edge innovation (both equipment and programming). It likewise presents private part innovation and advancement in arrangement of better open administrations through enhanced operational effectiveness spending imperatives: PPP's assistance decrease the capital requests on general society treasury for foundation advancement.

1.1.2 Performance of Public Entities

Performance refers to the accumulated and acceptable end results of all firm's business processes (Carton & Hofer, 2010). Venkatraman and Ramanujam (2018) acknowledge failure to have consensus on firm performance definition. This is indicated by the contrary definition by March and Sutton (2014) who described firm performance as relating to the efficiency in performing a task. It focuses on the customer and market and measures critical success measures metrics targeted at these segments. Another important measure is on internal processes. It identifies the business processes in which the organization performs well.

Many government departments have developed systems that integrate employees in order to improve the delivery of public services and realize achievement of the organizations' mission and vision. Ideally, Click and Duening (2005) observed that the main indicators of performance

are brought around in terms of costs of physical assets. Porter (1996) stated that performance essentially focuses on three aspects namely, differentiation advantage, low costs and focus strategy. Porter further highlighted that competitive forces can be addressed based on threat of substitutes, powerful customers, threat of new entrants and rivalry as well as powerful suppliers.

The balanced scorecard generates performance measures from the organization's mission, vision and strategy. It provides a tool for comprehensively measuring the performance of the organization. It includes the financial aspect which determines the economic outcomes of the different decisions undertaken by the organization. Another important aspect measured is customer satisfaction levels. It focuses on the customer and market and measures critical success measures metrics targeted at these segments. Another important measure is on internal processes. It identifies the business processes in which the organization performs well. Lastly, balanced scorecard focuses on learning and growth which are essential for long term growth of the business (Kaplan & Norton, 1996). The current study will adopt the balance scorecard as it has widely been acknowledged as a measure of performance.

1.1.3 Parastatals in Kenya

Parastatals in Kenya are established under the state corporation act (cap446), which gives them autonomy; their objectives are usually wide concerning both the organization and the country (Kramon& Posner, 2011). According to the Constitution of Kenya (2010), GoK comprises three arms, thus executive, legislature and judiciary. The executive, which is the largest arm, has the responsibility of implementing laws enacted by the legislature while judiciary arbitrates on legal disputes that arise. The executive is organized into 21 parastatals that are assigned mandates in specialized sectors to serve and deliver service to the public, (GoK, 2016).

Governments establish state corporations in areas which they consider to be of strategic importance and whose operations require more attention and focus or specialized knowledge and technical skills. Abubakar (2010) observes that unlike government operations, management of corporations is commercial or business oriented. They are expected to have; high performance, self-sustainability and compete effectively with other commercial or private enterprises in the economy undertaking similar functions or offering same services. Governments world over exist to provide services to their citizens. A government earns a good image and reputation from its citizens by the way it manages public affairs and delivers services. To respond to these increased demands, public institutions, including ministries, have been adopting and employing private sector ideas, disciplines, practices and management interventions in service delivery, with one of the key tools employed being ISO certification (Chu & Wang, 2002).

1.2 Research Problem

The purpose of infrastructural developments is important in socio economic growth because of their impact on social welfare and competitiveness of nations in developed and developing nations (Robert et al., 2014). Traditionally, governments use public budgets to develop infrastructure projects. However, the management expertise shortage in departments of government and the limitations of public capital have led in advancement of an alternate procurement model for running and developing infrastructural projects. The procurement model is termed as public private partnership approach. The model gears towards promoting the involvement of private sector players in the course of running infrastructure programs, including designing projects, financing, construction, operation and maintenance. In the recent past, the

popularity of Public Private Partnership type infrastructure (PPPTI) projects has been increasing more so in countries that are developing. Kabuiya (2015) asserted that the benefits that accrues to mobile telephone firms in strategic partnership with banks relates to product related benefits while banks accrue benefits relating to market performance.

The development of the public sector reform strategy, whose validation and implementation took effect from July 2005, was the basis of the introduction of performance contracts. The performance contracts tie an organization or individual to undertake specified tasks at predetermined levels of performance within a given period of time. Parastatals in Kenya are under obligation from the government to maintain a minimum running availability of production and service delivery. They therefore need to adopt the best management strategy which will enable them to meet this objective at optimal cost. The adopted management strategy ought to reduce the organization maintenance costs. The adopted strategies should also enable the organization to meet their other target objectives, world class status of availability and performance efficiency (Wamalwa, 2013).

Several studies have been done public private partnership strategy and performance. Globally, Nuwagaba (2013) studied public private partnership and their effects on service delivery in Rwanda. The study revealed that PPP improves service delivery. The study was however limited to only economic benefits and failed to explore non-financial benefits arising from the public private partnerships between service delivery in banks and FinTech firms. Tolani (2013) carried out an examination on perceptions of risk and allocation preferences in Public-Private Partnerships-Nigeria. The highlighted risks include construction time delays, cost overrun and excessive contract variation. The study focus was on public private partnership between banks

and industrial firms thus leaving out Parastatals. Reddy and Reddy (2015) studied the effect of PPPs on infrastructure development in India. However, the study focused on public private partnership between banks and telecommunication firms leaving out Parastatals.

Locally, Bosire (2015) found that government's investment in infrastructure had a significant and positive effect on economic growth in Kenya. The study focus was on public private partnership on ministries thus leaving out Parastatals and the relationship between PPP strategy and performance. According to Arasa and K'Obonyo(2012) organizations that carry out public private partnership efficiently have been known to exhibit a more superior performance compared to those that do not. Arasa and K'Obonyo (2012) argue that, "Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. By defining a company's purpose and goals, public private partnership provides direction to the organization and enhances coordination and control of organization activities". The public private partnership process shapes the choice of a company's strategy, reveals future opportunities and threats and stipulates a decision-making framework across the company. This study however failed to address public private partnership and performance contracting.

Nguri (2009) established various models in PPP finance for projects in municipality which included build own operate transfer, contracting, build own operate transfer and leasing as well as concessions. The study showed that public private partnerships have a positive effect to organizational performance. However, the study was limited to the partnership between commercial banks and telecommunication companies in Kenya and excluded Parastatals. The study by Akaranga (2008) was a critical literature review on the influence of performance contracting on performance. The current study employed a descriptive research design and

collected primary data to establish the study variables. The empirical evidence in Kenyan context is scanty. Further, public private partnership and performance contracting is yet to receive empirical attention. This study attempted to address the gaps demonstrated along theoretical, conceptual, contextual and methodological fronts by establishing the relationship between public private partnership and performance in Kenyan selected Parastatals. This study sought therefore address the following research question. What is the influence of public private partnership strategy on performance of Parastatals in Kenya?

1.3 Research Objective

The aim of this research was assessing the influence of public private partnership strategy on performance of sampled Parastatals in Kenya.

1.4 Value of the Study

The study findings are important to the government of Kenya. By highlighting on how the adoption of PPP has impacted on the performance of Parastatals in Kenya, Government can be able to make well informed decisions in the initiation of PPP projects across different sectors in Kenya.

The study findings are also important to makers of policies. By highlighting on the impacts of PPP on the infrastructure development, policy makers can be at a position to evaluate the effectiveness of the policies in place in regard to PPP and ensure that they are geared towards economic growth of the Nation.

Finally, The study also seeks to contribute to the body of knowledge by providing a platform upon which further studies on public private partnerships can be done, while equally providing

other researchers with a basis for citation and formulating their own research gaps as they conduct their studies in the future.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Theoretical review has been examined in this section and also public private partnership strategy together with their relationship with the performance. The chapter further outlined both local and global empirical reviews and research gaps.

2.2 Theoretical Review

Several theories offer insights and provide clarity into the rationale underlying the public private partnership strategy on performance of sampled Parastatals in Kenya. They include resource-based theory, new public management theory, and agency theory.

2.2.1 Resource Based Theory

Resource Based View Theory sets up the importance of an organization to fabricate a crucial resources arrangement and packaging them together in remarkable and dynamic manner so as to

increase the achievement of a firm Competitive advantage is dependent not, as customarily expected, on such factors as natural resources, innovation, or economies of scale, because these are progressively simple to imitate. In reality, human capital is an "invisible asset" Barney (2001). The RBV of the firm strengthens the idea that the success of an organization depends highly on people, as an important asset and that firms should nurture employees within a supportive work environment (Armstrong & Taylor, 2014). Terziovski (2010) encourage the improvement and nurture of workers inside a steady solid culture. A later and similarly essential strand has risen under the title "the talent-based view of the firm", which underlines the prerequisite of the association to create and increment the talent and learning abilities of the representatives through talent obtaining and talent sharing and exchange, to accomplish competitive advantage. As indicated by the theory, equal organizations contend based on the heterogeneity and fixed status of their resources and capacities (Thompson, 2001).

Literature on the competitive advantage has taken a move and it has recognized that the inside resources have a significant task to carry out in the organization performance (Wright et al., 2009). The RBV of the firm offers significance to building exceptional, difficult to imitate and important resources and also a dynamic method to incorporate those resources to get an organization's success. As indicated by resource-based view, firm performance is reliant on the significant, uncommon and difficult to duplicate resources that dwell in the association and a conducive work environment is one of those scarce resources.

2.2.2 New Public Management Theory

New Public Management is a public administration management approach that examines experiences and knowledge acquired in managing the business and other subjects so as to

improve efficiency, effectiveness and overall performance of public sector amid the bureaucratic systems.” Despite massive contradictions on the implications and the consequences of this doctrine, it is evident that it has been highly practicable in public administration theory as from the 1980s(Garson& Overman, 2018). Over the past few years, there have been ongoing debates between scholars and public administration practitioners on the best approaches of revitalizing and renewing the old bureaucracies. A lot has been undertaken on public administration theory and practice as from 1980s which precede the predominant conservative approach. Based on the experience of the private/business sector/industrialized sector, scholars have opted for a more “demanding” approach toward the dynamics, productivity and activities of public institutions. Furthermore, tremendous changes have transformed the old public administration style into a new public management. This public administration liberalization is currently described as the doctrine of New Public Management (NPM) (Lynn, 1996).The arguments of this approach have provided holistic explanations and different examples that depict a significant positive effect of the approach. Those that critique NPM base it on the argument that it makes no notable contribution to the field. They therefore tend to consider it as a seasonal trend that will eventually be transformed into other “new” doctrines (Khademian, 1998).

2.2.3 The Agency Theory

The theory was developed by Jensen and Meckling (1976) and it avows that shareholders; who are the owners (principals) of the firm, hire firm managers (agents). The principal expects the agent to make decisions and act in the owner’s/ principal’s best interest. The managers/ agents may however have self-interests that conflict with the interests of the principals. Agency theory suggests mechanisms that aim to resolve the shareholder interests and those of the management.

The mechanisms include external control measures like takeovers (Easterwood, 1997). The potential for conflict between shareholders and managers may also be minimized by the use of internal control measures like non-executive directors' monitoring and executive share ownership incentives. The advocates of agency theory postulate that control measures are mandatory for directing dishonest managerial actions. Critics on the other hand argue that control creates stronger personal behavior, lessens proactive organizational actions and honesty, and lastly results in suspicion (Jensen & Meckling, 1976).

Divergences in goals and attitude towards risk and decentralization in information are tenets of the agency theory. If the information asymmetry and conflict of interests' assumptions are allayed, the agency problem then becomes inconsequential and not of any interest scientifically. If there were no information asymmetry, the principal would simply direct and control the agent's actions and appropriately reward the agent. If the principal and the agent have consistent interests, then the agent's incentives are clear (Podrug, 2010). A critique of the agency approach is that the analytical focus on how to resolve conflict between the various stakeholders in the firm is too narrow, and the shareholders are not the only ones who make investment in the firm (Donaldson, 1990). Additionally, Hill (1990) has argued that even in situations of very specific assets; where the possibility of unscrupulousness is very high, there are people who will give precedence to collaboration and trust and will not initiate opportunistic behavior.

2.3 Public Private Partnership and Performance in Public Entities

To ensure successful and sustainable implementation of performance contracting process, it is necessary to tie it with other management systems. Therefore, a performance-contracting regime cannot be substituted for overall management of performance. It is basically a sole component of a performance management framework that form part of the general resource allocation frameworks. Performance management systems are useful in facilitating organizational change and maintenance of continuity when performance is communicated in a clear and understandable manner (Armstrong & Taylor, 2014). A performance management program should capture the objectives of result achievement, customer satisfaction, employee motivation and satisfaction. Such a programme will among other things strengthen accountability and tie performance expectations with organizational objectives; track organizational goals, and steer for their attainment; focus on results as opposed to subjective assessments thus motivating the employees to work towards improved performance; develop the unique skills and good rewards systems (Murphy, 2004).

Performance public entities are mainly designed based on the public agencies' strategic plan. This is because the current situation of the agency, where it intends to go, and mechanisms of getting there, time it will get there, the activities and personnel, and methods of evaluation are all defined in the strategic plan. Performance public entities are defined by the performance indicators, which are derived from the agency's mission and objectives as stipulated in the Strategic Plan(Choke, 2006).

2.4 Empirical Literature Review

Researches on the association between public private partnership strategy and firm performance within water sector. Marin et al (2009) finds out that through PPP projects in water sector, since

1990 more than 24 million people in developing countries have had access to piped water. The researchers look at concessions' performance since many of such concessions failed to invest the amount of private funding they had originally committed and did not always attain their initial contractual goals for coverage. In the pool of 30 concessions studied, those that performed well were the ones that had the element of both public and private funding (Cordoba in Argentina, Guayaquil in Ecuador and Colombia). On the contrary, lease-affermage was mentioned by the researchers in scenarios where there was successes in expansion of access. Through quality of service, the main challenge for most PPPs was to eliminate rationing of water, a measure which also aids a higher quality of water by reduction of risks of pipe infiltration. The researchers point out a number of examples (Countries in West Africa and Colombia) where there was improved service continuity courtesy of private operators by beginning from systems that were highly deteriorated.

According to Juma and Kinyanjui (2014) explored the impact of public private partnership implementation on performance of Kenyan public universities the case being the University of Nairobi, the findings of the study indicated that PPP positively affected the performance of Kenyan public universities. Their study however only looked at the context of a public university and more research needs to be conducted on the context of all commercial state corporations. According to Arasa and K'Obonyo(2012) organizations that carry out public private partnership efficiently have been known to exhibit a more superior performance compared to those that do not. Arasa and K'Obonyo (2012) argue that, "Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. By defining a company's purpose and goals, public private partnership provides direction to the organization and enhances coordination and control of organization activities". The public

private partnership process shapes the choice of a company's strategy, reveals future opportunities and threats and stipulates a decision-making framework across the company. This study however failed to address public private partnership and performance contracting.

It was assessed that there is a clear picture of the scenario, various research methods were employed in the study (Leley, 2013). Quantitative and Qualitative means of collecting data were used in the research. Analyzed data was summarized through both inferential and Descriptive statistics. Presentation and interpretation were also done to ascertain the relevance of the objectives. The presentation was done in form of tables, figures and frequencies and the explanation of every table given was given as a conclusion after every analysis. All the factors influencing implementation of donor funded infrastructural projects were analyzed in a separate table or figure. The main factors summarized include logistics, human factors, proliferation, coordination and technology.

In another study done on urban infrastructure projects that are financed by PPP in Kenya was conducted by Bosire (2015) research findings showed that 70.73% of the counties have in place PPP implementation guidelines which are instrumental in guiding the PPP procurement process. Barbosa et al. (2010) investigated the role of strategic partnership on competitive advantage among financial sector firms in Brazil. Through the use of exploratory study design among 121 companies, with canonical correlation the results indicated that strategic partnerships lead to competitive advantages in the areas of operational efficiency, flexibility, pioneering potential, innovation and managerial capacity. This study provided insights to the effect of strategic partnership on competitive advantages but failed to explore the advantages in banking sector partnership with FinTech firms.

A study on public private public partnership on performance among county governments in Kenya by Nguri (2009) established that municipal projects in infrastructure roads, power, telecommunication and water etc. also housing projects i.e. schools, hospitals including other educational institutions can attract PPP financing. There was also identification of the various models in PPP finance for projects in municipality which included build own operate transfer, contracting, build own operate transfer and leasing as well as concessions. Moreover, the study found out that the Kenya PPP act has laid out the obligations to be met before a municipal authority or country can roll out PPP projects.

A study done examining strategic partnership on financial performance of banks in Kenya by Matokho & Anyieni (2018). It was found that strategic partnership leads to a decrease in operational cost while increasing the market share of banks in Kenya. These studies are relevant to the current study in understanding the competitive advantage offered to banks through partnership. However, it fails to analyse the competitive advantages offered by strategic partnership between banks and FinTech firms. Similarly, Kangogo (2016) examined the relationship between partnership strategy and performance of Kenya Commercial Bank group Ltd. Through a case study design the study found that Kenya Commercial Bank group Ltd has partnership with various organizations. The study found that the strategic partnerships have enhanced the competitive advantage of Kenya Commercial Bank in the banking industry. The study concluded that strategic partnerships have enhanced the customer relationship management in banks.

There is a strong association between the predisposition of an organization towards strategic partnership. Kabuiya (2015) established that the benefits that accrues to mobile telephone firms

in strategic partnership with banks relates to product related benefits while banks accrues benefits relating to market performance. Although this study explored strategic partnership in banks it did not focus on partnership between banks and Fintechs firms. Similarly, Kenny (2017), opined that failures in governance is likely to lead to poor construction of infrastructure at high cost. According to his study, good governance in a project enhances transparency. Poor governance does not enhance transparency and oversight in projects leading to corruption in infrastructure construction. Poor transparency increases costs and delays in construction projects and the result is poor quality work. It is the corruption that leads to mismanagement of available resources; mismanagement of resources results in poor quality work. He concluded that poor governance in construction projects leads to poor quality work and the reverse is true.

There have been several studies on public private partnership strategy on performance although similar studies were done in other parts of the world. The environment in the USA and other regions of the world are so different from Kenya and the findings cannot be applied in this context without further studies. The local studies focused on other aspects other than how public private partnership strategy impact performance of the firm. Therefore, there exists a knowledge gap which this study will seek to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section gives a discourse of the blueprint of the study methodology that was utilized as a part of the research. It centers on the design of the study, techniques for the data analysis and arrives at a conclusion with the collection and data presentation strategies that utilized as a part of this study.

3.2 Research Design

The study used the cross-sectional survey as it describes the data and the varied characteristics of the population and the phenomenon being studied. This design was used because large sample sizes are realistic and give statistically significant results even when analyzed using several variables. Surveys are important since they give a good description of a large population. The design was able to answer questions such as when, who, where and how enabling the respondents to respond freely.

3.3 Population of study

A target population refers to every member who is either in a real group or a hypothetical group of individuals, items or subjects from where the researcher has the intention of obtaining conclusions that are general in the variables under study (Cooper & Schindler, 2006). Similarly, Mugenda and Mugenda, (2003) define the target population as a study should contain observable

attributes to allow generalization of the results. The population of this study composed of all the 86 Parastatals operating in Kenya as at 31st December 2019.

3.4 Data Collection

The study utilized primary data that was collected using questionnaire with both open ended and closed ended statement. The questionnaire was divided into three parts. Part I collected information on general information, Part II on the public private partnership strategy adopted by government parastatals while Part III on performance. The researcher used a research assistant to collect data from various Parastatals at the headquarters in Nairobi. The respondents included chief operating officers, human resource managers, finance managers, communications managers and project managers. One questionnaire was issued to each Parastatal. The questionnaires were emailed to various respondents.

3.5 Data Analysis

The data to be collected through questionnaires was checked for accuracy and completeness. It was edited, classified and tabulated before carrying out descriptive analysis. Descriptive analysis focus on working out measures of central tendency and dispersion measures. The researcher calculated the mean for the data in order to rank factors that a firm considers in choosing the strategies to be adopted. Standard deviation is the most widely used measure of dispersion. It was used to measure the amount of variation of a set data of values. In this study, standard deviation was used to establish the variation of a particular firm's data from the industry average. The results of this analysis was presented using tables and charts. In order to perform all these analyses, the Statistical Package for Social Sciences (SPSS) software was utilized. The multiple linear regressions model was used is shown below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where: Y is Performance

β_0 is the model 's constant

β_1 to β_5 are the regression coefficients

X_1 = Project funding

X_2 = Technological requirements

X_3 = Ease of doing business

X_4 = Project period

X_5 = Government Policies variables.

E=Error Term

X_5 = Government Policies variables.

E=Error Term

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter focuses on the analysis and interpretation of the data collected from the target respondents. The data was obtained through the questionnaires, which were shared on email containing a brief introduction of the study objectives. The target respondents were chief operating officers, human resource managers, finance managers, communications managers and project managers. One questionnaire was issued to each Parastatal. The objective of the study was to determine the influence of public private partnership strategy on performance of sampled Parastatals in Kenya.

4.2 Response Rate

The questionnaires were sent out to 86 Parastatals headquartered in Nairobi County Kenya, which the researcher considered the major players in the industry. Only 50 questionnaires were duly completed and returned making a response rate of 75.8%. The results are in line with Mugenda and Mugenda (2013) affirmation showing rates greater than 50% is satisfactory in the analysis. Babbie (2010) also claims that a 60% return rate is decent and a 70% return rate as excellent. Findings were adequate to analyze the data. This is a sufficient response rate and therefore the researcher proceeded with the data analysis.

4.3 General Information

This section provides an overview of the general information of the organizations and respondents. The information helps in understanding the background of the organization and the respondents under review.

4.3.1 Gender of the Respondents

One of the key pieces of background data that the investigator wanted to determine was the participants' sex. Outcomes are indicated below in Table 4.1.

Table 4.1: Gender of the respondents

Class	Frequency	Percentage
Male	30	60
Female	20	40
Total	50	100

Source; Research Data 2020

Source; Research Data 2020

The findings in Table 4.1 indicate that majority of the respondents were male at 60% and female were 40%. This is similar to previous studies that covered an aspect of management of public institutions in Kenya. More specifically, Aleke (2013) asserts that majority of top government positions are managed by the male gender.

4.3.2 Age Bracket

The participants were required by the research to state their age. The results are presented in Table 4.2

Table 4.2: Age bracket

Age bracket	Frequency	Percent
18-30 years	14	28
30-45 years	20	40
45-60 years	16	32
Total	50	100.0

Source; Research Data 2020 □

The findings in Table 4.2 indicate that 40% of the respondents were aged between 30-45 years while 32% of the respondents were aged between 45 – 60 years. Similarly, 28% of the respondents were aged between 18 -30 years. It can be concluded that close to two-thirds of the respondents were aged less than 50 years and therefore are at the early stages of their careers in the Government.

4.3.3 Level of Education

The participants were required by the research to state their highest level of education. The findings are shown in Table 4.3.

Table4.3: Level of Education

Years	Frequency	Percentage
Undergraduate	8	16
Masters	27	54
Post-Graduate	15	30
Total	50	100.0

Source; Research Data 2020

The findings in Table 4.3 indicate that majority of the respondents (54%) had attained a master’s degree level of education, 30% had post-graduate degree and lastly 16% had attained an undergraduate degree. This implies that since all the respondents had attained university level of education and they can be deemed to be knowledgeable on the research subject area and therefore useful to the research. This also indicates that most of respondents in government Parastatals have degree. This is consistent to Wanyama (2013) that managers in national government have attained master’s degree making them more knowledgeable than others and most of the employees were willing to further their education so as to fit within the dynamic job market.

4.3.4 Length of Continuous Service

The study asked the respondents to disclose the duration they had served in their organizations.

The result is represented in Table 4.4.

Table 4.4: Length of Continuous Service

Years	Frequency	Percentage
0-3 years	10	20
4-7 years	15	30
8-11 years	20	40
above 12 years	5	10
Total	50	100.0

Source; Research Data 2020 □

The findings in Table 4.4 indicate that majority of the respondents (40%) had worked in the Parastatals for between 8 - 11, and 30% of the respondents indicated that they have worked in the Parastatals for a period between 4-7 years. In addition, the study also found that 20% of the respondents have worked in Parastatals between 0-3 years and lastly those with over 12 years' experience represented 10% of the sample. This implies that over 85% of the respondents had worked in the Parastatals for over 7 years hence have enough experience in the public sector.

4.3.5 Position of respondents

This section of the questionnaire sought to establish the position of the respondents. The results are presented in Table 4.5

Table 4.5: Position of respondents

Class	Frequency	Percentage
Director	7	14
Supervisory	27	54
Management staff	16	32
Total	50	100.0

Source; Research Data 2020

The findings in Table 4.5 show that respondents (54%) were supervisors while 32% were in management staff and lastly 14% were directors. This implies that most of the respondents were supervisors and were knowledgeable about strategies adopted by Parastatals.

4.4 Public Private Partnership Strategy

Public private partnership strategies were the independent variable of this study. It was necessary to establish the respondents' views regarding service recovery strategies in their organization. Public private partnership strategies were evaluated on a 5-point Likert scale, and it was expected that the participants would either agree: "to a very large extent", "large extent", "moderate extent", "little extent", or "Not at all".

4.4.1 Project funding

The respondents were given five statements to gauge the extent to which project funding affects an organizations decision to engage in PPPs and asked to indicate their level of agreement. The results are as shown in Table 4.6

Table4. 6: Project funding

Project funding	N	Mean	Standard. Deviation
Huge capital outlay	50	4.70	.497
Distribution of costs	50	4.59	.562

Timeliness in government funds	50	4.31	.471
Project risks and risk management	50	4,21	.456
Overall average mean		4.45	.520

Source; Research Data 2020

From the findings, huge capital outlay emerged as one of the main influencing factors with a mean of 4.70 and S.D of .497. Distribution of costs was also noted as a key influencing factor having a mean of 4.59 and S.D of .562. On the other hand, timeliness of Government funding and project risks management had lesser influence scoring a mean of 4.31 and 4.21 respectively which is lower than the overall average mean of 4.45.

4.4.2 Technological requirements

The respondents were given five statements relating to technological requirements and asked to indicate their level of agreement with the various factors that influence the decision to engage in PPPs. The results are as shown in Table 4.7

Table 4.7: Technological requirements

Technological requirements	N	Mean	Standard. Deviation
Ease of use	50	4.57	.502
Applicability	50	4.49	.562
Compatibility/ Integration with other systems	50	4.40	.497

Multi-project capacity	50	4.34	.591
Perceived usefulness	50	4.32	.502
Overall average mean	50	4.32	.520

Source; Research Data 2020

From the findings, Ease of use scored the highest mean of 4.57 and S.D of .502 whereas perceived usefulness was lowest with a mean of 4.32 and S.D of .502. This implies that most parastatals are keen on adopting technologies that they have a degree of understanding on. This would mean engaging in PPPs that can be implemented as planned, using proven technologies, and without unreasonable technical risks. The findings are aligned with the findings published by Williams, (2013) indicating that PPPs enable public agencies to exploit the technical and professional expertise of the private sector in the delivery of public goods and services.

4.4.3 Ease of doing business

The respondents were given four statements on ease of doing business and asked to indicate their level of agreement. The results are as shown in Table 4.8

Table 4. 8: Ease of doing business

Ease of doing business	N	Mean	Standard. Deviation
Labor mobility	50	4.43	.7145
Nature and extent of bureaucracy	50	4.63	.7678

Allocation of resources	50	4.60	.604.
Operational complexity	50	4.34	.767
Average		4.50	.784

Source; Research Data 2020

From the findings, the nature and extent of bureaucracy involved in engaging in PPPs is a major influence on the decision to engage in PPPs. Allocation of resources scored a mean of 4.60 and S.D .604, labor mobility had a mean of 4.43 and S.D .7145 while operation complexity scored a mean of 4.34 and S.D of .767. In overall PPPs contribute to the ease of doing business to a great extent primarily influenced by the extent of bureaucracy and allocation of resources. The decision to engage in PPPs is therefore largely influenced by the PPP application process and the financial requirements that are expected to be provided by the public partner.

4.3.4 Project period

The respondents were given three statements on the influence that the project period has on the decision to engage in PPPs and asked to indicate their level of agreement. The results are as shown in Table 4.9

Table 4.9: Project period

Project period	N	Mean	S.D
Length of project cycle	50	4.37	.508
Frequency of partners' interactions	50	4.16	.456

Procurement delays.	50	4.26	.424
Overall Mean	50	4.26	.456

Source; Research Data 2020

The findings indicate that most of the respondents agree that length of project cycle is a key factor in arriving at a decision to engage in PPPs . Procurement delays with a mean of 4.26 and S.D of .413 and frequency of partners’ interactions at a mean of 4.16 and S.D of .456. The overall mean was at 4.26 implying that most Parastatals in PPP projects depending on the length of project cycle and the complexities involved in procuring the private partner.

4.4.5 Government Policies

The respondents were given four statements to determine ways in which government policies influence the parastatals decision to engage in PPPs and asked to indicate their level of agreement. The results are as shown in Table 4.10

Table4. 10: Government Policies

Government Policies	N	Mean	Standard. Deviation
Clarity of legal and regulatory framework	50	4.51	.612
Administrative processes guiding local governments	50	4.34	.482
Impediments in the existing legal framework	50	4.63	.598

Government expenditure policies	50	4.14	.435
Average		4.40	.534

Source; Research Data 2020

From the findings, impediments in the existing legal and regulatory framework with is one of the key influencing factors with a mean of 4.63 and S.D of .598. Legal and regulation framework is also a major influencing factor with a mean of 4.51 and S.D of .612 and administrative processes guiding local governments with a mean of 4.34 and S.D of .482. Government expenditure policies was selected as the least influencing factor with a mean of 4.14 and S. D of. 435.The overall mean was 4,40 implying that government policies influence PPP at moderate extent. The findings agree with Kenny (2017), opined that failures in governance is likely to lead to poor construction of infrastructure at high cost.

4.5 Firm Performance

Firm performance was the dependent variable under this study. Firm performance was evaluated on a 5-point Likert scale, and it was expected that the respondents would either agree: "to a very large extent", "large extent", "moderate extent", "little extent", or "Not at all". The results are as shown in Table 4.11

Table 4.11: Firm Performance

Firm Performance	N	Mean	Standard. Deviation
The institution is able to establish linkages between use of performance contracts and increased performance	50	4.11	.504

The organization's capacity to achieve its objectives has greatly improved through participation in PPPs	50	4.54	.505
The definition of performance measurement is mutually done and not imposed on management.	50	4.23	.798
Varied stakeholder interests take center stage when drafting performance objectives regardless of goals and objectives stipulated in the public private partnership.	50	4.63	.547
Further improvements are necessary to enhance the effectiveness of performance in the organization.	50	4.26	.611
Overall average mean	50	4.35	.652

Source; Research Data 2020

From the findings, respondents agreed that varied stakeholder interests take center stage when drafting performance objectives regardless of goals and objectives stipulated in the public private partnership to a great extent with a mean 4.63 and standard deviation of .547. The respondents also indicated that the organization's capacity to achieve its objectives has greatly improved through participation in PPP and that further improvements are necessary to enhance the effectiveness of performance in the organization. The feedback also indicated that at least half of the institutions are able to establish linkages between use of performance contracts and increased performance with a mean score of 4.11 and S.D 0.504.

4.6 Correlation Analysis

Correlation analysis was conducted to assess association between predictor and response variables. Regression analysis was conducted to find out the relationship between the variables.

4.6.1 Correlation Analysis

Pearson Correlation analysis was employed to determine the linkage amid the study variables. The results were as indicated in Table 4.11

Table 4.12: Correlation Analysis

		PF	TR	EB	PP	GP	PER
PF-Project Funding	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	50					
TR-Technological Requirements	Pearson Correlation	.590**	1				
	Sig. (2-tailed)	.01					
	N	50	50				
EB-Ease of doing business	Pearson Correlation	.523*	.431*	1			
	Sig. (2-tailed)	.05	.05				
	N	50	50	50			
PP-Project period	Pearson Correlation	.583**	.464*	.141*	1		
	Sig. (2-tailed)	.01	.05	.05			
	N	50	50	50	50		
GP-Government policies	Pearson Correlation	.650**	.173*	.324**	.215*	1	
	Sig. (2-tailed)	.01	.05	.01	.05		
	N	50	50	50	50	50	
Performance	Pearson Correlation	.783**	.620**	.638**	.466*	.625**	1
	Sig. (2-tailed)	.01	.01	.01	.05	.01	
	N	50	50	50	50	50	1

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

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

Source; Research Data 2020

From the above Table 4.11, there is positive correlation between project funding and performance at Pearson’s correlation coefficient of $r=0.783$ and significance level of 0.01. Similarly, technological requirement has a positive relationship with performance at $r=0.620$ and significance level of 0.01. Similarly, results were obtained between ease of doing business and performance with Pearson’s correlation coefficient of 0.638 and level of significance being 0.01. Project funding had insignificant relationship with government policies at Pearson’s correlation coefficient of 0.466 and significance level of 0.05. Finally, government policies have significant correlation with performance at Pearson’s correlation coefficient of 0.466 and P-value of 0.05.

4.7 Regression

Regression analysis was used to establish the variance accounted for by one variable in predicting another variable.

4.7.1 Model Summary

The performance of Parastatals was regressed against public private partnership strategy. Table 4.12 shows the model summary.

Table 4.13: Model Summary

Model	R	R ²	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.767	.684	.419

Predictors: (Constant), Project Funding, Technological Requirement, Ease of doing business,

Source; Research Data 2020

Project period and government policies. From the Table 4.12, it can be observed that R was 0.876 and $R^2=0,767$ at 0.005 level of significance. There is a strong relationship between public private partnership strategy and performance as shown by $R=0,876>$ The results also indicated that 76.7% of variation in performance is explained by the predictors in the model while 23.3% variation is unexplained due to other factors that are not in the model.

4.7.2 Anova Analysis

On whether the regression model used was fit for the data collated, the researcher performed Analysis of Variance (ANOVA). As shown on Table 4.13

Table 14.14: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.090	5	1.618	2.427	.000 ^b
	Residual	2.460	44	.176		
	Total	10.550	49			

Source; Research Data 2020

As shown in Table 4.14, $F(5,44) = 2.427$ was significant at 95% level of confidence. This postulates that the model used was fit to explain the relationship between the private partnership strategy and performance. Significance explains the usefulness of regression model at 95% level of confidence in which p-value of the ANOVA is less than alpha ($0 < 0.05$) hence it was concluded that private partnership strategy is significant predictor of performance.

4.7.3 Model Regression Coefficients

Table 4.15 shows unstandardized coefficients, standardized coefficients, t statistic and significant values

Table 4.15: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients Beta (β)	t	Sig.
	B (β)	Std. Error			
(Constant)	.179	.756		.236	.817
Project funding	.149	.239	.165	.623	.543
Technological Requirement	.247	.159	.272	1.554	.012
Ease of doing Business	.239	.125	.305	1.906	.037
Project funding	.200	.273	.126	.733	.476
Government Policies	.289	.156	.145	1.857	.074

a. Dependent Variable: Performance

Source; Research Data 2020

The coefficient in Table 4.15 indicates holding all other factors constant (no influence of the predictor variables) performance would be at 0.179. A unit rise in Project funding implementation would result in a rise in performance by 0.165. A unit increase in technological requirement would result an increase in performance by 0.272. A unit rise in ease of doing business results in a rise in performance by 0.305. A unit rise in project funding results in a rise in performance by 0.126. Lastly, a unit rise in government policies results in a rise in performance by 0.145.

The regression equation was as follows:

$$Y = 0.179 + 0.165X_1 + 0.272X_2 + 0.305X_3 + 0.126X_4 + 0.145X_5$$

Where:

Y = Performance

X₁ = Project funding

X₂ = Technological requirements

X₃ = Ease of doing business

X₄ = Project period

X₅ = Government Policies variables.

E=Error Term

4.8 Discussion of Findings

In general, the study sought to determine the influence of public private partnership strategy on performance of sampled Parastatals in Kenya. The results revealed that managers in Parastatals were mostly male thus and have worked in the government more than 4 years. This agrees with Aleke (2013) who asserted that most top government positions are managed by male because of their domination in managerial positions which is not a good thing considering the need for equity and may imply that national ministries are biased as regards to management. Most of the respondents had university level of education and were supervisors. This is consistent to Wanyama (2013) that managers in national government have attained master's degree making them to be more knowledgeable.

The results revealed that project funding affects Parastatals to a great extent primarily due to huge capital and operational costs. The findings are similar to Bouma and Berkhout, (2015)

Public-Private-Partnerships need to be effective in order to achieve good results in the public sector and get more funds from the various firms. On the other hand, technological requirements influence Parastatals at moderate extent and are highly influenced by ease of use and perceived usefulness. The findings agree with Williams, (2013) that PPP enable public agencies to exploit the technical and professional expertise of the private sector in the delivery of public goods and services.

Ease of doing business was at great extent and it was influenced by labor mobility and allocation of resources. The findings are in line with Nisar, Prabhakar and Strakova (2018) PPP's assistance decrease the capital requests on general society treasury for foundation advancement. Similarly, project period was at moderate extent. The findings are in line with Van Herpen, (2002) that PPP enable public agencies to exploit the technical and professional expertise of the private sector in the delivery of public goods and services. PPP's can incite cost efficiencies and plausibility, which are the deferred results of broadened rivalry, an updated level of hazard exchange, a nearer coordination of the specific parts of an undertaking, better entire life costing and enhanced headway. Government policies were at moderate extent highly influenced by legal framework. The findings agree with Kenny (2017), opined that failures in governance is likely to lead to poor construction of infrastructure at high cost.

The findings established the existence of a strong positive correlation between public private partnership strategy and firm performance. The findings agree with the findings of Juma and Kinyanjui (2014) PPP positively affected the performance of Kenyan public universities and Juma and Kinyanjui (2014) explored the impact of public private partnership implementation on performance of Kenyan public universities the case being the University of Nairobi, the findings

of the study indicated that PPP positively affected the performance of Kenyan public universities. Their study however only looked at the context of a public university and more research needs to be conducted on the context of all commercial state corporations.

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This Chapter focuses on the findings obtained from the data analysis as well as the conclusions reached. It also includes the recommendations and suggestions for further research on this topic.

The researcher set out to determine the influence of public private partnership strategy on performance of sampled Parastatals in Kenya. From the results of data analysis, the researcher will be able to give their view as to whether this objective has been met or not.

5.2 Summary of the findings

The objective of the study was to determine the influence of public private partnership strategy on performance of sampled Parastatals in Kenya. A cross sectional survey design was applied to address the research problem and meet the objectives set by the researcher. The study was anchored on three theories namely; resource- based theory, new public management theory and agency theory. Data was collected using a questionnaire from 50 respondents. Further, the data was analyzed using SPSS version 20 and the data was analyzed using descriptive and inferential analysis. Measures of central tendency were used to describe the data while multiple regression analysis was used to determine the relationship between variables.

The results revealed that project funding affects Parastatals at great extent in which it is affected by huge capital and operation costs. On the other hand, technological requirements influence Parastatals at a moderate extent and is highly influenced by ease of use and perceived usefulness. Ease of doing business was at great extent and it is influenced by labor mobility and allocation of resources. Similarly, project period was at moderate extent and government policies were at moderate extent highly influenced by legal framework.

The findings established the existence of a strong positive correlation between public private partnership strategy and firm performance. It was found out that adjusted R squared was 0.684 implying that there was 68.4% variation of firm performance due to the changes of public private

partnership strategy. The remaining 31.6% implies that other factors which lead to performance existed and were not captured in the study. It was revealed that Public private partnership strategy is significant to performance of organizations in Kenya by ($\beta = 0.428$, $P = 0.009$). This implies that an improvement in strategy will lead to increase in performance.

5.3 Conclusion of the findings

From the findings it can be concluded that managers in Parastatals were male and have worked in the government more than 4 years. Close to two-thirds of the respondents were aged less than 50 years and therefore and have more years to work for the government.

The study concludes that project funding affects Parastatals to a great extent primarily due to huge capital and operational costs. Public-Private-Partnerships need to be effective in order to achieve good results in the public sector and get more funds from the various firms. The study also concludes that technological requirements influence Parastatals at moderate extent and are highly influenced by ease of use and perceived usefulness. PPP enable public agencies to exploit the technical and professional expertise of the private sector in the delivery of public goods and services.

The study concludes that ease of doing business was at great extent and it was influenced by labor mobility and allocation of resources. PPP's assistance decreases the capital requests on general society treasury for foundation advancement. Similarly, project period was at moderate extent. Government policies were at moderate extent highly influenced by legal framework. Finally, the study concludes that the existence of a strong positive correlation between public private partnership strategy and firm performance.

5.4 Recommendation of the study

The study is perceived as a cross-sectional research that used quantitative approach: capturing perceptions and opinions of respondents. The cross-sectional study utilizing a quantitative approach was chosen as it was the most appropriate way available to chart the problems given limited time and finances. There is need for a similar research to be carried out based on qualitative approaches such as interviews.

The study recommends that the leadership of Parastatals should be committed to PPP strategies. Top leadership should allocate and provide more resources, both financial and human resources, to support strategies. Resources are key to successful PPP strategy. Besides provision of resources, leadership should also enhance teamwork and create a culture that would support the firm PPP strategies.

The success of PPP strategy at Parastatals is solely contingent on organization competency and commitments by all stakeholders. Because of the importance of the leadership of the organization to the adaptive process, it is vital to continuously support and enhance those traits required to promote change orientation and growth.

Avenues to measure the impact to Member states and other stakeholders should equally be enhanced as this provides a more integrated view of the PPP strategy, which assures that the impact of the Parastatals shall be felt even more.

5.5 Limitations of the Study

The researcher encountered many different problems in conducting the research. For instance, some respondents were reluctant to provide information that they viewed as confidential to the

company. Respondents were also reluctant to offer information for fear that the information would be used against them. Further, most of the targeted respondents had very busy schedules making it hard to fill in the feedback forms within the stipulated time. The stringent policies of the firms also lengthened the process due to many bureaucratic processes involved.

The study's limitations included the limited time set aside for the research and the scope. The population under study involved all sampled Parastatals in Kenya presenting a challenge to collect data from the sampled Parastatals in Kenya in view of the limited time available to collect the data. This ensured the maximum amount of time possible was spent in the research and last-minute rush was avoided.

The current study was limited to primary data that was collected using questionnaires. However, it could be prudent when data is obtained from both the primary and secondary sources were used to substitute each other. At the same time, not questionnaires that the researcher issued to respondents were returned hence reducing the return rate.

5.6 Recommendation for Further Studies

Further research done on the factors affecting public private partnership strategy and performance by drawing attention on all Parastatals instead of sampled Parastatals in Kenya so as to represent useful and reliable information which depicts actual events throughout all economic sectors.

It would be paramount to conduct further research to determine other random variations and factors not considered in this research that determine public private partnership strategy of all Parastatals in Kenya and how these factors would relate to performance and strategy formulation.

This can include similar variables or more variables be added to come up with more solid confirmation or reduction of error term.

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APPENDICES

APPENDIX I: Research Questionnaire

Section A: General information

Tick the following questions where it's appropriate

1) Please state your gender?

Gender () Male () Female

2) What is your age bracket?

a) 18 - 30 years [] b) 30 - 45 years [] c) 45 - 60 years [] d) Above 60 years []

3) Highest level of Education?

College [] University- Undergraduate [] University-Post graduate and above []

4) For how long have you been working in the Ministry?

a) 0-3 years [] b) 4-7 years [] c) 8-11 years [] d) 12 years and above []

5) Which category best describes your position in the organization:

Director () Supervisory Staff() Management Staff () Other (Please State)

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Section B: Public –Private Partnership strategy

6) To what extent does project funding influence public sector participation in public-private partnerships in Kenya?

Very great extent [] Great extent [] Moderate extent [] Little extent [] No extent []

7) Please indicate the extent that the following aspects of project funding influence public sector participation in public-private partnerships in Kenya?

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent 2-Low Extent 1- No Extent

|

	1	2	3	4	5
--	---	---	---	---	---

Huge capital outlay					
Distribution of costs					
Timeliness in government funds					
Risk and risk management					

Technological requirements

9) To what extent does technological requirements influence public sector participation in public-private partnerships in Kenya?

Very great extent [] Great extent [] Moderate extent [] little extent [] No extent []

10) Please indicate the extent that the following aspects of technological requirements influence public sector participation in public-private partnerships in Kenya?

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent 2-Low Extent 1- No Extent

	1	2	3	4	5
Ease of use					
Applicability					
Compatibility/ Integration with other systems					
Multi-project capacity					
Perceived usefulness					
Advancement					

11) In what ways do technological requirements influence public sector participation in public private partnerships in Kenya?

.....

Ease of doing business

12) To what extent does ease of doing business influence public sector participation in public-private partnerships in Kenya?

Very great extent [] Great extent [] Moderate extent [] Little extent [] No extent []

13) Please indicate the extent that the following aspects of ease of doing business influence public sector participation in public-private partnerships in Kenya?

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent 2-Low Extent 1- No Extent

	1	2	3	4	5
Nature and extent of bureaucracy					
Labor mobility					
Allocation of resources					
Operational complexity					

14) In what ways does ease of doing business influence private sector participation in public private partnerships in Kenya?

Project period

15) To what extent does project period influence public sector participation in public-private partnerships in Kenya?

Very great extent [] Great extent [] Moderate extent [] Little extent [] No extent []

16) Please indicate the extent that the following aspects of project period influence public sector participation in public-private partnerships in Kenya?

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent 2-Low Extent 1- No Extent

	1	2	3	4	5
Length of project cycle					
Frequency of partners' interactions					
Procurement delays					

Government Policies

17) To what extent does government policies moderate public sector participation in public-private partnerships in Kenya?

Very great extent [] Great extent [] Moderate extent [] little extent [] No extent []

18) Please indicate the extent that the following aspects of government policies moderate public sector participation in public-private partnerships in Kenya?

Where: 5- Very Great Extent 4-Great Extent 3-Moderate Extent 2-Low Extent 1- No Extent

	1	2	3	4	5
Legal and regulation framework					
Administrative processes guiding local governments					
Impediments in the existing legal framework					
Government expenditure policies					

19) In what ways does government policies moderate public sector participation in public private partnerships in Kenya?

.....

SECTION C. PERFORMANCE

20) Over the last years, our firm has been able to fulfill the following: (Key: 1=Entirely Unfulfilled;2=Least fulfilled; 3=Moderately fulfilled; 4=Greatly fulfilled; 5=Entirely fulfilled)

	1	2	3	4	5
There is a very close link between performance and public private partnership of the organization					
The organization is best rated in terms of aligning performance contracts and its public private partnership.					
The organization's capacity to achieve its objectives has greatly improved after the introduction of performance.					
The writing of performance is mutually done and not imposed on management					
Varied stakeholder interests take center stage when drafting performance regardless of goals and objectives stipulated in the public private partnership.					
Further improvements are necessary to enhance the effectiveness of performance in the organization.					

