# MODERATING EFFECTOF CORPORATE GOVERNANCE ON THE RELATIONSHIP BETWEEN STRATEGIC MANAGEMENT PRACTICES AND OPERATIONAL PERFORMANCE OFCOMMERCIAL STATE CORPORATIONS IN KENYA

**GEOFFREY KIPYEGON KOECH**

**A Thesis Submitted to the Institute of Postgraduate Studies of Kabarak University in Partial Fulfillment of the Requirements for the Award of Doctor of Philosophy in Business Administration (Strategic Management)**

**KABARAK UNIVERSITY**

**NOVEMBER, 2025**

## DECLARATION

1. I do hereby declare that:
   i. This thesis is my work, and to the best of my knowledge, it has not been presented for the award of a degree in any university or college.
   ii. The work has not incorporated material from other works or a paraphrase of such material without due and appropriate acknowledgment.
   iii. The work has been subjected to anti-plagiarism checks and meets Kabarak University's 15% similarity threshold.

2.I understand that issues of academic integrity are paramount; therefore, I may be suspended or expelled from the University, or my degree may be recalled for academic dishonesty or any other related academic malpractice.

Signd:_____ Date::_____

Geofffrey Kipegon Koech

GDB/N/2469/05/18

## RECOMMENDATION

To the Institute of Postgraduate Studies:

The thesis entitled **"Moderating Effect of Corporate Governance on the Relationship between Strategic Management Practices and Operational Performance of Commercial State Corporations in Kenya,"** written by **Geoffrey Kipyegon Koech,** is presented to the Institute of Postgraduate Studies of Kabarak University. We have reviewed the thesis and recommend that it be accepted in fulfillment of the requirement for the award of Doctor of Philosophy in Business Administration (Strategic Management).

Signed:_____ Date:_____

Prof. Simon K. Kipchumba

Department of Commerce

Kabarak University

Signed:_____ Date:_____

Dr. Symon K. Kiprop

Department of Commerce

Kabarak University

## COPYRIGHT

## DEDICATION

To my late father, Samuel Kimeli Bunei, for his encouragement and unwavering support, despite the seemingly insurmountable odds, during my early days in pursuing education, and to my mother,Sarah Chelangat Bunei,for her love, invaluable advice, and constant counsel.I am deeply indebted to the members of my family, particularly my spouse, Faith Chepkemoi Biy, for her love and support throughout the research process, and to my children, Tye Kipngeno and Blessing Chemutai, who, with their playful nature, made everything fun-filled, even during the demanding times of this study.

## ACKNOWLEDGEMENT

My gratitude goes to God Almighty for the blessings of good health and abundance throughout this study. My Supervisors, Prof. Simon Kipchumba and Dr. Symon Kiprop, deserve special mention and recognition for their patience, diligence, intellectual input, critique, and constant advice, which helped complete this proposal. Their faith in my ability to complete this study gave me the impetus to work harder every day.

## ABSTRACT

The linkage between strategic management and organizational performance is a fundamental concern for public sector entities operating in a dynamic business landscape. Effective strategic management has beenrecognized as enhancing the performance of public organizations, while new perspectives further underscore the role of corporate governance in improving public sector performance. However, there is a gap in establishing the complex nexus among these three constructs of strategy, governance, and performance in one model, given that previous studies have examined these parameters as independent constructs;hence, there is a lack of adequate empirical studies to further deepen comprehension of how they are correlated. This study, therefore, sought to fill the gap byelucidating their linkage and expandingthe understanding of how corporate governance frameworks affect the influence of strategic management decisions on operational performance. The general objective of the study was to determine how corporate governance moderates the interaction between strategic management practices and the operational performance of commercial State Corporations in Kenya. The study wasgrounded in the Resource-Based View, Dynamic Capabilities theory, Stewardship theory, and Resource Dependency Theory. It targeted 317 respondents in top and middle-level management across the five key departments of 36 State Corporations. A stratified sample of 177 respondents was selected using the Yamane sampling technique and the Neyman allocation formula to ensure proportionality. Quantitative data werecollected using a five-point Likert-scale structured questionnaire, which wasreviewed for content validity using expert judgment and scored with a threshold of at least 0.8 and for reliability using the Cronbach's Alpha method with the acceptable reliability threshold of at least 0.7. The questionnaire wasalso administered to18 random respondents at the Pyrethrum Board of Kenya and Kenya Power, the two commercial State Corporations proposed for pilot testing and excluded from the main study. Both descriptive and inferential statistical analyses were conducted, including correlation and moderated multiple regression analyses to assess the strength and direction of relationships among variables and to determine whether the moderating effect of corporate governance was statistically significant. The regression coefficientsfor all variables showed statistically significant positive impact on operational performance, including strategic planning ($\beta_1 = 0.513$, $p = 0.000$); strategic leadership ($\beta_2 = 0.483$, $p = 0.000$); strategic innovation ($\beta_3 = 0.442$, $p = 0.000$); and strategic quality management ($\beta_4 = 0.545$, $p = 0.000$). Statistics further revealed that while the direct effects of strategic management ($\beta = -0.624$, $p = 0.062$) and corporate governance ($\beta = -0.473$, $p = 0.042$) became negative, the interaction term was significantly positive (Unstandardized $\beta=0.328$, $p = 0.002$) (Standardized $\beta = 1.203$, $p = 0.002$), confirming the moderating role of corporate governance on the strategy-performance nexus. The study contributes new knowledge by demonstrating that organizations with similar strategic initiatives may achieve varied performance outcomes, revealing that this may be due to the quality of their governance structures, and underscoring the importance of an integrated approach to strategic management and corporate governance. It also provides insights to inform the revitalization of public strategy, the realignment of corporate governance, and the enhancement of performance. Future research should investigate the moderating effects of corporate governance across different categories of State Corporations and varied performance dimensions.



**Keywords:** *Strategic Planning, Strategic Leadership, Strategic Innovation, Corporate Governance, Operational Performance*

## TABLE OF CONTENTS

## LIST OF TABLES

## LIST OF FIGURES

## LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| AfDB | Africa Development Bank |
| ANOVA | Analysis of Variance |
| APRM | African Peer Review Mechanism |
| BSC | Balanced Scorecard |
| CG | Corporate Governance |
| CoK | Constitution of Kenya |
| CSDC | Citizen Service Delivery Charters |
| CSF | Critical Success Factors |
| CSR | Corporate Social Responsibility |
| CVI | Content Validity Index |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GoK | Government of Kenya |
| ICT | Information and Communication Technology |
| IPGS | Institute of Post-Graduate Studies |
| IPRSP | Interim Poverty Reduction Strategy Paper |
| ISC | Inspectorate of State Corporations |
| ISO | International Standards Organization |
| KIRDI | Kenya Industrial Research and Development Institute |
| KPI | Key Performance Indicators |
| KRA | Kenya Revenue Authority |
| KSF | Key Success Factors |
| M&As | Mergers and Acquisitions |
| MBO | Management by Objectives |

| | |
|---|---|
| MDA | Ministries, Departments, and Agencies |
| MMR | Moderated Multiple Regression |
| NACOSTI | National Council for Science, Technology, and Innovation |
| NEPAD | New Partnership for African Development |
| NPA | New Public Administration |
| NPG | New Public Governance |
| NPM | New Public Management |
| NSE | Nairobi Stock Exchange |
| OAG | Office of the Auditor General |
| ODL | Open and Distance Learning |
| OECD | Organisation for Economic Cooperation and Development |
| OLS | Ordinary Least Squares |
| OP | Operational Performance |
| PC | Performance Contracting |
| PIC | Public Investments Committee |
| PM | Performance Management |
| PSO | Public Sector Organisations |
| PSR | Public Service Reforms |
| PVM | Public Value Management |
| R&D | Research and Development |
| RBM | Results-Based Management |
| RDT | Resource Dependence Theory |
| ROI | Return on Investment |
| RRI | Rapid Results Initiative |
| RSS | Residual Sum of Squares |

| | |
|---|---|
| SAGAs | Semi-Autonomous Government Agencies |
| SAPs | Structural Adjustment Programmes |
| SCs | State Corporations |
| SCAC | State Corporations Advisory Committee |
| SMEs | Small and Medium Enterprises |
| SMPs | Strategic Management Practices |
| SOE | State-Owned Enterprises |
| SOPs | Standard Operating Procedures |
| SPSS | Statistical Package for Social Scientists |
| SSA | Sub-Saharan Africa |
| SSR | Sum of Squares Regression |
| STQM | Strategic Total Quality Management |
| TL | Transformative Leadership |
| TQM | Total Quality Management |
| UNFPA | United Nations Population Fund |
| VEICB | Value, Ethics, and Institutional Capacity Building |
| VIF | Variance Inflation Factor |

## CONCEPTUAL AND OPERATIONAL DEFINITION OF TERMS

**Corporate Governance:**This consists of a structure and a system of rules, procedures, and practices that direct,control, and holdorganizations accountable. It encompasses authority, accountability, stewardship, leadership, direction, and control exercised in organizations while balancing the interests of internal and external stakeholders (GoK, 2015). In this study, corporate governance has been operationalized as public corporate governance consisting of an integrated set of practices and structures involving the Board of Directors, their diversity, as well as sustainability reporting processes by which Commercial State Corporations are operated, directed, regulated, controlled, and held to account as they strive to satisfy public needs.

**Operational Performance:**This refers to accumulated and measurable aspects of all the organization's work processes and activities that represent the accomplishment of its goals (effectiveness) using a minimum of resources (efficiency) (Lusthaus & Adrien, 1998). This study has operationalized this as the operational achievements of commercial State Corporations, as reflected in annual performance evaluation scores and service delivery.

**State Corporations:**This is a corporate body established under Section 3 of the State Corporations Act, Cap 446, or by an act of Parliament, or under the Companies Act, Cap 486, where the Government controls the majority or all of the shares, including their subsidiaries. In the study, the same has been operationalized as those State Corporations in the commercial and manufacturing sector as defined by the State Corporations Advisory Committee guidelines.

**Strategic Innovation:**This refers to the origination, invention, and implementation of new ideas, processes, designs, products, or services that are seen as essential components of achieving sustainable competitive advantage and creating customer value within the organization (Laban & Deya, 2019). In this study, the concept has been operationalized as innovation expenditures, operational improvements, better technology adoption, and innovative products or services to enhance operational efficiency.

**Strategic Leadership:**It is a managerial capacity that entails formulating a firm's goals and strategies, creating the necessary structures, implementing processes, and finally monitoring controls (Mufudza & Hove, 2013). In the study, this has been operationalized as how executives using different strategies of transparency, accountability, communication, decision-making, and delegation, develop the vision of commercial State Corporations and adopt relevant approaches to enable them to adapt and be competitive in the dynamic business landscape.

**Strategic Management Practices:**These consist of a set of decisions and actions by management aimed at preparing for changes thataffect the entity's long-term performance and success. (Ansoff&McDonnell, 2010). In the study, these have been operationalized as the management practices encompassing strategic planning, leadership, innovation, and strategic quality management.

**Strategic Planning:** This is the development of a comprehensive document that communicates the organization's aspirational goals and the actions needed to achieve them. It is essentially the development of a blueprint to inform the organization's future strategic direction (Drucker, 1974). In the study, the concept has been operationalized as the preparation and communication of 5-year plans by commercial State Corporations that capture their vision, mission, objectives, policies, and practices while also delineating how they will allocate scarce resources (Time, human, technical, and financial) to achieve their strategic goals.

**Strategic Quality Management:** This refers to the systematic incorporation of quality principles into the organization's strategic planning processes to achieve optimal customer satisfaction and operational performance. The planned approach aims to set and achieve quality objectives throughout the organization by focusing not only on quality management but also on the quality of management (Sadikoglu & Olcay, 2014). In this study, the concept has been operationalized as the practice of pursuing continuous improvement, focusing on employees and customers, strategic quality planning,and the unwavering commitment of top management to comply with the International Organization for Standardization's certification requirements.

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the Study

Emerging global economic shocks, drastic climate change, and resource constraints are notable challenges facing entities worldwide as they strive to achieve their strategic objectives. This calls for effective anticipation ofsuch global uncertainties andforesighted development of long-term strategies to ensure survival. Strategic planning and broader Strategic Management Practices have therefore become integral to the agenda of several public sector organizations, which are keen to adopt New Public Management (NPM) reforms for sustained performance (Hoglund *et al.*, 2018). Various global studies have established that strategic management is now a standard tool for public organizations seeking to create value and shape their operational performance. Other studies have also supported the need for increased corporate governance mechanisms, even as these public entities pursue strategic management to bolster their performance. However, striking an optimal linkage between Strategic Management Practices (SMPs) adopted by various public organizations and their operational performance remains a fundamental concern, as observed by Almashhadani and Almashhadani (2023).

Achieving optimal alignment between corporate governance frameworks and the Strategic Management Practices adopted by public entities to enhance operational performance is a notable challenge, given the complex nature of these variables.This complex interaction among the three variables, along with the lack of a clear understanding of each parameter's individual effect on the others, poses another challenge for public sector managers. This therefore underscores the need to further examine how SMPs, corporate governance, and operational performance are interlinked, given that these parameters are seen as imperatives for enhanced organisational

productivity (Almashhadani & Almashhadani, 2023). As noted herein, achieving effective, optimal integration of SMPs, corporate governance frameworks, and organizational performance remainsa key concern for global entities giventhe dynamic business environment (Almashhadani & Almashhadani, 2023). Furthermore, no major global studies have been conducted to understand how corporate governance affects or mitigates the influence of SMPson the operational performance of public entities.

Given the increased emphasis on evaluating organizations' effectiveness with respect to their SMPs,it is now widely recognized that effective strategic planning, the use of innovative technology, the delivery of high-quality products and services, and the embrace of sound corporate governance mechanisms are crucial for achieving competitive advantage(Itohan *et al*., 2024). Several studies contend that strategic decisions, corporate governance procedures, and performance outcomes are incredibly vital in determining how organizations develop. Thus, integrating these constructs into a cohesive framework with a clear understanding of the components and their interlinkages will help optimizetheirrelationships to enhance the productivity and overall performanceof public sector organizations.

Various studies in the global context have contended that SMPscombine two distinct concepts of public management and strategic management aimed at enhancing efficiency, effectiveness, service delivery, and organizational responsiveness to emerging needs. Public managementbrings together two concepts of public administration and business management. It is primarily focused on efficiency and effectiveness in service delivery by applying private-sector business and management techniques, processes, and tools to public-sector customer service (Charest, 2012; Henry, 2015). It is also worth noting that public SMPs in most countries have been continually reshaped by ongoing reforms under the umbrella of New Public Management (Pollitt & Dan, 2011). In recent

years, SMPs and ideas from the private sector have been introduced into the public sphere across all public policy domains, with the central assumption that these business-like SMPs will enhance the efficiency and effectiveness of public organizations (Alford & Hughes, 2008).

Globally, more scholarsand practitioners have argued that, by embracing SMPs, public sector organizations are expected to shift from conventional, rigid strategic planning methods to modern strategic approaches focused on accountability, adaptability, and innovation to enhance effectiveness. They observed that modern strategic management approaches are crucial for achieving desired organizational outcomes, effectivedecision-making, and performance (Plant, 2009; Poister, 2010). Despite the above, few public entities have established all-inclusive corporate strategy units that consider their various functions and further integrate allmanagement processes to enable the achievement of strategic goals (Rhys *et al.,* 2012; Subba, 2010).Many scholars and researchers have further argued that incorporating the SMPs that have gained prominence in the private sector into the Public Sector Organisations is cumbersome given the focus of private sector management practices on competitive advantage, profitability, and internal/external factors while entities in the public sector are preoccupied with expected output, efficiencies of its internal business processes and Management by Objective (Elbanna *et al.*, 2016; Hansen & Ferlie, 2016; Ferlie & Ongaro, 2015; Hoglund, 2015; Weiss, 2016).

Evidently, there is consensus among global scholars and researchers that the adoption ofSMPsby public entities equips them with thenecessarytools for survival, growth, maintenance of sustainable competitive advantage, and effective performance(Latif & Gohar, 2013; Omerzel & Antoncic, 2008). Williams and Lewis (2008), in their exposition, observed that although strategic management is a practice that has gained a

broad foothold within a large number of public organizations, uncertainties remain about its ability to improve public performance (Andrews *et al.,* 2009) and generate changes (Pina *et al.,* 2011). Poister *et al.*(2010) also note the absence of studies providing clear evidence of the positive influence of strategic management on the performance of public organizations, while Boyne et al. (2004) questioned whether there is an excessive focus on planning stages at the expense of actions to monitor and manage change. The inherent value of strategic management in the public sector has also been questioned by several other authors (Borrozine & Rodrigues, 2016; Joyce, 2015; Lynch, 2015). Other, more critical, authors have pointed out that the strategic planning process is limited, too costly and time-consuming, and not necessarily capable of producing strategies that achieve the desired outcomes (Poister, 2010).

On the regional front, it is notable that many African countries have adopted varied SMPs to restructure and reform the public sector for improved service delivery, but studies have shown mixed findings, including an evident disconnect between organizational planning and the available systems for successfully executing the SMPs (Chiwawa *et al.*, 2021); poor implementation of the strategic plans and weak alignment of strategic objectives and organizational performance (Dlamini *et al.,* 2019); and huge information gap from existing knowledge on the subject which should be a motivator to upcoming researchers and scholars of public sector strategic management to further pursue studies taking cognizance of different contexts of the matter (Safi & Mahmood (2022).

Locally, existing studies have focused on various entities, including universities, by Aswani (2013), which concluded thata positive connection exists between strategic innovation practice (Objective III of the study) and organizational performance; SMPs in change implementation in the Government of Kenya Ministries, by Mwando and Muturi

(2016) which concluded that leadership (Objective II of the study), communication styles, and employee training were not common SMPs to influence change implementation.More studies on SMPs, have been done in the local public sector including one by Ongaro (2004) on SMPs in Kenyatta National Hospital; Onguso (2008) on the effectiveness of strategic change management practices at National Water Conservation and Pipeline Corporation and Gekonge (1999) focused on strategic change management practices by Kenyan companies with a case study on companies that are listed at the Nairobi Securities Exchange (NSE).Other relevant studies focused on strategic planning, leadership, innovation, quality management, and corporate governance have also been conducted on the Kenyan public sector and SCs, including one by Wanyama and Aila (2022), which focused on four practices: environmental scanning, strategy formulation, strategy implementation, and strategy evaluation. The findings revealed that SMPs were suitable explanatory variables for organizational performance.

Other studies done locally also encompass an investigation by Sasaka *et al.*(2016) on the effect of SMPs on the Performance of Corporate Social Responsibility (CSR) of State Parastatals in Kenya which noted that the practices of strategic competitiveness, strategic planning, corporate governance (Moderating variable of the study), and strategic total quality management (Objective IV of the study) had a significant influence on entities CSR undertaking. Kipsang and Mbaraka (2017), in their research on the integration of SMPs in Public Sector Reform in Kenya, established that organizations in the public sector worldwide were under immense pressure to increase their efficiency in the delivery of improved and integrated services further concluding that the strategies for improving public sector performance included total quality management (Objective IV of this study), performance-oriented civil service, customer-driven government, quality and

standards, e.g., ISO certification, policy management, organizational strategic management, adequate resource utilization, training, and human resource capacity building. Several other investigations linked to SMPs and the operational performance of entities have been carried out within the Kenyan context using varied approachesand methodologies; however, none have ever focused on the effect of SMPson the operational performance of commercial SCs in Kenya, within the moderation of corporate governance hence an existing knowledge gap which isexpected to fill with the undertaking of this study.

### 1.1.1 Corporate Governance in Commercial State Corporations

Alongside the above push for enhanced SMPs in the public sector, various studies have also shown that corporate governance plays an integral role in the public sector,which is characterized by service delivery and customer-centricity. This prominent role of corporate governance in public sector organizations has been further affirmed by various scholars, researchers, and practitioners (Almashhadani & Almashhadani, 2023; Ahmed *et al.,* 2020; Alabdullah & Mohamed, 2023; Alabdullah & Zobun, 2023). The renewed attention to corporate governance frameworks in the public sector stems from the realization of their fundamental role in enhancing operational performance and complementing strategic management approaches and practices. Classens and Yurtoglu (2013) argued that the financial crisis of 2008 and 2012 involving Greece, Italy, and Spain revealed that corporate governance failures in financial institutions and corporations led to far-reaching systemic consequences. Furthermore, two major scandals involving Enron (2001) and WorldCom (2001) in the United States of America informed the enactment of the Sarbanes-Oxley Act of 2002 as a measure to ensure financial order, improve corporate governance, and restore investors' confidence. Other notable global corporate scandals that also ignited the push for enhanced corporate

governance in the private and public sectors encompass those touching on Vivendi (2002), Adelphi (2021-2022), Swissair (2001), Global Crossing (2002), Washington Mutual (2009), Bear Stearns (2008), and Lehman Brothers (2008). All these public and private corporate scandals solidified the push for enhanced corporate governance reforms worldwide, which subsequently impacted much of the corporate board's operations, composition, conduct of business, and legal and regulatory dimensions, a view supported by Duppati and Scrimgeour (2014).

Currently, corporate governance in the public sector has therefore gained momentum both in the literature and in practice, as governments continue to introduce leadership styles and control methods that involve a set of clear rules and principles, robust risk management, and effective control mechanisms. These Governments are aware of the far-reaching impact of poor corporate governance frameworks on budgets, financial sector stability, and performance (Duppati & Scrimgeour, 2014). Despite these efforts to implement corporate governance reforms across State-Owned Enterprises (SOEs) globally, regionally, and locally, evidence of financial and operational underperformance continues to be a prominent concern in the available literature and practice. Sessional Paper No. 4 (GoK, 1991) on development and employment in Kenya decried the continued decline in the performance of State Corporations (SCs). The report noted that, whereas the creation of SCs was aimed at enhancing socio-economic development through greater government participation in the economy, their contribution to this goal fell short ofexpectations. The paper then underlined the need to implement urgent privatization and divestiture plans for SCs facing managerial challenges and poor performance (GoK, 1991). This push also brought to the fore the varied legal frameworks, institutional structures, classifications of SCs, operational under-performance, as well as the monitoring, control, and transparency measures for these

entities in Kenya. Hence, it becomes essential to comprehend how corporate governance procedures in these organizations affect SMPs and later operational performance,a view supported by Gull *et al.*(2023).

In addition, while a focus on within-firm corporate governance mechanisms has advanced appreciation of the nexus between corporate governance standards and operational performance, there is an increasing realization that the efficacy of within-firm corporate governance may also be dependent on the quality of external governance frameworks and institutional structures, as alluded to by Judge *et al.* (2008). Furthermore, the performance of SCs in most developed economies accounts for a much larger share of their Gross Domestic Product (GDP) than in developing economies, particularly in Sub-Saharan Africa. Available reports clearly show that in some countries, including India, China, and Malaysia, SOEs account for a sizable share of GDP and employment. In China, these entities account for approximately 30% of GDP, whereas in Vietnam, SOEs account for 38% of GDP. Furthermore, in India and Thailand, SOEs contribute around 25% of GDP, whereas in Malaysia and Singapore they contribute 15% (OECD, 2010). Thus, given the enormous contribution of these entities to the economy in developed and developing economies, specific attention to their corporate governance and operational performance is therefore necessary to augment socio-economic development, even as these public entities continue to pursue their mandates of satisfying public needs (Drumasu & Matei, 2015).

The positive and negative effects of separating organizational management from ownership lend credence to calls for effective Corporate Governance (CG) in modern private and public sector organizations. Thus, corporate governance has recently receivedsignificant global attention from scholars, researchers, and practitioners, given its tremendous importance in running modern organizations amid the globalization of the

world economy.The African Development Bank Report (2021) further stipulates that there is a positive link between good corporate governance and organizational performance; hence, it must be duly enforced. The report argued that corporate governanceis an absolute necessity for public sector development in Africa. This awareness informed the African Heads of State in 1992 (during the launch of the New Partnership for Africa's Development (NEPAD)) in affirming that poor corporate governance had resulted in missed opportunities for the continent. These missed opportunities included failure to effectively mobilize financial resources from both domestic and international capital markets and inabilityto operate in a transparent and socially responsible manner (AfDB, 2021). Accordingly, the leaders approved the inclusion of corporate governance as one of the four thematic areas that participating countries were obliged to integrate into their national programmes of action, which would be reviewed periodically under the African Peer Review Mechanism (AfDB, 2021).

In the Kenyan context, the push for enhanced corporate governance to improvethe performance of private and public organisations led to the establishment of the Private Sector Corporate Governance Trust in 1999,which was later renamed the Centre for Corporate Governance in 2002. This organizationhas been instrumentalin developing generic and sector-specific corporate governance codes of best practices to guide all companies, including SCs, cooperatives, and banks, in their reporting and disclosures, as well as in the roles, duties, and obligations of shareholders and members (AfDB, 2011). The Centre hasbeen hailed for championing the creation of the Institute of Directors in 2003, based on the South African and British models, to provide training programmes and Commonwealth Certification for Board Directors drawn from the public, private, and cooperative sectors to enhance standards of good corporate governance in the

country (AfDB, 2011). To date, the center has greatly promoted professionalism standards and the effectiveness of directorship in both private and public entities in Kenya. Further, the Kenya Shareholders' Association was also formed in 2002, with registration under the Societies Act, to empower shareholders to play their effective role in the governance of organizations whose shares they own (AfDB, 2011). The report indicates that the association has significantly raised awareness of minority shareholders' rights, in addition to offering corporate governance education, providing information, conducting research and documentation, advocating, and designing training programs for managers on reviewing annual reports and other organizationalownership tools (AfDB, 2011).

Cognizant of the above, it is evident that corporate governance therefore plays an essential role in monitoring and controlling management's decision-making, including strategic sustainability investing. Nonetheless, despite the instituted, far-reaching corporate governance reforms across various SCs in Kenya, their underperformance remains a prominent concern in the available literature and reports. In addition, while a focus on within-firm governance mechanisms has advanced understanding of the links between corporate governance standards and operational performance, there is an increasing recognition that the efficacy of within-firm corporate governance may depend on the quality of external governance and institutions (Judge *et al.,* 2008). Therefore, a better understanding of the role of corporate governance in influencing an organization's strategic decisions and operational performance is imperative.

### 1.1.2 Operational Performance of Commercial State Corporations

Organisationalperformance is a term commonly used in the literature, but the concept has been defined differently due to its varied understandings and perceived meanings.Georgopoulos and Tannenbaum (1957) defined organizational performance as

the extent to which an entityachieved its objectives, as viewed within a social system. Later, Yuchtman and Seashore (1967) described an organization's performance as its ability to exploit its environment to access and utilize limited resources. The years 1980 and 1990 saw the definition of performance change, with Lusthaus and Adrien (1998) arguing that it entails effectiveness in the attainment of organizational goals and efficiency, encompassing the use of a minimum of resources to achieve these goals. Lately, management experts have continued to define performance based on different parameters. One definition by Otieno (2013) states that organizational performance is the accomplishments of an entity, measured against established parameters, criteria, or outputs, e.g., quantified objectives or profitability. From the foregoing, it is evident that definition, estimation, and the correct measurement of the performance of any organization, both private and public, havehitherto been the preoccupation of strategygurus and scholars.

Abdi and Kinyua (2018),on their part, observed that an organization's performance involves its capacity to achieve its vision and mission within the confines of effective SMPs, sound corporate governance mechanisms, and sustainedattention to anticipated results. Kaplan and Norton (2007), on their part, using the Balanced Scorecard Framework, affirmed that organizational performance canbe measured by both financial and non-financial outcomes, with the key perspectives encompassing financial, internal business processes, customers, and the organization’s learning and growth.It is therefore evident that operational performance is a critical factor in measuring the success or failure of any organization and encompasses the comprehensive execution of internal operations, including productivity, product or service quality, customer satisfaction, cost management, pricing, process flexibility, and the speed of service delivery.

Various scholars have argued that by improving an organization's efficiency, optimizing resources, and fostering collaboration, entities, including those in the public sector, can significantly enhance operational performance, leading to cost reductions and increased profitability. In this regard, operational performance is viewed as an indicator of an organization's prosperity in executing its core business strategy, and it should be centered on improving process efficiency, resource utilization, and inter-departmental coordination, which fundamentally anchor the organization's success. It is therefore worth noting that the success and failure of an organization are perceived as the two ends of its performance continuum (Njanja, 2009), as they encompass the actual or achieved results relative to the anticipated outputs and outcomes (Ngui*et al.*, 2014).

Reports indicate that despite efforts to implement SMPs and corporate governance reforms across various SCs in Kenya, evidence of financial and operational underperformance remains a prominent concern in the available literature and practice. Sessional Paper No. 4 (GoK, 1991) on development and employment in Kenya decried the continued decline in SC performance. The report noted that, whereas the creation of SCs was aimed at enhancing socio-economic development through heightened government participation in the economy, their contribution to the goal was lackluster. The Sessional paper then underscored the need to implement urgent privatization and divestiture plans for SCs facing managerial challenges and poor performance (GoK, 1991). This push also brought to the fore the varied legal frameworks, institutional structures, classifications, prevailing monitoring practices, board diversity, controls, transparency measures, reporting structures, and trends in operational underperformance.

Over the last three decades, various Public Service Reforms (PSRs) have been instituted in Kenya to improve the delivery of critical public services. It is, however, notable that the linkage between these various strategic reforms and management practices in SCs

and the actual operational performance of the respective entities has not been established. It has further been established through multiple studies that the ability of most SCs in Kenya to achieve significantly higher productivity and maintain steady financial and operational performance has become a greater impediment to their expected optimal economic contribution. This subsequently informed the government's decision in 2003 to introduce performance contracting in the public sector, among other SMPs, to address this challenge. The Government issued Legal Notice No. 93 of 2004, cited as State Corporations (Performance Contracting) Regulations, 2004, to entrench performance contracting practices in law. Further to this, GoK issued Guidelines on Terms and Conditions of Service for Chairmen, Members of the Board, and Chief Executive Officers of SCs in November 2004, aimed at introducing a standardized way of recruitment of Chief Executive Officers and management staff, as well as determining the remuneration of Chairmen, Board members, and other employees of SCs. Under the said Guidelines, the Government unequivocally stipulated that SCs had to embrace modern business SMPs and corporate strategies, with a clear vision, mission, goals, objectives, and a set of values, whose attainment would depend on the quality of the persons running the individual Corporation's business (GoK, 2024).

The World Bank report by Fiebelkorn *et al. (*2021), reviewing Kenyan SCs specifically with respect to corporate governance and fiscal risks, stated that the revenues of Commercial SCs accounted for approximately 14 percent of GDP in Sub-Saharan Africa, compared with3.5 percent in Kenya. This painted a gloomy picture of Kenyan SCs' performance compared to other commercial SCs in the region.Locally, the performance evaluation of SCs for FY2021/2022, presented by the National Treasury, shows that SCs improved in FY2021/2022 compared to FY2020/2021, as the average composite score increased from 3.1191 to 3.0036. Furthermore, a review of the performance of SCs based

on their functional classifications indicates that the best-performing category was Public Universities with an average Composite Score of 2.7752. In contrast, the bottom-performing category was the Commercial/Manufacturing SCs (The focus of this study) with an average Composite Score of 3.3460. This performance was also a replica of the FY2020/2021 report, which also revealed that Public Universities were the best-performing SCs.

In contrast, those in the Commercial/Manufacturing category were the worst-performing (National Treasury, 2022). From the foregoing, it is evident that the average achievement for SCs during the period was 76.2%, with a marginal improvement in their performance in FY2021/2022 compared to FY2020/2021, as shown by the average Composite Score improvement from 3.1779 to 3.1147 (National Treasury, 2022). A further review of the performance report reveals that of the 236 SCs evaluated during the FY 2021/2022, the breakdown of their performance is as shown in Table 1.

**Table 1**

*Performance Evaluation Results for State Corporations FY2021/2022*

| Performance Grade | Number | Percentage (%) |
|---|---|---|
| Excellent | 18 | 7.6 |
| Very Good | 102 | 43.2 |
| Good | 97 | 41.1 |
| Fair | 19 | 8.1 |
| Poor | 0 | 0 |
| Total | 236 | 100 |

*Source:*National Treasury (2022)

It is worth noting that the performance evaluation composite score for SCs and other public entities ranges from 1 to 5, with 1 indicating excellent performance and 5

indicating poor performance. The performance evaluation assessment table showing upper and lower limits of the composite scores is presented in Table 2:-

**Table 2**

*Performance Evaluation Composite Scoring Guide*

| Performance Grade | Upper | Lower |
|---|---|---|
| Excellent | 1.00 | 1.49 |
| Very Good | 1.50 | 2.49 |
| Good | 2.50 | 3.49 |
| Fair | 3.50 | 3.59 |
| Poor | 3.60 | 5.00 |

*Source:* National Treasury (2022)

A further ranking of the performance of SCs based on the eight functional categories is also provided in Table 3:

**Table 3**

*Performance Evaluation Results for SCs by Functional Category FY2021/2022*

| Ranking | Functional Category | Average Composite Score |
|---|---|---|
| 1. | Public Universities | 2.7752 |
| 2. | Training and Research | 2.9196 |
| 3. | Services | 2.9351 |
| 4. | Financial | 2.9773 |
| 5. | Regulatory Authorities | 3.0734 |
| 6. | Regional Development Authorities | 3.1001 |
| 7. | Tertiary Education | 3.1005 |
| 8. | Commercial/Manufacturing | 3.3460 |

*Source:*National Treasury (2022)

From the above,it is evident that the performance of most SCs over the last five years has been poor, with the operational performance of commercial SCs, based on profitability, fund absorption, remittances to the Treasury, cost reduction, service delivery, and financial reporting, falling below expectations. This is against a backdrop of continued funding for strategic planningto revamp existing plans and enhance the SMPs of these organizations to improve operational performance. Aware of the above, the Government, in January 2015, issued Mwongozo, a code of governance for SCs aimed at increasing efficiency and accountability in the use and deployment of scarce public resources. The guidelines focused on allocating responsibility for supervision, implementation, and enforcement among different institutions, while respecting the roles of complementary agencies.

The Code of Governance for SCs continues to serve as a key policy instrument for SC management. It is a critical building block in entrenching principles and values of public service in corporate governance (GoK, 2024). Enhanced corporate governance is expected to improve efficiency, increase profitability, manage costs, enhance service delivery, and improve financial reporting, marking a notable milestone for these entities. However, challenges continue to abound in many SCs in Kenya, particularly in the commercial sector, negatively impacting their SMPs, corporate governance, and ultimate operational performance. This understanding underscores the need to examine further the complex interactions and linkages among the three vital parameters of strategic practices, corporate governance, and operational performance, as conceptualized herein. This would provide more insights toenhance the understanding of whether corporate governance mechanisms amplify or attenuate the effect of SMPs on the operational performance of Commercial SCs in Kenya.

## 1.2 Statement of the Problem

Commercial SCs are key to Kenya's socio-economic development and contribute significantly to various sectors. Despite their strategic importance, these institutions have faced persistent challenges in achieving and sustaining high operational performance over the last three decades. Their effectiveness depends heavily on how well their SMPs align with operational objectives. However, even with the adoption of diverse SMPs, many commercial SCs continue to record losses and exhibit weak performance indicators. Emerging perspectives on performance improvement further suggest that the contribution of corporate governance to operational performance remains insufficiently understood within the context of commercial SCs. This lack of clarity represents a critical knowledge gap that constrains efforts to enhance their overall performance and limits their optimal contribution to national development.

The Kenyan government continues to invest substantial resources in strategic planning. Yet, studies indicate that up to 70 percent of formulated strategies fail at the implementation stage due to poor understanding of planning objectives, inadequate coordination, underestimated implementation timelines, and limited commitment from both management and employees (Auka & Langat, 2016; Mohammed & Rugami, 2019; Muriuki *et al.,* 2017; Nduati *et al.,* 2021). Existing empirical studies in Kenya have primarily focused on single variables or on specific public entities such as NTSA, Kenya Power, Kenyatta National Hospital, and the National Water Corporation (Karanja & Juma, 2020; Nyongesa *et al.,* 2017; Ongaro, 2004; Onguso, 2008). Sessional Paper No. 4 (GoK, 1991) raised concerns about the declining performance of SCs despite substantial government funding for SMPs and corporate governance reforms. International and local studies continue to affirm positive relationships between corporate governance and organizational performance (Akbar *et al.,* 2016; Haβ *et al.,* 2016; Khamis *et al.,* 2015;

Mishra & Mohanty, 2014), and between SMPs and performance (Ah Lay & Jusoh, 2011; Ahid & Augustine, 2012; Cadez & Guilding, 2012; Christine *et al.*, 2011; Kaymak & Bektas, 2008; Nicholson & Kiel, 2007; Salvato & Melin, 2008). Whereas these studies provide valuable insights, they applied varied methodologies and conceptual frameworks, and none have holistically integrated SMPs, corporate governance, and operational performance into a single model. Moreover, the moderating role of corporate governance on the relationship between SMPs and operational performance remains inadequately investigated. This study, therefore, sought to examine the complex interactions among these three constructs to enhance theoretical understanding, contribute to scholarly knowledge, and offer evidence-based insights that can strengthen the performance of commercial SCs.

## 1.3 Objectives of the Study

### 1.3.1 General Objective of the Study

The general objective of this study is to establish the moderating effect of corporate governance on the relationship between Strategic Management Practices and the operational performance of commercial State Corporations in Kenya.

### 1.3.2Specific Objectives of the Study

i. To examine the effect of strategic planning practice on the operational performance of commercial State Corporations in Kenya.
ii. To analyze the effect of strategic leadership practice on the operational performance of commercial State Corporations in Kenya.
iii. To evaluate the effect of strategic innovation practice on the operational performance of commercial State Corporations in Kenya.
iv. To investigate the effect of strategic quality management practice on the operational performance of commercial State Corporations in Kenya.

v. To determine the moderating effect of corporate governance on the relationship between Strategic Management Practices and the operational performance of commercial State Corporations in Kenya.

## 1.4 Research Hypothesis

$H_{01}$: There is no statistically significant relationship between strategic planning practice and the operational performance of commercial State Corporations in Kenya.

$H_{02}$:There is no statisticallysignificant relationship between strategic leadership practice and the operational performance of commercial State Corporations in Kenya.

$H_{03}$: There is no statistically significant relationship between strategic innovation practice and the operational performance of commercial State Corporations in Kenya.

$H_{04}$: There is no statistically significant relationship between strategic quality management practice and the operational performance of commercial State Corporations in Kenya.

$H_{05}$: Corporate governance has no statistically significant moderating effect on the relationship between Strategic Management Practices and the operational performance of the commercial State Corporations in Kenya.

## 1.5 Justification of the Study

Several previous studies have suggested that corporate governance and organizational performance have been the focus of many researchers and scholars. However, the causal relationships among these three key variables, brought together in a single study model, have not yet been investigated, despite several studies suggesting a nexus among

them.Equally, the combined effect of these four proposed independent variables has never been studied jointly.

Previous research on SMPs and organizational performance has also been conducted across various institutions and jurisdictions (regional and sectoral variation), using varied contextualization (models used), conceptualizations (variable framing), and methodologies. The above highlighted limitations and gaps then lent credence to the need for this study to achievethestatedobjectives. Accordingly, the study specifically assessed the moderating effect of corporate governance on the relationship between SMPs and the operational performance of commercial SCs. Further, it established whether this effect is statistically significant.

### 1.6 Significance of the Study

The study's findings are beneficial to the top management of various SCs in Kenya by providing invaluable insights into the nexus amongthese constructs. This understanding will enable the government and top management of these institutions to optimally integrate their SMPs, governance frameworks, and operational performance. The study will also allow the government to make the right interventions to revitalize governance and strategic decision-making, thereby enhancing operational performancefor the citizenry.

The conclusions drawn from this study have also substantially added value to theearlier theories and literature developed on SMPs, corporate governance, and performance. The new insights haveenabled a deeper understanding of the complex interactions among these three variables and have amplified comprehension of the nexus, therebycontributing to the body of knowledge. Specifically,this study has significantly advanced existing knowledge through its findings and has helped fillgaps between the

theoreticalconstructs of SMPs in the public sector, corporate governance frameworks, and operational performance.

This research has also added value to theavailable literature and provided relevant information to various research institutions and scholars who endeavor to pursue further studies on these three imperatives: public strategic management, corporate governance, and their operational performance. This new knowledgeis vital,as effective integration of SMPs and corporate governance with organizational operational performance remains a key concern for global public entities in the dynamic modern business environment.

### 1.7 Scope of the Study

The study was conducted between January 2025 and April 2025. This research sought to advance the theoretical base and provide valuable insights into the linkage between the constructs. The study focused on commercial SCs, as per the guidelines of the State Corporations Advisory Committee (2004). Thetarget population comprised 317 respondents from 36 commercial SCs in top and middle-level management across five key departments: Chief Executive, Finance and accounts, Human Resources, ICT, and corporate planning/strategy. These respondents wereselected for their direct involvement in strategic planning, daily program execution, and corporate governance at their respective entities. The study examined four SMPs of planning, leadership, innovation, and quality management and corporate governance as the moderating variable on operational performance. The choice of these variables was informed by identified knowledge gaps in previous studies on SMPs and by the narrow scope of their conceptualizations, which focused on single independent variables. This study thus sought to enhance comprehension of the complex interaction among these three constructs.

### 1.8 Limitations and Delimitations of the Study

It was projected that during this study, some respondents might be reluctant to complete the questionnaires due to concerns about privacy andconfidentiality. This was, however, mitigated by assuring respondents that they were not required to mention their names or those of their organizations. This was also augmented through the issuance of introduction letters and the signing of the Kabarak University Informed Consent form, affirming this confidentiality and the objective use of the information provided solely for academic purposes. In addition, since respondents from the sampled SCs were spreadacross different offices in the country, there was an anticipated challengein covering face-to-face clarifications, follow-ups, and the collection of responses. This,however, was mitigated by continuous telephone calls to check progress and clarify issues as and when needed, in addition to the engaged research assistant making close follow-ups and providing the much-needed assurances regarding the objectives of the study.

### 1.9 Assumptions of the Study

This research was carried out under realistic assumptions, including that all sampled respondents would fully understand the questionnaire and provide comprehensive, honest, and factual responses during the study. The study also assumed that participants across the various commercial SCs shared similar perceptions of SMPs, corporate governance, and operational performance. Finally, it also assumed that the structured questionnaire used for the study would yield reliable and valid findings, as designed, following extensive due diligence during pretesting and statistical diagnostics to ensure it could accurately and consistently measure what it was supposed to measure.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

This chapterprovides a theoretical review of key theories that anchor the study and a summary of previously conducted empirical studies. It provides the conceptual framework that will contextualize the study's variables, bringing greater clarity to their interrelationships.

## 2.2 Theoretical Review

This section reviewed the most prominent and relevant theories on strategic management, corporate governance, and organizational performancethat have been postulated to explain their nexus. These theories will help provide a roadmap for developing arguments to be presented in the study. The relevant theoriesinclude the Resource-Based View Theory, Dynamic Capabilities Theory, Stewardship Theory, and Resource Dependence Theory, as discussed below:-

### 2.2.1 Resource-Based View Theory

The Resource-based Theory, also referred to as the Resource-based View (RBV) of the firmor the Resource Advantage Theory,is an approach to achieving competitive advantageafter the publication of “The Resource-Based View of the Firm”by Wernerfelt, Birger in 1984, “The Core Competence of The Corporation” by PrahaladC.K. and Hamel Garyin (1990), and “Firm resources and sustained competitive advantage” by Barney Jay in (1991). The proponents of this theory argue that an organization's competitive advantage stemsfrom its unique internal resources, capabilities, and core competencies. Hence, there is a need to harness these internal strengths to gain a competitive edge.This theory thus requires managers of public and private organizations to look inside their entities to identify their key resources and distinctive competencies for strategic

exploitation. These resources will then be the source of competitive advantage for the organization, rather than a preoccupation with its positioning in the external environment.

Barney (1991) argued that an organization's resources, both tangible and intangible, are used for strategic deployment aimed at improving overall efficiency, effectiveness, and organizationalperformance. These resources may include physical assets such as machinery, raw materials, plants, inventory, and brands, in addition to financial and human resources. The intangible resources, on the other hand, are those intertwined with organizational practices, including culture, reputation, experience, knowledge or technical know-how, customer relationships, and suppliers' and stakeholders' networks. Barney (1991) further noted that these key resources are strategic to the extent that they are Valuable, Rare, Inimitable (difficult to imitate), and Organized to capture value (VRIO). He observed that a resource is valuable if it enables the organization to exploit opportunities and minimize threats in its environment. Hence, if a resource does not allow an entity to exploit available opportunities while minimizing threats,it will not enhance the organization's competitive position. Furthermore, he noted that competitive advantage for an organization arises only when resources are heterogeneous and immobile (Barney, 1991).

Barney (1991) further argued that a resource is said to be rare if it is not widely possessed by other competitors in the market, adding that an entity that possesses valuable resources that are, however, not rare, will not have a competitive edge but will be at par with competitors. Hence, if an organization has valuable, rare resources in its industry, it has a competitive advantage over others that do not possess those resources and can effectively exploit opportunities to minimize threats.However, meeting the condition of rarity does not always require exclusive ownership (Barney, 1991). The

theory also points out that a resource should be difficult to imitate or for its ready substitutes to be created. Barney (1991) observed that a resource is inimitable and non-substitutable if it is costly for other market participants to obtain ordevelop substitutes for it. Thus, a valuable and rare resource within an organization will provide a competitive advantage as long as other entities do not subsequently gain possession of the resource or a close substitute. The final criterion of a resource in this theory that grants a competitive advantage postulates that mere possession or control of a resource is necessary but not sufficient to gain a competitive edge. An entity must therefore have the requisite organizational capability to efficiently and effectively exploit the resources (Barney, 1991).

A critique of this theory is its static approach (Priem & Butler, 2001), which was later supplanted by the dynamic capabilities approach, which exemplifies how organizational learning influences the capacity to adjust routines and reconfigure resources (Vera *et al.*, 2011). A growing body of scholars has also pointed out the limitations of the RBV, specifically in accurately identifying and evaluating firm resources, as this is cumbersome. These resources, particularly intangible ones such as knowledge, culture, and relationships, may be challenging to identify and evaluate accurately. It is also notable that the assessment of value, rarity, inimitability, and resource organization can be subjective and influenced by contextual factors, making it challenging to draw precise conclusions.

Other critiques of this theory point to the assumption that resources and capabilities are difficult to imitate or transfer, given the rapidly changing business landscape characterized by technological and competitive advancements, which significantly reduces the durability of resource advantages. Furthermore, effectively adapting the organization's resources and capabilities to the dynamic business landscape can be

complex and resource-intensive.RBV further assumes that organizations have access to a variety of tangible and intangible resources to enhance their competitive advantage. However, organizations often face resource limitations that hinder the implementation of RBV strategies. The theory has also been said to lack a standardized framework for implementation and to be preoccupied with internal factors while ignoring external factors, such as market trends, competitive rivalry, and customer preferences, which also impact the attainment of a competitive advantage.

The above notwithstanding, this theory will, however, help provide a greater understanding of the organization's resources, capabilities, as well as the SMPs the entities embrace in their endeavor to achieve a competitive advantage. It will provide an understanding of SCs' strategic decisions in Kenya, given their internal resource requirements and capabilities. The theory will also help explain how operational performance can be achieved through a mixture of strategic decisions, leveraging internal resources, and harnessing external opportunities.

### 2.2.2 Dynamic Capabilities Theory

The Dynamic Capabilities (DC) Theory was proposed by Teece,David, Pisano,Gary, and Shuen,Amy (1997) and draws its theoretical underpinnings from two classical theories in strategic management, which are the RBV of the firm (Barney, 1991; Wernerfelt, 1984) and market positioning (Porter, 1996). The theory also emerged as a response to the RBV Theory's inability to account for the development and redevelopment of resources and capabilities in response tothe rapidly changing business landscape (Teece *et al.*, 1997). Teece *et al. (1994)* argued that dynamic capabilities may be considered a source of competitive advantage, as they extend beyond the proposition that an organization's sustainable competitive advantage is derived from the acquisition of valuable,rare, inimitable, and organized resources. They argued that dynamic capabilities enable

organizations to integrate, marshal, and reconfigure their resources and capabilities for adaptation to rapidly changing business environments. Thus, these dynamic capabilities encompass the processes that enable an organization to reconfigure its strategic approach and resource deployment to achieve sustainable competitive advantages and superior performance. The proponents further noted that these dynamic capabilities reflect an organization's ability to achieve new and innovative forms of competitive advantage, despite path dependencies and market positions (Teece *et al.,* 1997).

It is notable from the expositions of the RBV Theory (Barney, 1991; Penrose, 1959; Wernerfelt, 1984) that organizations are a repository of resources that, when reconfigured, enable them to develop competitive advantages manifested in capabilities. When these capabilities enable an effective response to changes in the business environment, the organization is said to have developed dynamic capabilities. These dynamic capabilities are rare and inimitable since they occur in a particular context, hence enabling the organization to attain a privileged competitive position (Teece *et al.,* 1997). Wang and Ahmed (2007) observed that the emergence of dynamic capabilities enhanced the RBV by recognizing the evolutionary nature of an organization's resources and capabilities. This further enables the identification of an organization or industry-specific positioning, pathways, and processes that are vital in an entity's progression.

Wang and Ahmed (2007) further argued that dynamic capabilities are also a behavioral orientation of continually integrating, reconfiguring, reviewing, and recreating resources and, most importantly, upgrading and reconstructing their core capabilities in response to a dynamic environment toattain a sustainable competitive advantage. Dynamic capabilities are therefore vital as an aid to private and public sector managers keen on achieving a competitive advantage in the increasingly demanding operating environments. (Teece *et al.,* 1997).According to Wang and Ahmed (2007), dynamic

capabilities comprise three vital capabilities: innovative, adaptive, and absorptive. Furthermore, more recent researchers and scholars have proposed additional capabilities, including network capability (Parida et al., 2009) and market-sensing capabilities (Jusoh & Parnell, 2008; Morgan *et al.*, 2009). Teece *et al.*1997) equally argued that three types of managerial activities significantly contribute to making capability dynamic and include sensing, which encompasses the identification of opportunities outside the organization, seizing, which entails mobilization of own resources to capture value from the identified external opportunities as well and transforming, which covers the continuous adaptation to position the resource envelop for effectiveness and operational performance.

More than 20 years after the publication of Teece *et al.'s* (1997) seminal work on dynamic capabilities, the topic continues to draw the attention of management researchers, scholars, and practitioners worldwide. Some of the critiques point to the theoretical underpinnings of the theory, including the competitive advantages, characteristics, and evolutionary mechanisms of dynamic capabilities that have not yet been exhaustively studied or explained. Some scholars also believe that this theory is too scattered and impractical, as there is a wide disparity over what constitutes dynamic capabilities, which explains the lack of a comprehensive framework. Other criticisms of the concept point to the difficulty of empirically measuring the underlying operational processes and the linkage between dynamic capabilities, resource bundles, and organizational performance (Penrose, 1959). There is also the critique of the casual mixing of assumptions about market efficiency and rationality, thereby pointing to the incompleteness of the theory.

This theory is, however, relevant to anchor and complement the study as it further provides clarity on organizational resources and capabilities that are valuable, rare,

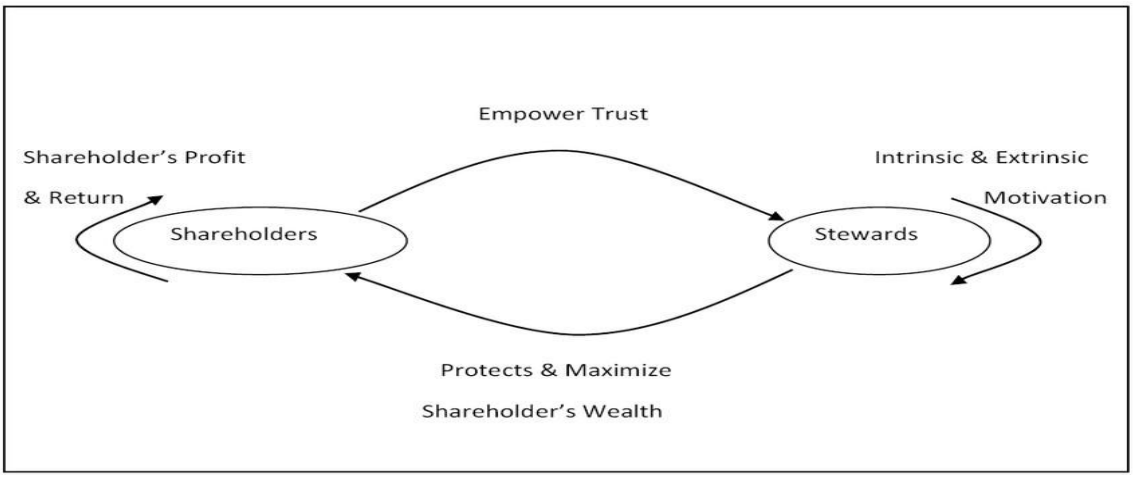
inimitable, and organized for competitive advantage. It further deepens the understanding of how the same can be integrated, marshaled, and reconfigured for effective adaptation to the rapidly changing business environments. The theory will also provide clarity on how the various SMPs can be positioned to complement resource deployment and selected pathways to enhance competitive advantage. Studies on the different types of dynamic capabilities, including how to sense, seize, and transform resources to achieve operational performance and a competitive edge, will also add value to this study. This theory,an improvement on the RBV, will complement the study by providing a better understanding of how public entities can adapt, innovate, and seize opportunities to improve their positioning and operational performance while delivering public value.

### 2.2.3 Stewardship Theory

The stewardship theory was introduced by Donaldson and Davis in 1989 in their exposition on corporate governance, and the theory has been hailed as a standard alternative to the acclaimed Agency Theory that was proposed by Jensen and Meckling (1976). Stewardship, now one of the leading theories of corporate governance, postulates that organizational managers, when left to run their entities, will act as responsible stewards of the assets they control (Donaldson & Davis, 1989). Stewardship Theory presupposes a strong correlation between satisfaction and organizational success, positing that good stewards of an organization work collectively rather than individually, as agents who subscribe to agency theory. The proponents argue that organizational managers, acting as good stewards, recognize that their individualistic, opportunistic, and self-serving goals will ultimately be achieved if they focus on their work and the greater good of their organizations. The relationship is as provided in Figure 1.

**Figure 1**

*The Stewardship Theoretical Model*




*Source:*Donaldson & Davis (1989)

Towards this end, these individuals are motivated by inherent rewards, such as enhanced reputation, operational discretion and autonomy, trust in reciprocity, job satisfaction, level of responsibility, stability of tenure, and ultimate alignment with the organization's mission (Donaldson & Davis, 1989). This theoryrelies on the initial mutual trust between the organization's principal and the stewards. Hence, the Board should play a supportive role by empowering executives and, in turn, increasing the potential for higher performance (Shen, 2003), given that these stewards need intrinsic and extrinsic motivation to protect and maximize the shareholders' wealth.

This theory has been hailed as the successor to the Agency Theory, which focused on economic approaches to corporate governance and presupposes that an organization's subordinates are individualistic, opportunistic, and self-serving. This theory, however, depicts subordinates as collectivists, pro-organisational, and trustworthy through its sociological and psychological approaches to governance, which are relevant in today's dynamic business environment (Davis *et al.*, 1997). As observed by Contrafatto (2014), stewardship resonates with current policy agendas that address issues related to

sustainable development, corporate social responsibility, and accountability. The strengths of this theory in supporting the current study include its ability to enhance stakeholder trust in the organization. These stakeholders encompass investors, employees, customers, and the larger communities. The organization's management's prioritization of ethical conduct and the responsible deployment of resources depicts their unwavering commitment to long-term sustainable growth, therebyenhancing loyalty and building stronger relationships, all of which contribute to the organization’s competitive advantage.

It is also worth noting that stewardship leadership fosters a culture of transparent, accountable, and responsible management within private or public organizations, which then permeates the organization, positively impacting employee conduct and decision-making at all levels. This subsequently reduces the likelihood of corporate misconduct, internal fraud, and unethical practices, and protects the organization's reputation and stakeholder trust. The organization's culture of stewardship further encourages the adoption of strategic innovations amid business dynamism. By extension, this leads to the development of new, innovative, and sustainable organizational products or services, and the capture of newer market opportunities for enhanced competitive advantage. This culture is therefore beneficial to private and public entities, as it promotes strategic thinking and creativity to improve operational and financial performance. It also impacts the organization’s corporate governance frameworks, leading to their improvement for the benefit of all stakeholders.

Despite its contributions to management organization studies, a critique by various scholars points to its assumptions, which limit its realism and relevance by presupposing that management and shareholders' goals alignment and control systems are always automatic. An in-depth appraisal of the significant stewardship propositions theory, as

specified by its leading proponents in management (Davis *et al.,* 1997; Hernandez, 2012), shows that the theory relies on a model of man that describes people as self-actualizing and other-serving rather than self-interested and self-serving, as is the case. Secondly, the theory further presumes that management will suppress their individual goals in favor of the principal's goals, thus placing greater utility on organizational goal achievement rather than personal goal attainment. Thirdly, given that individual goals are already assumed to be in alignment with those of the organization and its owners, this theory presupposes that monitoring, incentive compensation systems, and other formal controls are unnecessary and potentially counterproductive, which defies realism and constitutes a notable limitation of the theory.

Thus, it is evident that this theoretical model of man does not accurately depict how individuals think and behave in real life. Its assumptions regarding shared leadership, collective responsibility, and intrinsic rewards as overriding goals do not fully account for the existence of multiple, heterogeneous, and conflicting goals among stakeholders in modern private or public organizations. Equally, its outright dismissal of the value of close monitoring and incentives ignores the fundamental role these mechanisms play in communication and motivation in private and public organizations. Thus, some scholars have postulated that rather than treating stewardship theory as an alternative to agency theory, it would be better viewed as a complementary theory to Agency to explore how the two theories can be combined using a more realistic set of assumptions (Madison *et al.,* 2016).

Nonetheless, this theory is relevant to the exposition of corporate governance and provides greater clarity and understanding of this vital moderating variable in the study. The theory further helps interrogate and explain management's actions while pursuing various SMPs in their day-to-day operational work, and how these actions implicate

ultimate operational and financial performance, which is the overriding goal. The assumption that management suppresses their personal goals in pursuit of strategic decisions to enhance organizational performance helps dispel doubts about strategic practices and further supports the objectives of this study. This theory is therefore relevant and complementary to the other theories postulated in this study in explaining management's strategic decisions, corporate governance frameworks, and ultimate operational performance.

### 2.2.4 Resource Dependence Theory

This theory, proposed by Pfeffer and Salancik (1978), explains how external sources influence organizations' behavior. Since the publication in 1978 of Jeffrey Pfeffer and Gerald Salancik's study titled “The External Control of Organisations: A Resource Dependence Perspective,” the Resource Dependency Theory (RDT) has become one of the most prominent theories in strategic management and organizational behavior, widely accepted in Anglo-American contexts. The RDT is grounded in the proposition that all organizations, both public and private, critically depend on other organizations for the provision of their vital resources, and, by extension, the dependence becomes reciprocal, creating interdependence. The RDT identifies organizations, including those in the public sector, as open systems that depend on eventual changes in their external environment, underscoring that this initial dependence ultimately leads to interdependence for mutual benefit and survival. The dynamics of interdependence eventually lead to engagement in various kinds of inter-organizational arrangements, such as alliances, board interlocks, in-sourcing, joint ventures, and Mergers and Acquisitions (Pfeffer & Salancik, 1978).

This theory has become one of the most prominent theoretical rationalesfor explaining why organizations engage in various interdependence arrangements, including Mergers and Acquisitions (M&As), perhaps second only to transaction-cost economics. Some of

the reasons postulated by Pfeffer (1976) to explain why organizations may engage inM&As include the need to fight competition by taking up a key industry competitor, managinghigh interdependence with either source of its inputs or purchasers of the outputs by absorbing them,and finally, to diversify operations and thereby lessen dependence on the present organizations with which it exchanges.Findings from various empirical studies mainly support these three propositions, and the RDT's underlying proposition is that organizations' behavior is dictated by their dependence on resources from the external environment, which is often essential. The nature of interdependence significantly varies. Thus,all organizational moves and emergent actionscan be understood in terms of the nature of the existing dependency circumstances, which further dictate how entities engage in external transactions to acquire their resources (Pfeffer & Salancik, 1978).

Pfeffer and Salancik (1978) further aver that although organizational dependence transactions may be in their favor, they may also create dependencies that are not always advantageous. They argued that the resources the organization requires may be scarce, not readily obtainable, or controlled by uncooperative actors. This unequal exchange results in differences in their power, authority, and access to additional resources (Pfeffer & Salancik, 1978). This theory is relevant to the study because it provides greater credence to the need for organizations to avoid such over-dependencies and to develop effective strategies and organizational structures that enhance their bargaining power in the competitive resource market. They further averred that some strategies that organizations may develop include developing political game plans, increasing organizational production scale, diversifying product lines to improve leverage, and developing linkages with other beneficial organizations to access resources. (Pfeffer & Salancik, 1978).

The usefulness of the RDT in explaining organizational behavior in the dynamic business environment has been supported by many scholars and researchers. However, the model has also received a fair share of criticism, most of which focuses on the theory's conceptual basis and the boundaries that are not as extensively tested as they should be. An objection Donaldson (1995) profusely put forward, as an advocate of contingency theory, questioned the relevance of power structures and processes for explaining organizational behavior. He reasoned that the focus on power and process to explain behavior while ignoring vital factors such as economics, costs, and efficiency is ill-informed. Donaldson (1995) further argued that proponents of the theory do not fully support the proposition that organizations should be viewed primarily as political systems, rather than as technical and economic systems, which they truly are. He noted that economic factors were disregarded in explaining Mergers and Acquisitions. Equally, the exclusive focus of the RDT on material resources needs of organizations, while ignoring other factors, is also seen as a limitation of the theory.

This theory is complementary and will help provide greater focus on entities, in this case the SCs in Kenya, and on the environment in which they operate, as well as on how these entities should make strategic decisions, fully cognizant of their resource requirements and the relevant suppliers within their external environment. This theoryfocuses on resources that organizations obtain from the external environment and complements the RBV Theory, which focuses on valuable, rare, inimitable, and organized resources within the organization. An understanding of the SMPs and decisions of SCs in Kenya will require a better appreciation of how they determine their external resources and their acquisition from various actors, as well as their internal resources. This complementary theory helps lend credibility to the study and provides the clarity needed to achievethe research objectives.

## 2.3 EmpiricalLiterature Review

This section discusses the identified practices of strategic planning, strategic leadership, strategic innovations, strategic quality management, and the moderating variable of public corporate governance. It delves into previous global, regional, and local studiesand their literature, while highlighting the notedlinkage with organizational performance. The same is discussed below:-

### 2.3.1 Strategic Planning and Operational Performance

The conception of strategy is said to have originated in ancient Greece, but it has been used by various scholars, practitioners, and strategists up to the 21st century (Chinowsky & Meredith, 2000). Over the years, strategic planning has been associated with the private sector, but the concept has gained prominence in theory and practice within public sector management. The idea was embraced in the public sector more than three decades ago and has since become a core component of many public sector reforms globally, regionally, and in Kenya. Karin and Höglund (2023) observed that knowledge and information remain inadequate regarding how strategic management unfolds in practice, specifically within the public sector, a view supported by other findings. These observations have now ignited renewed focus from modern scholars, researchers, and practitioners on strategic planning and the performance of public sector organizations.

The concept of Strategic Management in the public sector has been noted for bringing together the interconnection between two traditionally distinct academic literatures: public management and strategic management.

This interconnection now requires public entities to shift from conventional strategic planning approaches to modern SMPs for greater efficiency and effectiveness(Plant, 2009; Poister, 2010). Strategic planning and management are thus considered the most fundamental approaches in modern public organizations for steering entities toward

achieving their anticipated outcomes. It is, however, notable from some studies that very few of these public organizations have established inclusive strategic planning procedures and units that effectively take cognizance of all the internal processes and functions to enable them to realize their strategic objectives and broader public agenda (Poister & Streib, 2005; Rhys *et al.*, 2012; Subba, 2010). Michell (2000) noted that strategic planning, when implemented effectively in an organization, is an effective performance management tool that aids in systematically achieving strategic objectives and controlling the organization's progress in the face of deviations.

Various other studies have shown that in public sector administration, strategic management plays an integral role in shaping the trajectory of government agencies by enhancing the effectiveness of such organizations; improving the delivery of the requisite public services; ensuring the realignment of public entities with their long-term goals and enabling a focused and purpose-driven approach in the fulfillment of their missions in public service; enhancing public sector accountability and transparency by providing all stakeholders with a measurable framework for evaluating the impact of public sector activities (Ferlier & Ongaro, 2022, Safi & Mahmood, 2022). It is, however, notable that the effective implementation of public strategic management is not without challenges, given the evident bureaucratic resistance and slow decision-making processes that impede the execution of strategic planning initiatives and hinder the efficiency needed for adaptation to the rapidly changing public environment.

Ferlier and Ongaro (2022) further argued that some models of strategic planning and management,including NPM, are increasingly becoming relevant in the reform agenda of public sector organizations. They observed that since its introduction in the late 1970s, NPM has become the predominant concept within the public sector given that its tools and principles delineate how public organizations should be reorganized, redesigned, and

effectively managed for operational performance (Bryson *et al.*, 2010; Diefenbach, 2009; Ferlier & Ongaro, 2022; Goldfinch & Wallis 2010; Rigby & Bilodeau, 2013). Ferlier and Ongaro (2022) also observed that the tenets of NPM have vital implications for public work practices and the skill levels of current public sector managers, as they are increasingly expected to perform at both strategic and operational levels to help organizations achieve their envisioned objectives.The adopted SMPsshould thus take cognizance ofthe organization's existing capabilities, potential constraints, and the dictates of its external operational environment to enhance the entity's performance (Pillania, 2008).

Many other scholars have also delved into this subject and observed that strategic managementin the private and public sectors involves four vital steps:strategic planning, strategy formulation, implementation, and control.By extension, they argued that adopted SMPs encompass a collection of managerial decisions and actions that have a bearing on the long-term performance of an entity and provide small firmswith the requisite weapons to enhance their survival, growth,competitive edge, and operational performance (Andrews, 2010; Latif & Gohar, 2013; Omerzel&Antoncic, 2008) and the effect can be measured through various underlying parameters of organizational performance as shall be the case in this study. It is therefore noteworthy that over the last 15 years, strategic management has become widely accepted as a means of modernizing public policymaking, an instrument for improving public services, and a critical imperative for effective national planning (Joyce, 2015).

A review of the literature on this matter showed that many countries, both globally and regionally, have now adopted varied SMPs to restructure and reform their public sectors for improved service delivery. However, the rapidly changing geopolitical environment, characterized by shifting leadership and policy priorities, has also affected the

effectiveness of long-term public sector strategic planning efforts. This calls for a delicate balancing of the prevailing bureaucratic systems with the need for strategic planning and public innovations. This approach will ensure that strategic planning and the SMPs adopted contribute positively to their vision, mission, and goals for effective public service delivery. To achieve this, public sector entities should harness the power of strategic management to build resilience, foster innovation, and ultimately improve public services. This necessity has therefore motivated many scholars and researchers to take a keen interest in strategic planning and management within the public sector policy and administration (Bryson, 2004; Drumaux & Goethals, 2007; Ferlie & Ongaro, 2022; Johnson & Scholes, 2001), however, few have investigated how public sector organizations apply strategic management and the varied practices at the micro level (Bryson *et al.*, 2010; Hoglund *et al.*, 2018; Karin & Höglund, 2023; Safi & Mahmood, 2022) which touches on public managers/employees, and the citizenry.

Safi and Mahmood (2022), in their study on SMPs in the public sector across various jurisdictions in developed and developing economies, argued that the linkage between SMPs and organizational performance has been well addressed in Western countries but remains underexplored in Central Asian and Middle Eastern countries. From the foregoing, it can further be concluded that the same has not been addressed in the African regional context, where many developing nations with poorly performing public sector organisations are domiciled. They further argued that while several studies have been conducted to better understand various SMPs in the public sector, there remains a significant gap in extracting data and drawing conclusions from what has been established on the subject. On this front, they concluded that future researchers and other players in public sector management should therefore be given the requisite support to expand their studies on the subject, taking cognizance of methodological, conceptual,

contextual, and jurisdictional variations on the emergent thematic area (Safi & Mahmood, 2022).

According to Poister (2010), the notable increase in financial and social pressures is forcing PSOs to alter their operational frameworks by restructuring their entities and strategic planning processes, fully guided by their defined key priority areas. However, whereas SMPs are seen to have gained prominence in many public organizations, as alluded to by Williams and Lewis (2008), there are evident reservations as relates to the capacity of these SMPs to improve public organizations' performance, as observed by Andrews *et al.*(2009), and achieve strategic objectives (Pina *et al.,* 2011). Nonetheless, Poister *et al.* (2010) concur on the urgent need for effective public strategic planning, but further point out the lack of evidence and of substantial prior studies indicating a positive effect of strategic planning on the performance of public organizations. The above observations, amongst others, have prompted manyscholars to question the authenticity of public sector strategies and management approaches. Furthermore, Boyne *et al.*(2004) also inquired whether the lack of evidence from previous studies on the subject could be explained by the obsession of most public entities with planning rather than implementation, management, and monitoring. This observation thus guided the focus on strategic planning as an independent variable in this study to gain more insights into its nexus with the operational performance of public sector organizations.

Hamel and Prahalad (1989)argued that organizations should now be preoccupied with their strategic intent rather than strategic planning, which entails matching existing resources to opportunities to achieve their objectives, mission, and vision. They averred that strategic intent entails a significant stretch and creative, outside-the-box thinking for an organization, given that existing capabilities and resources are insufficient. This stretch mindset then puts pressure on the management to be moreinnovativein harnessing

the existing limited resources for optimal returns. This view is also corroborated by other findings, which also stipulate that there is some preoccupation with strategic planning as opposed to strategic intent (sizable stretch and misfit between resources, capabilities, and opportunities), strategy formulation, implementation, and control, which should be the case to achieve the overall long-term purpose of organizations. These studies argue that the conventional view of strategy is preoccupied with the degree of fit between existing resources and current opportunities (strategic planning) rather than with the need to focus on extreme stretch and misfit between resources, capabilities, and opportunities. These scholars and researchersare convinced that such a move will eventually force top management of public organizations to work harder to close the noted resource-capabilities-opportunities gap. Towards this end, they observed that such public managers will harness new advantages, including a creative mindset, outside-the-box thinking, the development of novel approaches fornew market entry, building on existing core competencies, and pursuing competitive innovations.

Although strategic management has been widely adopted in the public sector globally, regionally, and locally, the knowledge base regarding their practices and the ultimate impacts remains scarce, particularly outside Anglo-American countries (Johnsen, 2016). A study by Kathama (2012) on SMPs by SCs in Kenya found that most of these entities had adopted operational strategic planning to improve public service delivery. He further argued that these entities had formal documentation of their strategic vision and mission statements, as well as other practices, including the development of key strategies, effective communication of organizational operational goals, and performance monitoring and evaluation.

According to Mwai (2013), whose study also examined strategic planning by the SCs of the GoK, most entities sampled had strategic plans, and the strategic planning process

was controlled by management, which ensured that employees understood their coremandate and how the documented strategies applied to their dockets. Furthermore, he asserted that the plan was well communicated to the employees, hence making it a well formalized process for the organization. Mwai (2013) further concluded that most SCs studied had adopted monitoring and evaluation systems to assess the implementation of their approved strategic plans periodically. Muriuki *et al.* (2017), while focusing on SMPs and the sustainability of SCs in Kenya, concluded that, in addition to strategic planning, public managers needed to emphasize monitoring and evaluation of strategies and implementation processes to enhance sustainability. This, he said, could be achieved through a re-evaluation of the capacity of respective Boards and the supervisory mechanisms (Corporate governance), where the role of the State Corporation Advisory Committee (SCAC) will not just be advisory but expanded with power to monitor and evaluate performance, adding that the same would significantly strengthen the sustainability of SCs.

Several other studies on strategic planning and organizational performance have also been conducted, including one by Mwangi et al. (2020), which focused on SCs in Kenya and concluded that strategic planning was embraced by almost all SCs that had developed5-year strategic plans. These strategic plans influenced the performance of these entities; hence, it was imperative to involve key stakeholders in their development to secure valuable input and ownership. This implies that effective planning is a prerequisite for SCs in Kenya to achieve results, a view corroborated by Ondera (2013). From the foregoing, it is evident that strategic planning by SCs in Kenya should not be seen merely as a fit between capabilities, resources, and opportunities, but rather as a strategic stretching approach that leverages creativity, abilities, resources, and competencies to embrace new opportunities and gain a competitive advantage. The

above studies have placed effective strategic planning at the center of achieving organizational results, and thus informed the choice of the variable as one of the parameters conceptualized in this study.

### 2.3.2 Strategic Leadership and Operational Performance

Many scholars and researchers have hailed effective strategic leadership as a prerequisite for successful operational performance bypublic organizations. Kjelin (2009) defined strategic leadership as the managerial capability to envision an aspirational future goal and to put in place flexible and predictable measures that enable the organization to implement plans to achieve expected goals. A study by Rahman *et al.* (2018) on the impact of strategic leadership on operational strategy and organisational performance in the automobile industry, focusing on the Malaysian national car manufacturer Proton (Perusahaan Otomobil Malaysia), concluded that senior leaders can effectively realign their human resources and direct business strategy. They further argued that since the mid-1980s, there has been a growing body of research on strategic leadership and how these leaders make short-term decisions that ensure the long-term viability of their organizations (Rahman *et al.,* 2018).

From the foregoing, it is evident that entities, including SCs, should nurture and build human resources and other social assets that provide the requisite foundational support for achieving sustainable business goals, a view also supported by Covin and Slevin (2017). The emergence of globalization has transformed communication channels; thus, business organizations must harness their intellectual capital for sustainable competitive advantage rather than their working capital or available physical assets (Dimitrios *et al.,* 2013). Current strategic leaders must therefore continuously devise innovative strategies to achieve their specific objectives and survive in the competitive industryCarter & Greer, 2013). This requires a clear strategic direction, effective communication,

development of human resources, adherence to ethical business practices, transparency and accountability, strategic leadership planning, realignment of the organization's culture, effective decision-making, and continuous oversight of organizational teams.

Kjelin (2009) observed that strategic leaders have the capacity to envision an aspirational future goal and to put in place flexible and predictable measures to enable the organization's teams to implement them and achieve the expected goal. Mufudza and Hove (2013) further contend that strategic leaders manage their human resources well through effective selection, motivation, and mentorship, the maintenance of acceptable ethical values, and the sustenance of an effective organizational culture. They further asserted that effective strategic leadership is thus considered a primary ingredient for the successful performance of any organizational operations (Mufudza & Hove, 2013). Jaleha (2018) added that in the turbulent global business environment, strategic leaders are required to continuously adopt and implement appropriate organizational changes to achieve planned results.

An investigation by Orito (2021) on strategic leadership practices by SCs within the Ministry of Transport and Infrastructure in Kenya found that the cumulative contribution of strategic leadership constructs to organizational performance was significantly high. The coefficient of determination ($R^2$) of 0.770 from the regression summary indicated that, among the overall organizational performance, strategic leadership (Objective II of the study) contributed77%.This was supported by a correlation coefficient (R) of 0.877, indicating that strategic leadership and organizational performance were positively and stronglyrelated. Various underlying variables of strategic leadership were reviewed, and the findings revealed that effective decision-making systems and processes were drivers of organizational performance. Orito (2021) further recommended that top management recruitment and selection processes should be reoriented to embrace leadership

characteristics that portray strategic intent and vision, balanced managerial control, effective decision-making, and effective resource allocation.

Another study by Nyaberi (2020) on leadership style and the performance of SCs in Kenya found that leadership style (Objective II of the survey) greatly impacted the achievement of entity goals. The findings showed that leaders played a significant role in influencing the performance of state departments. The study further concluded that strategic leadership that encompasses properly managed teamwork maximizes strengths and brings out the best in each employee (Nyaberi, 2020). The study also concluded that leaders are essential in human resource motivation and the ultimate realization of planned goals, and thus, subsequently recommended that there was a need for the use of effective leadership to achieve results, adding that the same increased employee satisfaction, influenced profitability, and operational performance (Nyaberi, 2020). A review of the foregoing studies and their methodological, conceptual, and knowledge gaps, therefore, informed the conceptualization, which included the strategic leadership practice to understand its nexus with the operational performance of SCs in Kenya.

### 2.3.3 Strategic Innovation and Operational Performance

A review of the existing literature shows that, until the late 2000s, studies of public sector innovation practices were mainly conducted by those with an interest in public sector administration and management. These researchers used case studies, interviews, and data analysis to examine specific innovations within public sector agencies. Furthermore, much of the existing literature has been preoccupied with the effects of governance, organizational-specific factors, and managers' personal characteristics on innovation (Bernier *et al.,* 2015).In additionto case studies and interviews,Bernier et al. (2015) further argued that these studies focused on evaluating data on awards to specific entities or on individual innovations. Hence, most would askmanagement teams in public

sector organizations whether their entities had adopted any predefined innovation practices or technologies to inform their findings.

De Vries *et al.* (2015), on the other hand, undertook a systematic literature review of strategic innovation by bringing together empirical academic research on public-sector innovation. Through their investigation of 181 articles and books on public sector innovationpublished between 1990 and 2014, the trio analyzed issues such as the definitions and types of innovation, their goals and objectives, antecedents, and ultimate outcomes in the public sector. Based upon their analysis, they develop an empirically based framework of potentially important antecedents and effects of public sector innovation. De Vries *et al.*(2015) concluded that studies on strategic innovations in the public sector should explore greater methodological diversity, such as surveys, experiments, and multi-method approaches, rather than focusing solely on qualitative methods. Furthermore, they observed a need for effective theory testing and development, as well as for undertaking more cross-national and cross-sectoral studies that link governance and conventional public development approaches, and examinethe effects of public sector innovation on governance and public development.

From the above, it can be deduced that innovation is imperative for organizations striving to achieve a competitive edge and maintain their market share. Every organization must therefore endeavor to evolve and innovate its products and services to gain an advantage over competitors by creating customer value and new markets for the organization (Laban & Deya, 2019). Strategic innovation in the public sector, therefore, requires the origination, invention, development, and execution of novel thoughts, concepts, designs, organizational processes, product offerings, or unique products or services meant to meet and even exceed customer expectations. Although innovativeness is a high-risk undertaking, successful firms often take risks to become competitive and achieve, as well

as sustain, higher performance (Laban & Deya, 2019). Their study adopted a descriptive survey design and focused on 14 ICT firms that accounted for 96.4% of the market share in cellular, mobile, data, and internet services. Osuga (2016) argued that any proactive firm must seize available market opportunities and develop innovations that give it a competitive advantage, enabling itto remain a market leader in the provision of new products, production processes, and markets. Hajar (2015) further concurred with the findings, adding that the capacity to innovate is recognized in today's business environment as a significantsource of competitive edge for firms, both in the private and public sectors.

Shompa (2018) argued that effective public service delivery requires innovation in service provision, improvements in universality, alignment with citizens' demands, and the full exploitation of the potential of new digital and other emergent technologies. According to Gebauer *et al.* (2012), strategic innovations can be grouped into incremental innovations, which refer to improvements in value for existing customers and markets, and disruptive innovations, which entail the creation of entirely new markets without competitors, thus giving the organization a competitive advantage. Historical studies of strategic innovation have presumed a technological imperative, in which organizations typically plan innovation through Research and Development (R&D) programmes, with a significant focus on creative, unique products and innovative processes (Gallouj & Weinstein, 1997).Nybakk and Jenssen (2012) contend that strategic innovation is a fundamental factor that helps organizations achieve a sustainable competitive edge over competitors in the industry. This practice equally helps delineate a clear organizational direction by refocusing its efforts, promoting effective systems coordination, and enabling easier understanding of the entity by all stakeholders through the reduction of any process or product ambiguities (Mintzberg *et al.*, 2009).

A study by Linyiru and Ketyenya (2017) that covered the innovativeness and performance of local SCs and adopted an explanatory research design focused on 55 commercial SCs in Kenya established that innovativeness (Objective III of the study) is a key contributor to the realization of strategic targets and operational performance by commercial SCs in Kenya. The study subsequently recommended that these entities increase their innovation capabilities by paying closer attention to learning innovations and the necessary entrepreneurial orientations that help improve performance. Another survey by Aswani (2013) on strategic innovation in public Universities in Kenya found a positive relationship between strategic innovation and University performance. The study further noted that some of the innovative strategies these public entities had embraced include those that affect their products, marketing, processes, and their respective organizations. The study further noted that product innovation was more manifested in the introduction of new academic programmes and the adoption of the Open and Distance Learning (ODL). Aswani (2013) then concluded that the notable alignment of the educational programmes through the pursuit of product innovationsled to improved performance at the targeted Universities. This performance was also evident in various underlying variables, such as increased academic enrolment in Master's and PhD programs, as well as inonline and distance learning studies through their ODLsystems (Aswani, 2013).

More studies on the strategic innovation practice by SCs in Kenya have been conducted, including one by Kibisu (2020), which examined the case of Kenya Electricity Generating Company and concluded that the strategic innovation process should be highly valued and supported by top management and cascaded throughout the organization for success. He further argued that the realized success will then be reflected in the organization’s financial and operational performance metrics, such as the

Return on Investment (ROI). Kibisu (2020) further asserted that product and market innovation are the most significant forms of development, enhancing organizational performance. Hence, there is a need for organizational leadership to continue supporting product and service innovation practices, such as investing in new product development or service re-engineering as part of the overall company performance improvement strategy. In addition, the study concluded that organizations needed to conduct market research to understand appropriate market innovations that could be adopted to ensure the entity's success in the dynamic marketplace (Kibisu, 2020).

Wambui (2018) conducted her research on innovation practices at Telkom Kenya and found that process and administrative innovation strategies impacted their performance. The study then concluded that the organization's management teams needed to focus more on administrative innovations, such as innovation hub development, feedback platforms, process automation, and organizational culture change initiatives, to equip employees with the skills to grow fully. The findings further showed that process innovation had positively impacted the attainment of organizational results by enhancing overall processes and, by extension, the inherent quality of their products and services. The study further established that process innovation had been achieved through the adoption of technologies and the optimization of equipment and assets, resulting in operational efficiencies (Wambui, 2018). To further shed light on this vital construct of strategic innovation, this study delved into the measures of innovation, including budgeting and expenditure innovations, operational process improvements, better technology adoption, and product or service innovations.

### 2.3.4 Strategic Quality Management and Operational Performance

Strategic quality management has been touted as an integrated management approach that aims to raise quality standards throughout the organization. Sadikoglu and Olcay

(2014) argued that strategic quality management comprises a set of guiding principles and practices that focus not only on quality management within an organization but also on the quality of management. These efforts are therefore focused on inculcating a culture of continuous improvement to meet, and even exceed, customer quality expectations, boost customer satisfaction, and contribute to organizational performance. Shafiq *et al.*(2017) argued that quality management is a prevalent management philosophy embraced by many quality-conscious entities, characterized by the adoption of various principles that enable organizations to maintain a competitive edge. He argued that the resultant competitive advantages could be those related to the overall product offering, business productivity, customer satisfaction, or profit orientation.

Notably, the concept of quality management has been pointed out in various forms and variations through the research work of renowned quality scholars and practitioners including Dr. Joseph Juran (Continuous Improvement in the 1950s), Dr. Armand Feigenbaum (1950s), Edward Deming (Total quality management in the 1950s), Philip Crosby (Conformance to requirements in the 1950s and 1960s, Kaoru Ishikawa (Kaizen, Quality circles and Fishbone diagram in the 1960s) and David Garvin (1980s) among others. Today, quality principles are deeply embedded in the ISO 9000 requirements used by private and public entities seeking such recognition. It is noteworthy that several theories have been proposed to explain how organizations can fully integrate strategy and total quality management to improve operational performance. Maria (1996) postulated that organizations must continually pass through various evolutionary phases on the path to the full integration of strategy andtotal quality management principles. This process will result in a state in which the organization's quality systems are tightly integrated with strategic planning and formulation, thereby contributing to the achievement of a sustainable competitive edge. The study noted that achieving this requires the adoption

of quality principles and paradigms at all levels of the organization and a culture of continuous improvement that meets and even exceeds customer expectations.

Therefore, in the strategic quality management approach, the focus is on quality management within the overall strategic performance of an organization, informed by customer needs, environmental dictates, and unrelenting attention to the continuous identification of critical success factors that implicate future survival. Garvin (1987) argued that the eight underlying dimensions of quality encompass performance, special features, conformance, reliability, durability, perceived quality, serviceability, and aesthetics. Parasuraman et al.(1985) noted that the key dimensions of service quality include reliability, responsiveness, assurance, empathy, and tangibles. This implies that embracing strategic quality management in the Kenyan public sector, specifically within the SCs, requires a change of mindset to ensure the provision of goods or services that meet, and even exceed, public expectations within the dictates of the above dimensions of quality.

Mik (1996) argued that adopting various dimensions of service quality by private entities is critical for enhancing organizational performance and overall customer satisfaction. By extension, public organizations across sectors have also recognized and pursued quality customer service as a prerequisite for their anticipated success. A study by Njenga (2016) on total quality management practices in Kenya's energy sector concluded that top management's unwavering support, employee involvement, and customer-focused approach were significant factors influencingorganizational performance. This further informed their recommendation that top management should refocus their strategicleadership support to enhance strategic quality management practices, in addition to effective communication and the building of a stronger customer-centric culture (Njenga, 2016). Mwende (2021), in a study on quality management and

performance that focused on the Tana and Athi River Development Authority, a public entity, concluded that there was a positive relationship between customer management and operational performance, mediated by the underlying variables of quality of customer service, project ownership, and customer management.

Kiprotich (2018), in a study on quality management practices at the Kenya Revenue Authority (KRA), noted a positive relationship between the practices and operational performance, with a focus on practical staff training, continuous improvement, and the automation of internal systems. Other studies on strategic quality management practice have been conducted locally, including one at the Kenya Industrial Research and Development Institute (KIRDI) in Kisumu by Nestor (2019), who observed that the implementation of continuous improvement paradigms had a substantial effect on performance. He then recommended that public managers should be committed to quality within the organization by providing strategic quality direction aligned with the organization's overall objectives (Nestor, 2019). Another study on quality management, focused on Bamburi Cement Limited, by Keinan (2018), established that the company had embraced good customer service practices, which helped attract and retain more customers, and that the adoption of strategic quality management practices had impacted its operational performance. The findings concluded that specific strategic quality management practices that had impacted operational performance included an unrelenting focus on the customer, unwavering top management commitment, continuous improvement paradigms, and the full involvement of the company's employees.

Despite the above findings, Shafiq *et al.*(2017) argued that the available literature on this salient subject is seemingly inconclusive, specifically regarding the extent of the positive impact the practice has on overall organizational performance. This study, along with

others on the subject, contended that there was a need to further interrogate the contribution of various strategic quality management practices to organizational performance, taking cognizance of the social, economic, and cultural contexts. Chapman *et al.* (1997) equally observed in their research in Australia that, despite the increasing international evidence that has identified the quality of products and services and a culture of continuous improvement to be essential for the long-term competitive advantage of organizations, many Australian firms remained doubtful about the substantial gains that would accrue from a highly focused commitment to quality and continuous improvement.

Circumstantial evidence and limited prior research suggest that this perception is partly due to quality-related cost barriers and to organizations' failure to integrate quality improvement plans with their strategic planning activities to achieve overall improvement in operational performance (Chapman *et al.*, 1997).Aware of the foregoing, this study sought to shed more light on the vital subject of strategic quality management practice and its effect on the operational performance of SCs in Kenya. In the study, strategic quality management has been conceptualized as comprising the underlying variables of continuous improvement planning, customer and employee focus, data-driven quality management, and compliance with the International Organization for Standardization's (ISO) certification requirements.

### 2.3.5 Corporate Governance and Organization Performance

Corporate governance has recentlyattracted significant global attention, further drawing the interest of many scholars, researchers, and practitioners. This attention is brought about by the tremendous importance placedon this matter in public and private organizations.Claessens and Yurtoglu (2013) argued that the financial crisis of 2008 and the2012 crises involving Greece, Italy, and Spain revealed that corporate governance

failures in financial institutions and corporations led to far-reaching systemic consequences through financial contagion. It is also worth pointing out that in the United States of America, two major scandals involving Enron (2001) and WorldCom (2001) informed the enactment of the Sarbanes-Oxley Act of 2002 as a measure to ensure financial order and restore investors' confidence in business,in addition to stirring the interest of the larger societyin the economy. Other notable corporate scandals globally that have also impacted corporate governance and organizational performance include those touching on Vivendi (2002), Adelphi (2021-2022), Swissair (2001), Global Crossing (2002), Washington Mutual (2009), Bear Stearns (2008), and Lehman Brothers (2008).

The aboveled to the spearheading of corporate governance reforms worldwide,which significantly impacted most corporate Boards' compositions,conduct of their business, and various responsibilities at the legal and regulatory levels (Dong & Wen-jia, 2009; Scrimgeour& Duppati, 2014) to strengthen corporate management for operational and financial performance. It is reported that, as the global economic and financial crises fizzled out, there was widespread agreement among scholars, researchers, corporate executives, and governments that weak corporate governance mechanisms may have long-term negative macroeconomic consequences for private and public entities. Eventually, this informed the adoption of effective governance frameworks and legislation that helped ensure private and public enterprises were run in ways that aligned with the interests of all parties involved, including shareholders, staff, clients, and the general public (Almashhadani & Almashhadani, 2023).

Scrimgeour and Duppati (2014) noted that corporate governance in the public sector has therefore gained momentum in both the literature and practice. This is evident as governments continue to introduce leadership styles and control methods that

involveclear rules and principles, effective risk management, and robustcontrol mechanisms for their organizations. This also stems from the realization that SCs are an essential part of socioeconomic activity in every country, given their mandate to fulfill the state's identified social objectives rather than maximize profits (Scrimgeour & Duppati, 2014). Various studies worldwide have affirmed the pivotal role SCs play in enhancing socio-economic development. Reports indicate that SOEs in several countries, including India, China, and Malaysia, account for a sizable share of GDP and employment. In fact, in China, these entities account for 30% of GDP, whereas in Vietnam, SOEs account for 38% of GDP. Furthermore, in India and Thailand, SCs contribute around 25% of GDP, whereas in Malaysia and Singapore, they contribute 15% (OECD, 2010; Scrimgeour & Duppati, 2014). Thus, given the enormous scale and significance of these SOEs in the above countries and their significant contribution to global economies, specific attention to their corporate governance has received impetus over the years in their efforts to satisfy public needs (Matei& Drumasu, 2015).

Despite these efforts to implement corporate governance reforms across SOEs globally, regionally, and locally, evidence of financial and operational underperformance persists. It remains a prominent concern in the available literature and practice. Sessional Paper No. 4 (GoK, 1991) on development and employment in Kenya decried the continued decline in SC performance. The report noted that, whereas the creation of SCs was aimed at enhancing socio-economic development through heightened government participation in the economy, their contribution to the goal was below expectations and lackluster. The paper then underlined the need to implement urgent privatization and divestiture plans for SCs in Kenya that were facingmanagerial challenges and poor operational performance (GoK, 1991). This push also brought to the fore the varied legal framework, institutional structures, classifications, operational under-performance, as well as the

monitoring, control, and transparency measures of these entities in Kenya. Hence. This lends credence to the need to understand how corporate governance procedures in these organizations magnify or diminish the SMPs and, later, their operational performance.

It is also emerging that while the focus on within-firm corporate governance mechanisms has advanced the understanding of the links between corporate governance standards and a firm's performance, there is an increasing realization that the efficacy of within-firm corporate governance may be dependent on the quality of external governance and institutions (Judge *et al.,* 2008). This issue is significant for emerging economies, which often lack the institutions needed to support efficient corporate governance within firms. It is well documented that many emerging economies, such as India and China, lack well-developed external control mechanisms, including market-for-corporate-control frameworks, merger and acquisition laws, and efficient law enforcement (Peng, 2004). This implies that a better understanding of the role of corporate governance in influencing an organization's strategic decisions and operational performance becomes an urgent imperative. This understanding will help top management of such SCs allocate their limited resources to optimize strategic planning decisions, thereby enhancing internal and external corporate governance and operational performance. It is expected that this study will therefore contribute to this discourse on the nexus between strategic decisions, public corporate governance, and operational performance.

Some previous studies have indicated a positive relationship between corporate governance and organizational performance (Akbar et al., 2016; Haβ et al., 2016; Khamis*et al.,* 2015; Mishra & Mohanty, 2014). Other studies have also shown a link between SMPs and organizational performance (Ahid & Augustine, 2012; Cadez & Guilding, 2012).However, the causal relationships among these three key variables brought together in one study model are still not extensively investigated, despite several

studies suggesting the existence of a causal relationship between some of the parameters (Christine *et al.,* 2011; Kaplan & Norton, 2006; Kaymak & Bektas, 2008; Nicholson & Kiel, 2007; Salvato & Melin, 2008; Seal 2006). A moderated study by Dilaksan *et al.* (2019), whose objective was to establish the moderating impact of corporate governance on the relationship between the management control systems and corporate financial performance. The study concluded that corporate governance parameters did not moderate the relationship between the management control system and economic performance (Dilaksan *et al.,* 2019).

Almashhadani and Almashhadani (2023), in their study titled "The Influence of Corporate Governance on Firm Performance: Evidence from Barcelona Listed Firms," examined the nexus between corporate governance practices and organizational performance. The study covered the period 2007 to 2020 and employed the Return on Assets (ROA) and Tobin's Q performance measurement models. The research further focused on three elements of corporate governance: the number of independent board members, board size, and CEO duality (Almashhadani & Almashhadani, 2023). The study concluded that corporate governance characteristics, including the presence of more independent directors, enhance transparency, accountability, and effectiveness, and by extension, impact operational performance. The research observed that these Independent directors bring diverse ideas into organizational decision-making processes, hence minimizing the incidence of conflicts of interest while also advancing shareholders' interests. These findings are consistent with earlier findings by Alabdullah *et al.* (2023), reiterating the importance of adopting strong corporate governance practices to boost overall operational performance (Almashhadani & Almashhadani, 2023).

The results of another study by Alamri (2018) that sampled 139 out of 158 Saudi public companies indicate that corporate governance plays a moderating role in the nexus between strategic management accounting and the performance of a firm, adding that the adoption of this practice helps improve corporate governance frameworks in the organization, which subsequently leads to the enhancement of organizational performance. A theoretical inquiry whose population was the service businesses in South Alabama, USA, that assessed the moderating role of corporate governance on the relationship between strategic management and firm performance, reiterated the moderating impact it has on the interaction between strategic choices and performance results, which hadhitherto been overlooked (Almashhadani & Almashhadani, 2023). The study further recommended more studies with cross-industry and cross-geographical coverage, using longitudinal or cross-sectional quantitative data that are statistically tested. It also recommended considering technological innovations and external stakeholder perspectives to generate additional insights for extrapolation to fill knowledge gaps.

Locally, research by Agili (2020) on corporate governance, strategic choices, and the performance of Universities in Kenya revealed that corporate governance significantly influencedorganizational performance. This study further showed that strategic choices partially mediated the nexus between corporate governance and organizational performance. It concluded that implementing effective corporate governance mechanisms, augmented by relevant strategic choices, significantly enhances corporate performance. Wanyama (2020), in a study aimed at determining the influence of corporate governance on the relationship between organizational resources and the performance of RDAs in Kenya, concluded that corporate governance is a significant moderator of this relationship. This conclusion showed that the linkage of organizational

resources (Technological, financial, and human) and corporate governance explained up to 10.9% change in the performance of the RDAs (Wanyama, 2020), implying the presence of some controlling effect of corporate governance on the nexus between SMPs and organizational performance in the two studies.

The literature review shows that studies on corporate governance have focused on various viewpoints including its effect on accounting and financial performance (Khatib & Nour, 2021; Goel, 2018; Mohamed, Basuony, & Badawi, 2013), marketing performance (El Fawal & Mawlawi, 2018), logistic and supply chain performance (Hernawati & Surya, 2019) as well as firm integrated performance (Nagalingam *et al.*, 2022). Hence, the literature on the above direct relationship between corporate governance and organizational performance is robust and available. However, studies on corporate governance as a moderating variable are still not well established, particularly when assessing the nexus between SMPs and the operational performance of public entities. Aware of the above and further conscious of the fact that the legal framework, institutional structures, classifications, operational performance monitoring, control, and transparency measures of the SCs in Kenya vary and are complex, it was essential to comprehend how corporate governance procedures in these organizations affect strategic management choices and later financial consequences. This, therefore, informed the conceptualization of the study, which included corporate governance as a moderating variable to broaden understanding of the construct vis-à-vis SMPs and the operational performance of commercial SCs.

### 2.3.6 Strategic Management Practices, Corporate Governance, and Operational Performance

Strategic management and the theories from the private sector were introduced into the public sector around the 1980s, and studies have shown that the same have achieved greater success (Lynch, 2018) by substantially enhancing efficiency in public sector management and improving service delivery (Ansoff *et al.,* 2019). However, studies have also shown that, due to differences in theoretical frameworks between public sector management and the private sector, there remain many shortfalls, hence the need for urgent research and scholarly work to address them (Johanson, 2021; Pederzini, 2016). Although strategic management in the public sector has become an integral tool for effective government alignment, it is evident that strategic design, internal strategic scanning, and strategic governance are often visible and pursued (Johanson, 2021).

The academic literature reviewed underscored the importance of SMPs in public organizations' performance. This literature revealed that organizational performance has become an integral theme in public management research, practice, and discourse. Furthermore, the literature shows that there are varied performance dimensions in the public sector, diverse stakeholders assessing performance (including the citizenry), and different sources and types of data used to measure public sector organizational performance (Andersen *et al.,* 2016; Walker & Rhys, 2015). Some of these parameters include quantified objectives or profitability (Otieno, 2013); survival in the industry, growth trajectory and profitability levels over time (Pearce & Robinson, 2003); accomplishment of strategic vision and desired results (Kinyua, 2018); Effectiveness in achievement of goals and efficiency using minimum resources (Lusthaus & Adrien, 1998); financial and non-financial parameters under the Balance Scorecard (Kaplan & Norton, 2007).

Although definitions of public organizations' performance may differ, there is a notable consensus that performance in the public sector relates to achieving higher results againstpredefined strategic objectives. Accordingly, some previous empirical studies have reported a strong positive relationship between SMPs and organizational performance. However, the extent to which these practices contribute to improvement remains a matter of debate,given the diverse findings(Aldehayyat&Twaissi, 2011). These studies have equally suggested varied imperatives for enhanced organizational performance in the public sector as follows:- strategic change implementation (Palladan & Adamu, 2018; Wanyama & Aila, 2022), strategic leadership (Mwando & Muturi, 2016), innovation practices and systems (Aswani, 2013; Leskaj, 2017), focus on execution and not only formulation (Basel, 2011; Chiwawa *et al.,* 2021), total quality management (Kipsang & Mbaraka, 2017; Rureri, 2018), among others.

Globally, some studies on the three constructs of corporate governance, SMPs, and organizational performance include a moderated study by Dilaksan *et al*. (2019), whose objective was to examine the moderating impact of corporate governance on the relationship between management control systems. 41 manufacturing firms were studied at the Colombo Stock Exchange for this study. The financial reports for the identified entities were then reviewed over 2 years, and the study concluded that corporate governance parameters had no moderating impacton the linkage between the management control system and financial performance (Dilaksan *et al.*, 2019).

An empirical study by Alamri (2018) entitled Corporate Governance as a Moderator between Strategic Management Accounting and Firm Performance sampled 139 of the 185 public companies in the Kingdom of Saudi Arabia, across 20 sectors, and listed on the Saudi Stock Exchange. The study then used available data for the period 2013-2016, in addition to a mailed questionnaire. The research found that the corporate governance

index for these listed companies on the Saudi Stock Exchange was 74.3%. These findings indicated that corporate governance played a moderating role in the nexus between strategic management accounting and firm performance. They concluded that adopting strategic management accounting would enhance corporate governance practices and, by extension, enhance their performance. These findings also lend credence to the conclusion of a theoretical inquiry whose population was the service businesses in South Alabama, USA, and assessed the moderating role of corporate governance on the relationship between strategic management and firm performance, and established that indeed corporate governance impacted the interaction between strategic choices and performance results (Almashhadani & Almashhadani, 2023).

Al-Naser *et al.*(2021) examined the moderating effect of good corporate governance on the linkage between sustainability reporting and corporate financial performance. The study utilized a quantitative research methodology and secondary data from the 59 purposively selected food and beverage companies listed on the Indonesian Stock Exchange between 2016 and 2019. The research used Moderated Regression Analysis to assess the relationship and effect between the conceptualized variables (A-Naser *et al.,* 2021). The study further reviewed the underlying parameters of corporate governance, including participation in the Corporate Governance Perception Index, transparent financial statement reporting, issuance of sustainability reports, and submission of financial reports. The findings of this research revealed that environmental and social performance disclosures positively and significantly impacted the financial performance. Further, itshowed that good corporate governance weakened the impact of economic and ecological performance disclosures on financial performance and could not moderate the impact of social performance disclosures on financial performance (A-Naser *et al.,* 2021).

The moderating effect of corporate governance on the relationship between corporate social responsibility and financial performance was investigated by Gamhewage *et al.* (2018) in a sample of listed companies at the Sri Lankan Stock Exchange. The study examinedforeign ownership of entities, board size, CEO duality, board independence, and managerial ownership, which are the underlying parameters of corporate governance. The study found that environmental and total CSR activities had a significant positive relationship with financial performance, as shown by ROA for manufacturing firms. Still, the effect was insignificant for non-manufacturing firms (Gamhewage *et al.,* 2018). Furthermore, the study showed that corporate governance parameters, including board size, board independence, and managerial ownership, significantly strengthened the positive relationship between corporate social responsibility and firm financial performance, as indicated by ROA, Return on Equity, and Tobin's Q analyses. The research also clearly showed that corporate governance had a more substantial, positive, and significant impact on manufacturing firms than on non-manufacturing firms in achieving their ultimate objectives (Gamhewage *et al.*, 2018).

A study examining the moderating effect of corporate governance on the relationship between sustainability performance and financial performance found that corporate governance does not moderate this relationship.This was done by Fatmasari (2024), who used quantitative data from the Indonesian Stock Exchange website, purposively sampling 53 companies from the population of 767 listed entities that met the sampling criteria. The research used panel data collected using a time-series and cross-sectional design and analyzed using moderated regression. These research results, analyzed using statistical tools,showed that board size, CEO duality, and the presence of female top board members did not affect sustainability performance. In contrast, board independence had a significant adverse effect. Nonetheless, the research concluded that

the higher the level of corporate governance mechanisms in a firm, the more closely these entities pay attention to their sustainability performance metrics, which then inform government policy-making and global reporting disclosure initiatives (Fatmasari, 2024).

Studies have also shown that corporate governance plays an integral role in monitoring management's major decision-making, including strategic sustainability investing and performance (Lu, 2021). These findings were derived from a study on the moderating effect of corporate governance on the relationship between corporate sustainability performance and corporate financial performance. This implies that a better understanding of the importance of corporate governance enables top management in these organizations to allocate their limited resources efficiently and effectively for optimal strategic planning and decision-making (Lu, 2021). The study analyzed a sample of 456 of the largest public companies in the USA to assess the moderating effect of corporate governance on corporate sustainability performance and ultimately their corporate financial performance. The study undertook a Multiple Regression Analysis and robustness tests to ensure its findings were not biased. The results revealed that organizations with resilient corporate governance mechanisms are more likely to achieve higher corporate sustainability performance metrics, as corporate governance magnifies the nexus between corporate sustainability performance and corporate financial performance (Lu, 2021).

A recent study by Herenia *et al.*(2024) examined the moderating effect of corporate governance on the readability of the Chairman's statement and, ultimately, the firm performance of the Jordanian listed companies. The study examined whether the readability of the Board Chairman's statement is linked to the entity's performance and to corporate governance factors in the context of emerging markets. The study, covering the period 2017 to 2021, reviewed Jordanian manufacturing companies listed on the Amman

Stock Exchange (ASE) and employed an exploratory research design using panel data from the Securities Exchange. The study conducted moderated regression analysis and parametric correlation analyses to obtain the information necessary for drawing fundamental insights (Herenia *et al.*,2024). The study's findings revealed that corporate governance in the entities significantly moderated the readability of the Chairman's statement and, by extension, the companies' performance. The results also revealed a nexus between the readability of the Chairman's statement and the accounting experience of the board of directors. Further, it showed that the independence of the board of directors and the concentration of ownership, which are characteristics of boards, also affected the readability of the disclosures in the Chairman's statement and, by extension, corporate reporting credibility (Herenia *et al.*, 2024). These findings provide boards and shareholders with helpful information on the need for strong corporate governance practices, as they would significantly impact operational performance.

A relevant regional study by Tahir and Ibrahim (2020) aimed to assess the moderating effect of corporate governance on the nexus between CSR and the financial performance of listed non-financial services companies in Nigeria.The study evaluated the extent to which corporate governance shaped the linkage between CSRand the financial performance of listed non-financial services companies in Nigeria. This census study utilized an ex post facto research design and secondary data derived from the available reports of the twenty-three companies for the period 2008-2017. The results of this study revealed that the various coefficients and t-values include the size of the board (ceff=0.0002, t=0.07), independence of the Board (ceff=0.02, t=0.43), and the gender diversity of the board (ceff=0.04, t=0.94). These findings showed that the size of the board, its gender diversity, and independence all have positive, though statistically

insignificant, moderating effects on the association between Corporate Social Reporting and the financial performance of organizations (Tahir & Ibrahim, 2020).

Locally, research by Agili (2020) on corporate governance, strategic choices, and the performance of Universities in Kenya revealed that corporate governance had a significant influence on organizational performance ($R^2$ = 0.213, F = 43.410, p-value=0.000, <0.05). This study further showed that strategic choices partially mediated the nexus between corporate governance and organizational performance. It concluded that implementing effective corporate governance mechanisms, augmented by relevant strategic choices, significantly enhances corporate performance. Wanyama (2020), in a study on the influence of corporate governance on the relationship between organizational resources and RDAs' performance in Kenya, concluded that corporate governance is a significant moderator of this relationship. This conclusion was evidenced by the change in the test statistic ($R^2$=0.109, p=0.000), which implied that the linkage between organizational resources (Technological, financial, and human) and corporate governance explained up to 10.9% of the change in the performance of the RDA (Wanyama, 2020). In light of these findings from previous studies, the study concluded that corporate governance may exert some control over the nexus between SMPs and organizational performance.This understanding, therefore,lent credence to the need to examine further the complex interaction among the three vital parameters of SMPs, corporate governance, and operational performance as herein conceptualized.

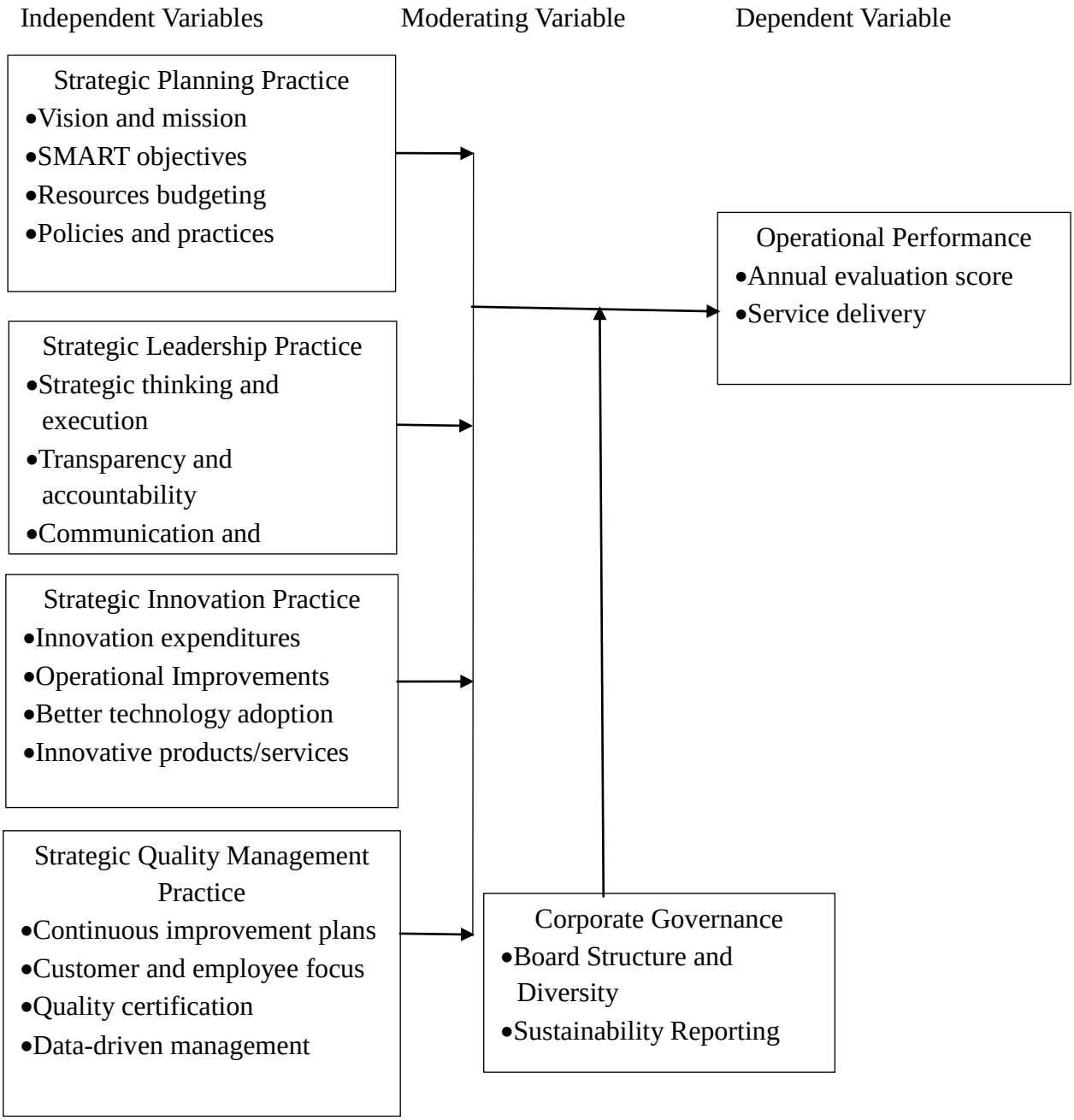
### 2.4 Conceptual Framework

The conceptual framework for this study identifies the research variables and clarifies the conceptualized relationships, linking themto the research objectives. According to Imelda (2014), the conceptual framework brings together several interrelated concepts to

provide broader clarity of thought on the problem under consideration, alongside its underlying parameters. Figure 2 represents the conceptual framework of the study:-

**Figure 2**

*Conceptual Framework*




*Source*: Author (2025)

## 2.5 Summary of Literature and Research Gaps

A detailed review of previous studies on this subject has identified gaps in the conceptual, contextual, design, and methodological approaches employed by previous scholars and researchers in their studies of SMPs and organizational performance. Most studies were also conducted across various jurisdictions with diverse institutional parameters and may not necessarily be extrapolated to understand the constructs in the Kenyan context better. It is also evident that many of these studies on organizational performance used varied assessments to measure performance, including financial and non-financial parameters. Cognizant of the above, this study provides a succinct characterization of the SMPs used by public entities, in this case, the SCs in Kenya, and seeks to establish their integration with organizational performance within the context of corporate governance moderation. The research gaps that have been identified are summarized in Table 4.

**Table 4**

*Summary of Previous Studies and Knowledge Gaps*

| Author (s) | The focus of the study | Key findings | Knowledge gaps | The focus of the current study |
|---|---|---|---|---|
| Lerai *et al.*(2023) | Influence of Strategic Direction on Organizational Performance of Commercial-Based Parastatals in Kenya | The findings indicated a positive correlation between strategic direction and performance. However, it also established that some of these organizations were unwilling to change when strategies demanded choosing to maintain their old methods and ways for selfish interests. | The study used a descriptive research design to collect data on a target population of six (6) commercial-based parastatals. The respondents were 45 departmental managers and 151 administrative staff. This study suffered from scope, conceptualizatio number of objectives, and methodological limitations. | The current study, however,focused on 36 commercial SCs in Kenya rather than 6 to address limitations in scope, objective, conceptualization, and methodology. |
| Kirabo (2023) | The Role of Strategic Management Practices on Organizational Performance of Firms in the Telecommunication Industry in Rwanda. | The findings indicate that companies benefit tremendously when strategic planning, strategic innovation, strategic alliances, and strategic marketing are considered for efficient organizational performance in the telecommunications industry in Rwanda. | This study focused on strategic practices of planning, innovation, alliances, and marketing, and only two companies in Rwanda. It also lacked the independent and dependent variables, hence suffering from contextual, design, and conceptualization challenges. | The current study focused on four independent variables of planning, leadership, innovation, and quality management, and one dependent variable of operational performance. Further, it also incorporated the moderating variable of corporate governance to surmount the noted limitations. |
| Kibuthu and Kimencu (2022) | Corporate Governance and Organisational Performance of the Kenya Forest Service in Nairobi City County | The study found that board composition, independence, size, and the board audit committee significantly influence the organization's performance. | The survey adopted stratified sampling and employed questionnaires to collect data from the Kenya Forest Service (KFS) Headquarters' Office at Karura in Nairobi City County, hence suffering from a scope limitation. | The current study, however, focused on 36 commercial SCs in Kenya rather than a single SC to overcome limitations in scope and design. It also conceptualized corporate governance as a moderating variable in the study, rather than an independent variable. |
| Aila and Wanyama | SMPs and performance of parastatals in | SMPs are valid predictors of performance, and, | This was an exploratory design study that did not | This study was anchored in strategy formulation and |

| Author (s) | The focus of the study | Key findings | Knowledge gaps | The focus of the current study |
|---|---|---|---|---|
| (2022) | Kenya | more specifically, strategic change implementation has the most tremendous impact on organizational performance. | employ other designs and focused on only 14 parastatals in Kenya. The study's variables were environmental scanning, strategy formulation, strategy implementation, and strategy evaluation. This had an objective definition gap. | implementation, with four variables: strategic planning, strategic leadership, strategic innovation, and strategic quality management. In addition, corporate governance was included as the moderating variable of the study. |
| Karimi (2021) | Strategic management practices of the National Hospital Insurance Fund (NHIF) in Nairobi City County, Kenya | The SMPs of planning, evaluation, implementation, and formulation were observed to influence NHIF's performance. | This was a longitudinal descriptive research design that focused on one State Corporation, hence the scope gap. | This study widened the scope and focus on 36 commercial State Corporations in Kenya as delineated by the State Corporations Advisory Committee. |
| Boit (2021) | SMPs, internal organizational factors, and disaster management in Kenya: A case of National Government Departments. | It established that environmental scanning/analysis, effective strategic planning, and risk governance/ management were critical in disaster management in the Government. | There was a methodological gap, as the survey was a census using semi-structured questionnaires. In addition, there was a noted gap in the conceptualization of performance evaluation, which was limited to the disaster management perspective rather than a focus on financial and non-financial performance metrics. The study further had the moderation of internal organizational factors on disaster management and performance only. | This study used longitudinal secondary data and a cross-sectional descriptive research design to achieve its objectives. It also measured the operational performance of sampled SCs in Kenya. The study further examined the moderating effect of corporate governance on overall organizational performance. |
| Maina (2020) | Influence of strategy formulation on the performance of SCs in Kenya | The findings stipulated that environmental scanning and a well-defined mission influenced the performance of SCs in Kenya. | The research study focused on 187 parastatals in Kenya to assess the effect of strategy formulation on performance,but it suffered from design and objective limitations. | This study focused on all 36 commercial SCs in Kenya as per the State Corporations Advisory Committee (SCAC) classifications. |

| Author (s) | The focus of the study | Key findings | Knowledge gaps | The focus of the current study |
|---|---|---|---|---|
| Hoglund *et al.*(2018) | Strategic Management in the Public Sector: How Tools Enable and Constrain Strategy Making | The findings indicate that there were some constraints related to the tools, and that the per-occupation was a short-term reactive approach rather than a long-term proactive strategy. | This was a qualitative, case-study approach that focused on strategic management at the Swedish Transport Administration; hence, contextual and conceptual limitations. | The current study focused on 36 commercial SCs in Kenya and brought together three constructs of strategic management practices, corporate governance, and operational performance to overcome these limitations and gaps. |
| Kiprotich *et al.* (2018) | Total quality management and performance of KRA | Unless KRA adopts total quality management practices in employee training, continuous improvement, and systems automation in the changing business environment, it will not survive. Achieving operational excellence will be difficult. | There was a gap in the conceptualization, contextualization, and scope of the variables. It focused solely on total quality management as a variable to gauge KRA performance. The study was limited to the Kenya Revenue Authority, one of the SCs in Kenya. Using only purposive sampling further limited the study and may have introduced sampling bias. | The current study focused on quality management as an independent variable, alongside three other variables: planning, leadership, and innovation. The study further widened its scope and focused on 36 commercial SCs in Kenya to achieve its objectives. This studyused probability sampling techniques to achieve better results and reduce the biases noted. |
| Makokha (2018) | Influence of SMPs on service delivery in the County Government of Nairobi, Kenya | The influence of SMPs, including planning, leadership, and implementation, on service delivery was significant. | There was a gap in the theoretical anchoring of the study,as well as scope issues: the study focused on service delivery, which is only one parameter of an entity's performance. It also studied only the County Government of Nairobi. | The current study is anchored in four theories: the Resource-Based View, Dynamic Capabilities, Stewardship, and Resource Dependency. It also focused on financial and non-financial metrics while evaluating performance within the commercial SCs in Kenya. |

| Author (s) | The focus of the study | Key findings | Knowledge gaps | The focus of the current study |
|---|---|---|---|---|
| Jaleha and Machuki (2018) | Strategic leadership and organization performance: A critical review of the literature | In the study, the direct and significant effect of strategic leadership on performance is called into question, rendering the survey inconclusive due to the possible moderating and mediating influences of the external environment on organizational change and performance. | This was a literature review that used secondary data and defined strategic leadership (a single variable) as the sole measure of organizational performance. | This study defined four independent variables of planning, leadership, innovation, and quality management to understand their significant effect on the operational performance of commercial SCs in Kenya. Its data was also sourced from primary and secondary sources to avoid the noted design limitations. |
| Chemutai (2018) | SMPs of the Local Authorities Pension Fund (LAPFUND) as an SC in Kenya | LAPFUND incorporated strategic management practices in the formulation of strategies, analysis of situations, as well as evaluation and implementation of performance. | This was a case study focused on one SC and, as such, also suffered from methodological and scope limitations. | The current study focused on 36 commercial SCs, from which the sampling frame and sample were drawn to draw conclusions on the objectives and to eliminate scope and approach limitations. |

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 Introduction

The chapter provides an overview of the philosophy underpinning this study, its design, focus area, targeted population, sampling frame, and the sampling techniques employed. It also stipulates the methods for collecting, analyzing, and presenting data, among other critical aspects of this study that contributed to achieving the results.

## 3.2 Research Philosophy

This study was grounded in the positivist research philosophy, which provides a rigorous and objective foundation for examining the moderating effect of corporate governance on the relationship between SMPs and operational performance of commercial SCs in Kenya. Positivists postulate that reality is stable and thus is measurable, observable, and describable. Metsamuuronen (2017) defined positivism as a philosophy that bases knowledge on empirically verifiable observation and is characterized by the use of comprehensive methods, such as surveys, experiments, and statistical analysis, as well asthe investigation and examination of quantitative data.

Positivists consider reality to be static and hence can be objectively observed and described without interference with the study's parameters. Positivists further assert that these elements ought to be isolated and observations can be made repeatedly, a view supported by Levin (1988) in his studies. Interpretivists (Constructivism), on the other hand, maintain that reality can be clearly understood only through the subjective interpretation of phenomena. Thus, in their considered view, they assert that elements are context-dependent and must be socially constructed and studied in their natural environmental setting; the researcher may affect those phenomena during the process, thereby further enabling meaningful deductions.

In this study, positivism is appropriate given that the three core variables of SMPs, corporate governance, and operational performance are parameters whose linkage can be observed, measured, and empirically tested.The study assumed that SMPs systematically and predictably affect operational performance, and that corporate governance moderates this nexus, with the moderating effect statistically estimable. These assumptions align with positivism's emphasis on causality, hypothesis testing, and the generalization of findings. The four SMPs of planning, leadership, innovation, and quality management are operationalized as observable activities that can be reliably measured across commercial SCs. In addition, operational performance is conceptualized in positivist terms as a set of objective organizational outcomes that are measurable using underlying parameters, which can be statistically analyzed to allow inferential deductions.

Equally, the moderating role of corporate governance can be assessed with statistical interaction terms, enabling the study to determine whether stronger governance systems amplify or diminish the impact of SMPs on operational performance. Since, the positivist philosophical perspective has dominated mainstream management research and theory,as corroborated by Aitken and Valentine (2006), and cognizant of the need to adopt an objective, robust, evidence-based and scientific method to understand the study, this research adopted the positivism philosophy given that the reality and knowledge of the various variables of focus are describable, observable, measurable, and can be empirically verified to enable meaningful conclusions.

### 3.3 Research Design

Guided by the specific research objectives, the study adopted a cross-sectional descriptive survey design to enhance the findings and enable meaningful inferences. Research design, as defined by Lavrakas (2008),is a general plan that guides the conduct of a study, examines predefined research questions, and enables meaningful conclusions

to be drawn to meet the research objectives. The descriptive survey research designfacilitated an efficient and effective studythat yielded maximum information with minimal effort, time, and financial expenditure. The design served as the basis for data collection, measurement, and analysis, providing a comprehensive plan for answering the research questions, a view supported by Cooper and Schindler (2006) and Kothari (2008). Furthermore, this design enabled thesimultaneous collection of data across multiple cases and ensured that multiple viewpointswere captured on the same issue within a short time. This helpedincrease the external validity and reliability of the study, a view also supported by Wimmer and Dominick (2014).

### 3.4 Location of the Study

This study was conducted in the Republic of Kenya. Kenya lies between latitudes 5°N and 5°S, and longitudes 34° and 42°E from the Coast of the Indian Ocean. The low plains rise to the Central highlands, the Rift Valley, and the Northern and Western parts. Kenya is subdivided into 47 Counties as per the promulgated Constitution of 2010 and covers 581,309 km2 (224,445 sq mi), with a population of approximately 56.3 millionpeople as of July 2024 (UNFPA, 2024). The focus on this location was to draw reliable inferences that would enhance the study's comprehension.

### 3.5 Target Population

The target population for this study is the entire assemblage of elements that enabled the collection of findings necessary formakingmeaningful deductions on the research constructs, a view supported by Kombo and Tromp (2006) and Saunders *et al.* (2014). This total population was drawn from employees in top and middle-level management across five key departments of the focus SCs (See Appendix III), including the Chief Executive, Finance and Accounts, Human Resources, ICT, and Corporate Planning. The total population was established following a preliminary survey on the commercial SCs,

and the five departments were purposively targeted given their direct involvement in day-to-day strategic decisions. The target population of this study was 317 respondents drawn from the 36 commercial SCs in Kenya as per the classification of the State Corporations Advisory Committee, and the breakdown is provided in Table 5:-

**Table 5**

*Target Population in Commercial State Corporations*

| Category of Respondent | Top Level Managers | Middle-Level Managers | Target Population |
|---|---|---|---|
| Chief Executive/Managing Director | 36 | 0 | 36 |
| Finance and Accounts | 36 | 38 | 74 |
| Human Resource Management | 36 | 33 | 69 |
| ICT | 36 | 26 | 62 |
| Corporate Planning/Strategy | 36 | 40 | 76 |
| Total | 180 | 137 | 317 |

*Source:* State Corporations Records (2025)

### 3.6 Sampling Procedure and Sample Size

#### 3.6.1 Sampling Frame and Sample Size

A sampling frame is the set of source materials or individuals from which the sample is drawn. According to Kothari (2007), a sampling frame is a complete list of the units of interest from whichsamples are selected. In contrast, the sample is the actual number of items selected from the universe. Kombo and Tromp (2009) observed that a sample is an aggregation of individuals with similar attributes selected from the population to represent it, achieved through the sampling process. In addition, sampling is the systematic procedure used to gather items of interest whose traits mirror those of the larger population**.** In this study, the unit of analysis was the commercial SCs in Kenya.

In contrast, the unit of observation was the 177 sampled respondents from the total population of 317 respondents in the top and middle-level management of the 36 targeted commercial SCs in Kenya. These respondents were targeted because of their direct day-to-day involvement in strategic decisions, corporate governance, and operational performance management. The sample was consistent with what scholars and researchershave noted regarding the optimal size and the need for representativeness, efficiency, reliability, and flexibility. The study sample was determined using Yamane's (1967) formula as modified by Saunders *et al.*(2003) as follows:-

$$n = \frac{N}{1 + N(e)^2}$$

Where ***n*** is the sample size, ***N***is the population size,and ***e***is the allowable margin of error (Level of significance) in the study at 5%level of significance (95% confidence interval). The breakdown of the sample was as follows:-

***n***=317/(1+317)($0.05^2$) =317/1.7925

=176.85 and ***n***=177 respondents

Therefore, using Yamane's (1967) formula, as modified by Saunders et al. (2003), the sample comprised 177 respondents from top and middle-level management across the 36 commercial SCs in Kenya.

### 3.6.2 Sampling Procedure

Various scholars have observed that determining an appropriate sample size entails recognizing that it should be large enough for statistical analysis, and that the sampling technique should also meet the requirements of flexibility, reliability, and efficiency to obtain the data needed to make inferences about the entire population**.** In this study, a

multi-stage sampling design consisting of stratified and simple random sampling was used, which allows the population to be grouped into subcategories (strata) with homogeneous but representative attributes to ensure sample statistical reliability. The five key departments identified herein were purposively selected for their direct roles in day-to-day strategic decisions, corporate governance, and operational performance management, formingthe strata. Subsequently, the study employed a simple random sampling technique to select individual respondents from the respective strata. Accordingly, to distribute respondents into the five selected strata and optimize the precision of the survey given the fixed calculated sample size, the study used the Neyman (1934) allocation formula as follows:-

$$n_h = \left(\frac{N_h}{N}\right) n$$

***N*** is the total population; ***n***is the total sample size;$n_h$is the sample size for stratum ***h***; $N_h$ is the population size for stratum ***h.*** Accordingly, the sample distribution using the Neyman (1934) allocation formula is as provided in Table 6:-

**Table 6**

*Distribution of the Study Sample in Strata*

| Category of Respondent | Target Population | Sample Size $n_h = \left(\frac{N_h}{N}\right) n$ |
|---|---|---|
| Chief Executive/Managing Director | 36 | 20 |
| Finance and Accounts | 74 | 41 |
| Human Resource Management | 69 | 39 |
| ICT | 62 | 35 |
| Corporate Planning/Strategy | 76 | 42 |
| Total | 317 | 177 |

### 3.7 Data Collection Instruments

This study used primary data collected specifically for the research assignment between January 2025 and April 2025. This data was gathered primarily from respondents in commercial SCs using 5-point Likert-scale structured questionnaires. Cooper and Schindler (2014) and Mugenda and Mugenda (2012) argued that data-collection instruments are the aids, processes, and procedures that facilitate the effective collection of data on the subject. In contrast, Kombo and Tromp (2006) observed that these instruments are used to collect data. The study questionnairesused closed-ended questions, which made it easier to administer, collect, and analyze to conclude what was necessary to meet the study objectives. Furthermore, the choice of structured, closed-ended questions was informed by the need to ensure that respondents remain confined within the boundaries of the study objectives, a view also supported by Saunders *et al.* (2012). To corroborate the primary data, secondary data were collected from peer-reviewed journals, SCAC Reports, Government of Kenya reports, publications, books, periodicals, and other relevant documents on the subject.

#### 3.7.1 Pilot Study

To ensure that the instruments for this study were functioning effectively,the study undertook a pilot at the Pyrethrum Board of Kenya and Kenya Power, which are the two commercial SCs domiciled in Nakuru, and these were equivalent to 10% of all the sampled respondents. This was equivalent to 18 respondents among the 177 sampled respondents in this study and was consistent with the guidelines from Kombo et al. (2016) and Kothari et al. (2019), who advised checking for inadequacies, weaknesses, and constraints across all aspects of the research process. This was also a preliminary test of the tool and the study, carried out to assess the efficiency, effectiveness, validity, and reliability of the questionnaires. Klenke (2016) argued that the objective of the pilot test

is to evaluate data collection tools, procedures, and other components before the larger study, rather thanto test the research hypotheses. During the pilot study, issues such as the sequence of questionnaire parts, the style and phrasing of the questions, the selection of respondents, and the time required to complete each questionnaire were addressed. This study also allowed for the assessment of other limitations that could have impeded the main study and enabled their consideration during the review of the final questionnaire and study procedures before the whole study was rolled out.

### 3.7.2 Validity of the Study Instruments

The validity of a research instrument, as defined by Kothari (2004), is the extent to which the said tool measures what it's designed to measure to achieve the objectives of the study, a view also supported by Robson (2011). To ensure content validity, expert judgment, in addition to reviews by the study supervisors,was ensured. The experts were asked to assess and rate each question's relevance to the objectives. The scoring of the selected departmental experts wasevaluated, and the questionnaire's validity was determined using the Scale-level Content Validity Index (S-CVI), with a value of at least 0.80 considered acceptable andmeeting the threshold for acceptance. In addition, the questionnaire was prepared with simplicity and clarity, making it easier to understand and respond to.Table 7 presents the results of the content validity assessment, which was conducted using the Scale-level Content Validity Index and assessed against the predefined threshold.

**Table 7**

*Content Validity Index Results*

| Construct | Number of Items | S-CVI | S-CVI greater than or equal to 0.8? |
|---|---|---|---|
| Strategic Planning | 12 | 0.92 | Yes |
| Strategic Leadership | 15 | 0.96 | Yes |
| Strategic Innovation | 10 | 1.00 | Yes |
| Strategic Quality Management | 10 | 0.96 | Yes |
| Operational Performance | 5 | 0.92 | Yes |

As shown in Table 7, the S-CVI values for all variables exceeded the minimum threshold of 0.8, ranging from 0.92 to 1.00. Notably, strategic planning had an S-CVI of 0.92, strategic leadership had 0.96, strategic innovation achieved a perfect score of 1.00, strategic quality management registered 0.96, while operational performance recorded an S-CVI of 0.92. Polit and Beck (2006) observed that S-CVI values of 0.80 or higher indicate excellent content validity, indicating that the instruments effectively cover the relevant underlying domains of each construct. The exceptionally high S-CVI value for strategic innovation at 1.00 affirms unanimous expert agreement on the relevance and adequacy of theunderlying items measuring this construct. This perfect content validity score accords with findings from Linyiru and Ketyenya (2017), who reiterated the importance of precise measurement of innovation constructs in public sector research. The strong content validity results for strategic leadership and strategic quality management, both at 0.96, further reinforce the comprehensiveness of these scales in measuring their respective parameters and corroborate the previous research by Orito (2021) and Njenga (2016).Evidently, the content validity analysis results indicate that all

measurement instruments used in this research exhibit excellent content validity, with all S-CVI values wellabove the recommended threshold of 0.8.

According to Zamanzadeh *et al.* (2015), high S-CVI values reflect strong agreement among content experts regarding the relevance and representativeness of the measurement items. The robust content validity of the instruments enhances the credibility of the study findings, as it indicates that the scales adequately capture the theoretical domains of the constructs under investigation. This validity, combined with the established reliability, provides a solid methodological foundation for the subsequent statistical analyses and interpretations presented in the next Chapter.

### 3.7.3 Reliability of the Study Instruments

To ensure the reliability of the instrument, which is the consistency of results over an identified period, the questionnaire was designed through an elaborate and systematic procedure of reviews and revisions with the expert guidance of the studySupervisors. In addition, the tool was administered to 18 randomly selected respondents at the Pyrethrum Board of Kenya and Kenya Power, both domiciled in Nakuru, to assess its accuracy and appropriateness further. Their responses werecollected and reviewed, then checked for internal consistency using Cronbach's alpha. To achieve this, the relevant Cronbach's Alpha coefficients, which often fall between 0 and 1 in line with Churchill's (1979) recommendations, were computed. The calculated values were then compared against the recommended threshold of 0.7 as being the acceptable reliability score,as guided by Churchill (1979) and Nunnally and Bernstein (1994). Reliability analysis was conducted to assess the internal consistency of the measurement scales used for each study variable. Table 8 presents the results of the reliability analysis, including the number of items per construct and the corresponding Cronbach's alpha coefficients, which were computed prior to comparison with the acceptable threshold.

**Table 8**

*Cronbach's Alpha Reliability Analysis*

| Construct | Number of Items | Cronbach's Alpha | Cronbach's Alpha greater than or equal to 0.7? |
|---|---|---|---|
| Strategic Planning | 12 | 0.783 | Yes |
| Strategic Leadership | 15 | 0.761 | Yes |
| Strategic Innovation | 10 | 0.755 | Yes |
| Strategic Quality Management | 10 | 0.792 | Yes |
| Operational Performance | 5 | 0.728 | Yes |

As shown in Table 8, the Cronbach's alpha coefficients for all constructs exceeded the minimum threshold of 0.7, with values ranging from 0.728 to 0.792. Specifically, strategic planning had a Cronbach's alpha of 0.783, leadership had a value of 0.761, innovation had a value of 0.755, quality management had a value of 0.792, and operational performance had a value of 0.728. According to Hinton *et al.* (2023), Cronbach's alpha values exceeding 0.7 indicate good internal consistency reliability, suggesting that the items within each scale consistently measure the respective constructs. The highest reliability coefficient was observed for strategic quality management ($\alpha$=0.792), indicating firm internal consistency among the items measuring this construct.

This robust reliability for the strategic quality management scale aligns with findings from Sasaka *et al.* (2016), who similarly reported high reliability for quality management measures in their study of SCs in Kenya. Conversely, although still exceeding the acceptable threshold, operational performance showed the lowest reliability coefficient ($\alpha$=0.728), which may be attributed to the relatively smaller number of underlying items

(5) in this scale compared to the other constructs, a view also corroborated by Yockey's (2023) observations.Overall, the reliability analysis results indicate that all measurement scales used in this study demonstrate sufficient internal consistency. According to George and Mallery (2003), Cronbach's alpha values between 0.7 and 0.8 are considered acceptable, while values between 0.8 and 0.9 are good. Based on these criteria, the instruments in this study show acceptable to good reliability, suggesting stable and consistent measurements. This reliability strengthens confidence in subsequent analyses and findings derived from these instruments, as reliable measurements are a prerequisite for valid statistical inferences (Ho, 2023).

### 3.8 Data Collection Procedure

In this study, a 5-point Likert-scale questionnaire wasthe primary tool for collecting data.At the outset, the researcher and assistants paid a courtesy call on the targeted SCs to become acquainted with their locations and to inform them of the intended study. During the period, clarifications on the objectives and benefits of the study were provided to the respective institutions. In addition, the respondents were provided with introduction and authorization letters, along with relevant study permits. Once permissionwasgranted, the team administered the approved questionnaires to the sampled respondents in top and middle management across the five key departments: Chief Executive/MD, Finance and Accounts, Human Resources, ICT, and Corporate Planning. After administration, the research team carefully reviewed the questionnaires to ensure completeness and avoid any glaring gaps. Furthermore, all respondents were requested to sign the Adult Informed Consent Form to confirm their voluntary and informed participation. Accordingly, they were also asked to provide accurate and factual information to ensure the achievement of the study objectives.

### 3.9 Data Analysis and Presentation

This has been defined as the systematic application of logical reasoning to illustrate, describe, and gain more understanding ofcollected data in a research study (Zikmund *et al.,* 2010). To achieve this, data analysis was systematically conducted using the latest SPSS packages and guided by the study's objectives, and the results were presented thematically to enable informed deductions.Quantitative data weresystematically organized and entered into the SPSS package for in-depth analysis to obtainrelevant descriptive and inferential statistics. Descriptive-analytical operations included measures of central tendency and dispersion.The findings were further summarized using percentages,frequency distribution tables,andpresented using relevant graphs and charts. Frequency distributions helped contrast and compare the factors. Further inferential statistical analysis was conducted to gain valuable insights into the study constructs and their nexus to meet the study's objectives.

Simple linear regression was used to examine the relationship between individual strategic management practices and the operational performance of the state corporations. In contrast, multiple regression was used to assess the strength of the relationshipsusing a moderated multiple regression approach. The results were then interpretedto provide insights into the modelparameters and draw vital conclusions on the study constructs of SMPs, corporate governance, and operational performance, duly guided by the specific objectives of the study and the hypothesis that was to be tested.

The empirical model was developed to gain a deeper understanding of the study's parameters and their hypothesized interrelationships, thereby providing clarity about the ultimate statistical significance upon testing. A step-by-step moderated multiple regressionmodel was used to test the correlation and directionality between the SMPsand

the operational performance of commercial SCs in Kenya, with corporate governance as the moderator. The following hypothesized regression modelswere used for analysis:-

Simple regression models;

$$Y= \alpha + \beta_1 X_1 + \varepsilon \quad \text{(3.1)}$$

$$Y= \alpha + \beta_2 X_2 + \varepsilon \quad \text{(3.2)}$$

$$Y= \alpha + \beta_3 X_3 + \varepsilon \quad \text{(3.3)}$$

$$Y= \alpha + \beta_4 X_4 + \varepsilon \quad \text{(3.4)}$$

WhereY - The Operational Performance of Commercial SCs.

$\alpha$- Regression Constant (Defines operational performance of commercial SCs without inclusion of independent variables).

$X_1$, $X_2$, $X_3$, and $X_4$- Strategic planning, strategic leadership, strategic innovation, and strategic quality management, respectively.

$\beta_1$, $\beta_2$, $\beta_3$, and $\beta_4$- Beta Coefficients of $X_1$, $X_2$, $X_3$, and $X_4$ to be estimated respectively.

$\varepsilon$- Error term, which in this case is assumed to be randomly distributed.

Multiple Regression Moderating VariableModel

Aguinis and Gottfredson (2010) observed that the most common way to estimate a linear moderation effect is through Moderated Multiple Regression analysis. The regression model that incorporates the moderating variable is therefore as follows:-

$$Y= \alpha + \beta_1 X + \beta_2 M + \beta_3 X.M + \varepsilon \quad \text{(3.5)}$$

WhereY- The Operational Performance of Commercial SCs.

$\alpha$- Regression Constant

X - Strategic Management Practices (Strategic planning, strategic leadership, strategic innovations, strategic quality management).

M- Corporate governance, which is the moderating variable.

$\beta_1$, $\beta_2$, $\beta_3$,- Coefficients of strategic management practices (X), corporate governance (M), and strategic management practice combined with corporate governance (X.M), respectively

ε - Error term, which in this case is assumed to be randomly distributed.

The summarized output ispresented in Table 9.

**Table 9**

*Interpretation of the Regression Model Output Per Objective*

| Objective | Hypothesis | Analytical Model | Interpretation of the Output of the Model |
|---|---|---|---|
| To examine the effect of strategic planning practice on the operational performance of commercial SCs in Kenya. | **$H_{01}$**: There is no statistically significant relationship between strategic planning practice and the operational performance of commercial SCs in Kenya. | $Y= \alpha + \beta_1 X_1 + \varepsilon$ (3.1)<br>Where:-<br>Y- Operational Performance of commercial SCs<br>α- Regression constant (Defines operational performance of SCs without inclusion of independent variables).<br>$X_1$- Strategic planning<br>$\beta_1$- Beta coefficient<br>ε- Error term, which is assumed to be randomly distributed. | The coefficient of determination ($R^2$) measures how well the statistical model predicts the dependent variable in the study.<br>F-test (ANOVA) to examine the overall significance of the model.<br>A t-test to determine the individual importance of the relationship.<br>2-tailed correlation to test the relationship between the variables in a normal distribution. |
| To analyze the effect of strategic leadership practice on the operational performance | **$H_{02}$**: There is no significant relationship between strategic leadership practices and the operational performance of | $Y= \alpha + \beta_2 X_2 + \varepsilon$ (3.2)<br>Where:-<br>Y- Operational Performance of commercial SCs<br>α- Regression constant (Defines operational performance of commercial SCs without inclusion of independent variable). | The coefficient of determination ($R^2$) measures how well the statistical model predicts the dependent variable in the study.<br>F-test (ANOVA) to determine the overall |

| Objective | Hypothesis | Analytical Model | Interpretation of the Output of the Model |
|---|---|---|---|
| of commercial SCs in Kenya. | commercial SCs in Kenya. | $X_2$- Strategic leadership<br>$\beta_2$- Beta coefficient<br>ε- Error term in this case is assumed to be randomly distributed | significance of the model.<br>A t-test to assess the individual importance of the relationship.<br>2-tailed correlation to test the relationship between the variables in a normal distribution. |
| To evaluate the effect of strategic innovation practice on the operational performance of commercial SCs in Kenya. | **$H_{03}$**: There is no statistically significant relationship between strategic innovation practice and the operational performance of commercial SCs in Kenya. | $Y= \alpha + \beta_3X_3 + \varepsilon$ (3.3)<br>Where:-<br>Y- Operational Performance of commercial SCs<br>α- Regression constant (Defines operational performance of commercial SCs without inclusion of independent variable).<br>$X_3$- Strategic innovations<br>$\beta_3$- Beta coefficient<br>ε- Error term, which in this case is assumed to be randomly distributed. | The coefficient of determination ($R^2$) measures how well the statistical model predicts the dependent variable in the study.<br>F-test (ANOVA) to evaluate the overall significance of the model.<br>A t-test to determine the individual importance of the relationship.<br>2-tailed correlation to test the relationship between the variables in a normal distribution. |
| To investigate the effect of strategic quality management practice on the operational performance of commercial SCs in Kenya. | **$H_{04}$**: There is no statistically significant relationship between strategic quality management practice and operational performance of commercial SCs in Kenya. | $Y= \alpha + \beta_4X_4 + \varepsilon$ (3.4)<br>Where:-<br>Y- Operational Performance of commercial SCs<br>α- Regression constant (Defines the operational performance of commercial SCs without inclusion of the independent variable).<br>$X_4$- Strategic quality management<br>$\beta_4$- Beta coefficient<br>ε- Error term, which in this case is assumed to be randomly distributed. | The coefficient of determination ($R^2$) measures how well the statistical model predicts the dependent variable in the study.<br>F-test (ANOVA) to assess the overall significance of the model.<br>A t-test to determine the individual importance of the relationship.<br>2-tailed correlation to test the relationship between the variables in a normal distribution. |
| To determine the | **$H_{05}$**: Corporate governance has | $Y= \alpha + \beta_1X+ \beta_2M + \beta_3X.M+ \varepsilon$(3.5) | Moderated Multiple Regression modeling to |

| Objective | Hypothesis | Analytical Model | Interpretation of the Output of the Model |
|---|---|---|---|
| moderating effect of corporate governance on the relationship between Strategic Management Practices and the operational performance of commercial SCs in Kenya. | no statistically significant moderating effect on the relationship between Strategic Management Practices and the operational performance of the commercial SCs in Kenya. | Where:-<br>Y- Operational Performance of commercial SCs<br>α- Regression constant (Defines operational performance of commercial SCs without inclusion of independent variables).<br>$X_1$, $X_2$, $X_3$, $X_4$- Independent Variables (Strategic planning, strategic leadership, strategic innovation, strategic quality management).<br>$X_5$- Change implementation, which is the moderator variable.<br>$B_1$, $\beta_2$, $\beta_3$, and $\beta_4$- Beta Coefficients of the predictors.<br>$B_5$- Beta coefficient of governance.<br>$B_6$- Beta coefficient of the moderator showing a significant effect of the moderator variable.<br>E = Error term, which in this case is assumed to be randomly distributed. | assess the significant effect of moderation on the model and relationships.<br><br>Goodness-of-fit tests for data fit and the presence of a moderating effect of corporate governance on the predicted variable (Y).<br><br>Factor Analysis to check for factor loadings/coefficients in the model. |

### 3.10 Diagnostic Tests

Before the model was used to make inferences, it was necessary to check whether the multiple regression model assumptions were met. To achieve this, diagnostic tests were conducted to ensure that the model assumptions held. Yihua (2010) observed that diagnostic tests often help verify the statistical accuracy of the data collected in a study and ensure that the regression outcomes from the specified model are reliable, representative, unbiased, dependable, and efficient. According to Williams *et al.* (2013), the key assumptions and tests that should be conducted before using regression model outputs to test the hypothesis include checks for normality, homoscedasticity, and multicollinearity.

### 3.10.1 Test for Normality

In any research study, one underlying assumption is the expected normal behavior of the residuals, and this was corroborated by Oscar (2007), who observed that an assumption of the Ordinary Least Squares (OLS) regression modeling is that the residuals should behave normally, as this has an overall impact on the validity of the study tests. To ensure this was achieved, the study used the D'Agostino-Pearson test, published in 1973 by Ralph B. D'Agostino and E. S. Pearson, to assess normality. This test evaluated skewness and kurtosis to determine how far the distribution deviated from normality. This statistical test checkedwhether the data distribution in the study deviated from a normal distribution. In this regard, if the test was non-significant ($p>.05$), it implied that the sample distribution was normally distributed. On the contrary, if the test is significant ($p < .05$), the data distribution in the study was not normal. In the study, theskewness and kurtosis values, evaluated to be within ±1.96 (at a .05 significance level), indicated that the data were normally distributed and thus met the regression analysis and the deductions based on the findings.

### 3.10.2 Test for Multicollinearity

In this study,multicollinearity tests were conducted to assess the presence of multicollinearity, which occurs when predictor variables are highly correlated. Multicollinearity in multiple regression occurs when two or more predictor variables in a hypothesized model are highly correlated, but not necessarily perfectly so. Rubinfeld (2010) argued that when multicollinearity between two variables is high, the model's precision in estimating individual regression parameters is lower. This study used the Variance Inflation Factor (VIF) to assessmulticollinearity in the model. Belsley *et al. (*1980) asserted that the VIF helps show the extent of multicollinearity-induced coefficient inflation, and any VIF greater than 10 indicates an extreme level of

multicollinearity. To assess this, tolerance values greater than 0.1 and VIF values less than 10 indicate the absence of severe multicollinearity among the independent variables, a view supported by Sürücü *et al.* (2023).

### 3.10.3 Test for Homoscedasticity

The homoscedasticity test is used to assess the homogeneity of residual variances in the study's regression models. This study employedLevene's test to check for homoscedasticity and ensure accurate model inferences. The test was developed by Howard Levene in 1960 to test for homoscedasticity in linear regression models. Williams *et al.* (2013) observed that heteroscedasticity, as opposed to homoscedasticity, refers to the situation in which the predicted variable exhibits fluctuating variability, as reflected in the values of the predictor variables in the model. Thus, its presence introduces bias into the estimates' standard errors, effectively rendering the model inaccurate in its predictions. This, by extension, implicates the conclusions on the correlation of variables in the model. In amultiple regression model, the presence of non-homogeneous variances violates the OLS assumption of homoscedasticity, and this would ultimately lead to misleading statistical inferences in the study.

## 3.11 Ethical Considerations

At the onset of the research process, relevant permits and authorizations were sought from appropriate institutions, including the Kabarak University Institute of Postgraduate Studies (Appendix IV), the National Commission for Science and Technology (Appendix V), as well as the ISC and SCAC, to ensure the smooth undertaking of the research process. To further ensure informed consent, confidentiality, and the respondents' responsiveness, a cover letter outlining the objectives of the research process was attached to help respondents become acquainted with the study's scope and goals. In addition, all respondents were asked to become acquainted with and sign the Kabarak

University Informed Consent Form. In the form, the purpose, participants, duration, potential risks, costs, benefits, and the expected outcomes of the study were further specified, along with clarification of the likely impact on the targeted institutions.

As regards privacy and confidentiality, all respondents were assured that the information they would provide during the field data collection exercise would be used strictly for academic purposes and would not be transmitted to any third party without their express permission and consent. The respondents were further allowed to ask for any clarifications they needed regarding the study before affixing their signatures to the free consent form as participants. Throughout the process, the study adhered to the University's guidelines fordocumenting daily progress and coordinating with all respondents. The study also ensured data integrity and questionnaire completeness, with daily updates on compliance with all ethical protocols regardingdata confidentiality, informed consent documentation, and questionnaire accountability. Finally, all data were preserved and stored in easily retrievable drives with secure passwords for ease of access and retrieval during and after the study. Questionnaireshave also been stored in secure cabinets as required to ensure data integrity, security, and protection, while facilitating easy retrieva

# CHAPTER FOUR

# DATA ANALYSIS, PRESENTATION AND DISCUSSION

## 4.1 Introduction

This chapter presents a comprehensive analysis and discussion of the data collected during the research process. The analysis encompasses the questionnaire return rate, respondents' demographic characteristics, and testing of statistical assumptions for regression analysis. Additionally, it provides descriptive statistics for each study variable, correlation analysis to determine the strength and direction of relationships between variables, and regression testing to evaluate the stated hypotheses.

## 4.2 Response Rate

The questionnaire return rate is critical for determining the validity and representativeness of the collected data. Table 10 presents the sample size, the number of responses, and the calculated response rate for the study.

**Table 10**

*Questionnaire Return Rate*

| Sample Size | Responses Received | Response Rate |
|---|---|---|
| 177 | 146 | 82.5% |

As shown in Table 10, 146 questionnaires were completed correctly and returned out of the 177 questionnaires distributed to the target respondents for the study. This yieldeda response rate of 82.5%. A response rate of 80% or higher in organizational research is considered excellent and provides sufficient data for meaningful analysis and deductions according to Baruch and Holtom (2008). Thus, the achieved response rate of 82.5% exceeds the threshold and provides a robust sample that enhances the reliability and representativeness of the findings.This high response rate is attributed to several factors,

including effective communication with respondents during the study, thorough follow-up, and the relevance of the research topic to respondents' professional contexts. Fincham (2008) argued that high response rates in a study help minimize the risk of non-response bias, which can affect the validity of the study's findings. Furthermore, Rogelberg and Stanton (2007) observed that response rates that are above 80% significantly reduce systematic biases in survey research and enhance the generalizability of the findings. Consequently, the robust response rate achieved in this study thus provides a solid foundation for subsequent analyses and bolsters the credibility of the conclusions drawn from the data.

### 4.3 Demographic Characteristics

Understanding the demographic profile of respondents was essential for contextualizing the research findings and assessing the representativeness of the sample. This section presents an analysis of respondents' demographic characteristics, which provide crucial insights into the organizational context and may influence their perceptions and behaviors regarding the study variables.

#### 4.3.1 Response by Gender Distribution

The gender distribution of respondents provides insights into the demographic composition of the sampled SCs. Table 11presents the frequency and percentage distribution of respondents by gender for the study:-

**Table 11**

*Respondents' Distribution by Gender*

| Gender | Frequency | Percentage |
|---|---|---|
| Male | 83 | 56.8% |
| Female | 63 | 43.2% |
| Total | 146 | 100.0% |

As indicated in Table 11, the gender distribution of respondents shows that 56.8% (n=83) were male and 43.2% (n=63) were female. This distribution reflects a relatively balanced gender representation in the sample, with a slightly higher proportion of male respondents. According to Ongaro and Ferlie (2022), gender diversity in public sector organizations is crucial for ensuring a variety of perspectives in SMPs and decision-making processes. While there is a numerical disparity between male and female respondents, it is not substantial enough to skew the findings or indicate a severe gender imbalance in the sampled SCs in Kenya.

The gender distribution observed in this study aligns with previous research by Bryson and George (2020), who noted that gender representation in SCs tends to reflect broader societal patterns of employment in the public sector. The slight predominance of male respondents (56.8%) is consistent with findings from similar studies in the public sector, which often report higher percentages of male employees in management positions. Itohan *et al.* (2024) argue that gender diversity in public organizations contributes to varied management approaches and to improved operational performance by integrating different leadership styles and perspectives. Consequently, the gender composition of the sample in this study provides a reasonably representative basis for examining SMPs and operational performance across multiple dimensions.

### 4.3.2 Response by Age

The age distribution of respondents is a significant demographic characteristic that may influence perceptions and the implementation of SMPs. Table 12 presents the frequency and percentage distribution of respondents by age bracket.

**Table 12**

*Respondents' Distribution by Age*

| Age Bracket | Frequency | Percentage |
|---|---|---|
| 18-28 years | 0 | 0.0% |
| 29-38 years | 15 | 10.3% |
| 39-48 years | 63 | 43.2% |
| 49-58 years | 48 | 32.9% |
| Above 58 years | 20 | 13.7% |
| Total | 146 | 100.0% |

As shown in Table 12, the age distribution of respondents indicates that the majority (43.2%, n=63) were between 39 and 48 years, followed by those between 49 and 58 years (32.9%, n=48). Respondents above 58 years constituted 13.7% (n=20), while 10.3% (n=15) were between 29-38 years. Notably, there were no respondents in the 18-28-year age bracket. This age distribution reflects a predominantly middle-aged and senior workforce in the sampled SCs, consistent with the hierarchical structure typically observed in public sector organizations (Gordon, 2023).The concentration of respondents in the middle to upper age brackets suggests a workforce with substantial experience and stability in their respective roles. According to Hoglund *et al.* (2018), this age profile is advantageous for implementingSMPs, as experienced employees often possess more

profound organizational knowledge and institutional memory, which can facilitate more effective strategic decision-making. Furthermore, Bryson and George (2020) contended that a mature workforce may demonstrate greater commitment to organizational values and objectives, potentially enhancing the alignment between strategic initiatives and operational performance.

However, the absence of younger employees (18-28 years) and the relatively small proportion of respondents in the 29-38 years bracket (10.3%) may indicate potential challenges for the organization's succession planning and innovation capacity. Almashhadani and Almashhadani (2023) suggested that age diversity in organizations is essential for balancing traditional approaches with fresh perspectives and innovative ideas. The predominance of older employees might influence the organization's receptiveness to change and adoption of new strategic approaches, particularly those related to technological innovation and agile management practices, which could impact long-term operational performance and competitiveness.

### 4.3.3 Response by Education Level

The educational qualifications of respondents provide insights into the intellectual capital available within the sampled SCs in Kenya. Table 13presents the frequency and percentage distribution of respondents by their education level.

**Table 13**

*Respondents' Distribution by Education Level*

| Education Level | Frequency | Percentage |
|---|---|---|
| Secondary | 0 | 0.0% |
| Diploma | 32 | 21.9% |
| Undergraduate | 78 | 53.4% |
| Masters | 32 | 21.9% |
| Other | 4 | 2.7% |
| Total | 146 | 100.0% |

As depicted in Table 13, the educational profile of the respondents reveals that the majority (53.4%, n=78) held undergraduate degrees, while equal proportions (21.9%, n=32 each) possessed diploma and master's level qualifications. A small percentage (2.7%, n=4) reported other educational qualifications, and notably, no respondents reported only secondary-level education. This distribution indicates a well-educated workforce, with 78.0% of the respondents having attained at least an undergraduate degree. According to Heumann *et al.* (2023), higher levels of education within organizations are associated with enhanced analytical capabilities and strategic thinking, which are essential for the effective implementation of SMPs.

The predominance of undergraduate degree holders (53.4%) aligns with the educational requirements typically associated with management positions in SCs. Ferlie and Ongaro (2022) contend that tertiary education equips employees with the theoretical knowledge and analytical skills to comprehend and implement complex strategic frameworks. Moreover, the significant proportion of respondents with advanced degrees (21.9% with master's qualifications) suggests a substantial pool of specialized expertise within the

sampled organizations, which could contribute positively to strategic innovation and quality management practices.

The educational distribution observed in this study is consistent with findings by Bryson et al. (2010), who noted that public-sector reforms have generally led to increased educational requirements for management positions. The absence of respondents with only secondary education further underscores the emphasis on higher academic qualifications in the sampled SCs in Kenya. According to Williams and Lewis (2008), educational diversity in public sector organizations contributes to varied problem-solving approaches and enhances the organization's capacity for strategic adaptation in complex operational environments. Consequently, the academic profiles of respondents in this study indicate a strong foundation in human capital, which is critical for the effective implementation of SMPs and improved operational performance.

### 4.3.4 Response by Department

The departmental affiliations of respondents provide insights into the functional distribution of the sample and help assess the representation of various organizational units within the sampled SCs. Table 14 presents the frequency and percentage distribution of respondents by department.

**Table 14**

*Respondents' Distribution by Department*

| Department | Frequency | Percentage |
|---|---|---|
| Finance | 31 | 21.2% |
| Human Resources | 26 | 17.8% |
| Operations | 38 | 26.0% |
| Marketing | 22 | 15.1% |
| ICT | 15 | 10.3% |
| Other | 14 | 9.6% |
| Total | 146 | 100.0% |

As illustrated in Table 14, the departmental distribution of respondents indicates that the operations department had the highest representation at 26.0% (n=38), followed by Finance at 21.2% (n=31), Human Resources at 17.8% (n=26), Marketing at 15.1% (n=22), and ICT at 10.3% (n=15). The remaining 9.6% (n=14) of respondents were affiliated with other departments not specifically categorized in the study. This distribution demonstrates a broad cross-section of departmental representation, which is advantageous for capturing diverse perspectives on SMPs across different functional areas of the organizations,a view supported by Stockemer and Bordeleau (2023).

The prominent representation from the operations department (26.0%) is particularly relevant for this study, as operational performance constitutes the dependent variable under investigation. According to Ferlie and Ongaro (2022), operations departments are typically at the frontline of implementing strategic initiatives and are directly involved in the core activities that determine organizational performance. Similarly, the substantial representation from Finance (21.2%) provides valuable insights into the resource

allocation and financial management aspects of strategic implementation, which Bryson and George (2020) identify as critical factors in the relationship between SMPs and operational outcomes.

The balanced representation across human resources (17.8%), marketing (15.1%), and ICT (10.3%) departments ensures that perspectives from support functions and specialized technical areas are also incorporated into the analysis. Poister (2010) emphasizes that effective strategic management requires integration across all organizational functions to achieve coherent implementation and optimal performance. The departmental diversity captured in this sample allows for a comprehensive examination of how different functional areas perceive and contribute to SMPs and their impact on operational performance across the sampled SCs in Kenya.

### 4.3.5 Response by Duration of Service

The length of service of respondents within their respective organizations provides insights into their level of experience and familiarity with organizational processes. Table 15presents the frequency and percentage distribution of respondents by duration of service in the respective sampled SCs in Kenya.

**Table 15**

*Respondents' Distribution by Duration of Service*

| Duration of Service | Frequency | Percentage |
|---|---|---|
| Below one year | 11 | 7.5% |
| Between 1 and 5 years | 37 | 25.3% |
| Between 6 and 10 years | 48 | 32.9% |
| Between 10 and 15 years | 31 | 21.2% |
| Over 15 years | 19 | 13.0% |
| Total | 146 | 100.0% |

As shown in Table 15, the distribution of respondents by duration of service reveals that the most significant proportion (32.9%, n=48) had served between 6 and 10 years, followed by those with 1 to 5 years of service (25.3%, n=37), and those with 10 to 15 years of service (21.2%, n=31). Respondents with over 15 years of service constituted 13.0% (n=19), while only 7.5% (n=11) had served for less than one year. This distribution indicates a workforce with substantial organizational experience, as 67.1% of respondents had served for more than 5 years in their respective organizations. According to Ho (2023), employee tenure is an essential factor that influences understanding of organizational culture, processes, and strategic orientation.

The predominance of respondents with intermediate to long-term service duration (6-15 years, representing 54.1% of the sample) suggests a stable workforce with significant institutional knowledge. Pfeffer and Salancik (1978) argue that employees with longer tenure develop more profound insights into organizational dynamics and are better positioned to implement strategic initiatives effectively. The substantial representation of experienced employees in this sample is advantageous for assessing the relationship

between SMPs and operational performance, as these respondents likely possess a comprehensive understanding of both the strategic and operational aspects of their organizations.

The relatively small proportion of respondents with less than one year of service (7.5%) indicates low recent staff turnover in the sampled SCs, which could be interpreted as a positive factor for organizational stability. However, Hoglund *et al.*(2018) caution that organizations with predominantly long-tenured employees may face challenges related to organizational inertia and resistance to change, particularly when implementing new strategic approaches. The balance between employees with varying service durations in this sample provides a nuanced perspective on how SMPsare perceived and implemented across different experience levels within the organizations.

### 4.3.6 Response by Management Level

The management level of respondents is crucial for understanding the hierarchical distribution of the sample and the strategic decision-making contexts represented. Table 16presents the frequency and percentage distribution of respondents by management level.

**Table 16**

*Respondents' Distribution by Management Level*

| Management Level | Frequency | Percentage |
|---|---|---|
| Top management | 32 | 21.9% |
| Middle management | 114 | 78.1% |
| Total | 146 | 100.0% |

As depicted in Table 16, the distribution of respondents by management level indicates that the majority (78.1%, n=114) were from middle management, while 21.9% (n=32)

were from top management. This distribution reflects the typical organizational hierarchy in SCs in Kenya, where middle management typically constitutes a larger proportion of the management workforce compared to top management. According to Nichols and Edlund (2023), the perspectives of both middle and top management are essential for a comprehensive assessment of SMPs, as these two levels often play distinct but complementary roles in strategy formulation and implementation.The substantial representation from middle management (78.1%) is particularly valuable for this study, as middle managers are often directly responsible for translating strategic directives into operational actions. Bryson and George (2020) emphasize that middle managers serve as critical linchpins between strategic vision and operational execution, making their insights especially relevant for understanding the relationship between SMPs and operational performance. The inclusion of respondents from this management level provides practical perspectives on the challenges and enablers of strategy implementation within the organizations.

The representation from top management (21.9%) ensures that the strategic leadership perspective is also captured in the analysis. According to Ferlie and Ongaro (2022), top managers are primarily responsible for strategic decision-making, resource allocation, and establishing the organizational vision that guides operational activities. Judge *et al.* (2008) further argue that top management involvement is crucial for the effective implementation of corporate governance mechanisms, which serve as the moderating variable in this study. The balanced inclusion of respondents from both management levels strengthens the validity of the findings by incorporating perspectives from those who formulate strategy (top management) and those who implement it (middle management), providing a comprehensive view of the strategic management ecosystem within the sampled SCs in Kenya.

### 4.4 Descriptive Statistics

This section presents descriptive statistics for each study variable:strategic planning, leadership, innovation, strategic quality management, and operationalperformance. The descriptive analysis provides insights into the central tendencies, dispersion, and distributions of responses for each variable, allowing a preliminary understanding of the data patterns. The means (M) and standard deviations (SD) are reported to facilitate clear interpretation of the results.

#### 4.4.1 Descriptive Statistics for Strategic Planning

Table 17 presents the descriptive statistics for the strategic planning indicators employed in the study.

**Table 17**

*Descriptive Statistics for Strategic Planning*

| Statements | SD Freq. % | D Freq. % | N Freq. % | A Freq. % | SA Freq. % | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| The organization has a clear vision and mission statement | 15 10.3% | 22 15.1% | 35 24.0% | 47 32.2% | 27 18.5% | 3.34 | 0.872 |
| The organization has precise, specific, and measurable objectives | 18 12.3% | 25 17.1% | 32 21.9% | 45 30.8% | 26 17.8% | 3.25 | 0.911 |
| The organization has a strategic plan that guides the achievement of its vision, mission, and objectives | 16 11.0% | 24 16.4% | 40 27.4% | 41 28.1% | 25 17.1% | 3.24 | 0.923 |
| All staff sign individual performance contracts cascaded from the organization's vision, mission, and strategic objectives | 20 13.7% | 28 19.2% | 34 23.3% | 39 26.7% | 25 17.1% | 3.14 | 0.982 |
| The performance goals and objectives are guided by established policies and practices | 17 11.6% | 23 15.8% | 31 21.2% | 45 30.8% | 30 20.5% | 3.33 | 0.893 |
| The organization has a | 22 | 29 | 38 | 37 | 20 | 3.03 | 0.962 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| budgetary allocation for strategic planning and its periodic review to align with the government development plans | 15.1% | 19.9% | 26.0% | 25.3% | 13.7% | | |
| The mission, vision, and objectives guide decision-making and operational planning | 15<br>10.3% | 24<br>16.4% | 32<br>21.9% | 44<br>30.1% | 31<br>21.2% | 3.36 | 0.854 |
| All stakeholders are involved in strategic plan development, implementation, and review | 23<br>15.8% | 31<br>21.2% | 36<br>24.7% | 33<br>22.6% | 23<br>15.8% | 3.01 | 0.987 |
| The departments and units have operational plans and objectives pegged to the entire organizational strategic plan | 17<br>11.6% | 25<br>17.1% | 31<br>21.2% | 42<br>28.8% | 31<br>21.2% | 3.31 | 0.874 |
| The organization is focused on improved service delivery and has budgeted for resources toward planned service improvements | 16<br>11.0% | 27<br>18.5% | 31<br>21.2% | 40<br>27.4% | 32<br>21.9% | 3.31 | 0.941 |
| The organization's corporate governance mechanisms have improved because of a clear mission, vision, objectives, and plans | 18<br>12.3% | 28<br>19.2% | 36<br>24.7% | 35<br>24.0% | 29<br>19.9% | 3.20 | 0.967 |
| The implementation of approved strategic plans has improved operational performance | 14<br>9.6% | 23<br>15.8% | 30<br>20.5% | 43<br>29.5% | 36<br>24.7% | 3.44 | 0.882 |
| Average | | | | | | 3.25 | 0.921 |

*Key:* SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree,& SA – Strongly Agree

As shown in Table 17, the overall mean score for Strategic Planning was 3.25 with SD of 0.921, indicating a moderate level of implementation of strategic planning practices in the sampled SCs. According to South *et al.* (2022), for a 5-point Likert scale, mean scores between 2.51 and 3.50 are interpreted as 'Neutral/Average', suggesting that respondents generally perceived the implementation of strategic planning practices in

their organizations as moderately effective. The standard deviation of 0.921 indicates moderate variability in responses, suggesting some diversity in perceptions of strategic planning practices among respondents. According to Brown (2011), standard deviations of 0.76-1.25 on 5-point Likert scales indicate moderate agreement among respondents.

The indicator "The organization has a clear vision and mission statement" received a mean score of 3.34 (SD=0.872), with 50.7% of respondents agreeing or strongly agreeing. This finding implies that most SCs in Kenya have established and clear vision and mission statements that provide strategic direction. Having clear vision and mission statements is akey element for effective strategic planning in public sector organizations, as averred by Bryson and George (2020), providing a sense of purpose and direction for organizational activities. The moderate standard deviation (0.872) indicates a reasonable level of consensus among respondents regarding the clarity of their organizations' vision and mission statements.This noted existence of clear mission and vision statements in the sampled SCs aligns with findings from Kathama (2012), who noted that most SCs in Kenya had formal documentation of their strategic vision and mission statements. However, Hamel and Prahalad (1989) cautioned that organizations should be preoccupied with strategic intent rather than merely establishing formal mission and vision statements, affirming that strategic success requires creative, outside-the-box thinking to stretch limited resources for optimal returns. This perspective implies that while the sampled SCs have established fundamental strategic planning facets, there may be opportunities to enhance their strategic thinking beyond formal documentation to achieve greater operational performance and impact.

For the indicator "The organization has clear, specific, and measurable objectives," the mean score was 3.25 (SD=0.911), with 48.6% of respondents expressing agreement or strong agreement. This finding suggests moderate implementation of specific and

measurable objectives in the strategic planning processes of the sampled SCs. Gordon (2023) argued that clear, measurable objectives are essential for effective strategic planning, as they provide concrete targets for performance evaluation and accountability. The standard deviation of 0.911 suggests moderate consensus among respondents regarding the specificity and measurability of their organizations' objectives.

Evidently, the relatively moderate implementation of specific and measurable objectives may reflect challenges in translating broad strategic visions into concrete, actionable targets. Poister (2010) noted that public sector organizations struggle to developquantifiable objectives due to the complexity and multifaceted nature of their mandates. This challenge is further compounded by the need to balance multiple stakeholder expectations and political considerations, a view supported by Pina *et al.* (2011). Thus, enhancing the specificity and measurability of objectives could tremendously augment the effectiveness of strategic planning in the sampled SCs, facilitating more targeted implementation and performance evaluation.

Regarding the indicator "The organization has a strategic plan that guides the achievement of its vision, mission, and objectives," the mean score was 3.24 (SD=0.923), with 45.2% of respondents agreeing or strongly agreeing. This finding suggests that while strategic plans exist in most of the sampled SCs in Kenya, there may be challenges in ensuring that these plans effectively guide organizational activities toward achieving strategic goals. According to Hinton *et al.*(2023), strategic plans should serve as practical roadmaps that translate organizational vision and mission into actionable strategies and initiatives. The standard deviation of 0.923 indicates moderate variability in perceptions regarding the guiding role of strategic plans across the sampled organizations.The moderate implementation level for this indicator aligns with observations by Williams and Lewis (2008), who noted that while strategic planning had

gained widespread adoption in public organizations, questions remain about its effectiveness in driving performance improvements. Muriuki *et al.*(2017) emphasized the importance of monitoring and evaluating the implementation of strategic plans to enhance their effectiveness in guiding organizational activities. This suggests that the sampled SCs may benefit from strengthening the linkage between their strategic plans and operational activities, ensuring that the plans serve as active guides rather than merely formal documents.

The indicator "All staff sign individual performance contracts cascaded from the organization's vision, mission, and strategic objectives" received a mean score of 3.14 (SD=0.982), with 43.8% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of performance contracting as a mechanism for aligning individual performance with organizational strategic objectives. According to Sürücü *et al.*(2023), cascading strategic objectives through individual performance contracts is a practical approach for ensuring organizational alignment and accountability at all levels. The relatively high standard deviation (0.982) suggests considerable variability in the implementation of performance contracting across the sampled SCs.The moderate level of performance contracting implementation aligns with Mwai's (2013) findings, which noted that although performance contracting has been introduced in the Kenyan public sector, its practical implementation varies across organizations. The GoK issued Legal Notice No. 93 of 2004 to entrench performance contracting practices in law, reflecting recognition of its importance for enhancing public sector performance. However, as noted by Boyne *et al.*(2004), the effectiveness of such mechanisms depends on the quality of their implementation and the extent to which they truly align individual efforts with strategic priorities. The variability in implementation observed in this study

suggests opportunities for strengthening performance contracting practices across the sampled SCsin Kenya to enhance strategic alignment and accountability.

For the indicator "Established policies and practices guide the performance goals and objectives," a mean score of 3.33 (SD=0.893) was recorded, with 51.3% of respondents agreeing or strongly agreeing. This finding suggests relatively strong alignment between performance goals and established organizational policies and practices in the sampled SCs. According to Zhu (2023), alignment between performance objectives and organizational policies ensures consistency and coherence in strategic implementation. The moderate standard deviation (0.893) indicates reasonable consensus among respondents regarding this alignment in their respective organizations.The relatively strong performance on this indicator is encouraging, as it suggests that the sampled SCs have established a foundation for effective strategy implementation through policy alignment. Hoglund *et al.* (2018) emphasized that alignment between strategic objectives and organizational policies is crucial for creating an enabling environment for strategy execution. However, Dlamini *et al.*(2019) cautioned that poor alignment between strategic goals and performance systems can lead to challenges in strategy implementation, suggesting that continuous attention to maintaining and strengthening this alignment is essential for the sampled SCs.

The indicator "The organization has a budgetary allocation for strategic planning and its periodic review to align with government development plans" received a relatively low mean score of 3.03 (SD=0.962), with only 39.0% of respondents agreeing or strongly agreeing. This finding suggests potential constraints in resource allocation for strategic planning activities in the sampled SCs. According to Ho (2023), adequate budgetary provision for strategic planning is essential for ensuring the quality and effectiveness of the planning process. The relatively high standard deviation (0.962) indicates

considerable variability in budgetary allocation practices across the sampled organizations.The limited fiscal allocation for strategic planning observed in this study aligns with Chiwawa *et al.* (2021), who identified resource constraints as a significant challenge to effective strategic planning in public sector organizations. Auka and Langat (2016) further emphasized that insufficient allocation of financial resources for strategy formulation and implementation can undermine the effectiveness of SMPs. The variability in budgetary allocation practices suggests inconsistent approaches to resourcing strategic planning activities across the sampled SCs, highlighting an area that may require policy attention to ensure adequate support for strategic planning processes.

Regarding the indicator "The mission, vision, and objectives guide decision-making and operational planning," the mean score was 3.36 (SD=0.854), with 51.3% of respondents agreeing or strongly agreeing. This finding suggests relatively strong use of strategic direction (mission, vision, and objectives) in guiding organizational decision-making and planning in the sampled SCs. According to Heumann et al.(2023), effective strategic management requires that organizational decisions and operations be consistently aligned with the established strategic direction. The moderate standard deviation (0.854) indicates reasonable consensus among respondents regarding the guiding role of strategic direction in their organizations.The relatively strong performance on this indicator is promising, suggesting that strategic direction is actively influencing decision-making in the sampled SCs. This finding validates a study by Ferlie and Ongaro (2022), who reiterated that strategic direction provided by clear vision and missionstatements tremendously influences decision-making processes in public organizations. This perspective is further supported by Latif and Gohar (2013) and Andrews (2010), who observed that effective strategic planning provides a framework that guides operational

decisions and enhances organizational performance. The strength in this area offers a solid foundation for effective strategic implementation in the sampled SCs.

The indicator "All stakeholders are involved in strategic plan development, implementation, and review" received a relatively low mean score of 3.01 (SD=0.987), with only 38.4% of respondents agreeing or strongly agreeing. This finding implies that challenges in stakeholder engagement during the strategic planning process in the sampled SCs. Yockey (2023) affirmed that inclusive stakeholder involvement is crucial for ensuring comprehensive input, ownership, and effective implementation of strategic plans. The relatively high standard deviation (0.987) points to considerable variation in stakeholder involvement practices across the sampled organizations.The limited stakeholder involvement observed in this study aligns with findings from previous research on strategic planning in public sector organizations, including that of Mwangi et al. (2020), who noted that stakeholder involvement is crucial for ensuring ownership and successful implementation of strategic plans. Chiwawa *et al.* (2021) similarly emphasized that limited stakeholder participation can create a disconnect between strategic planning and implementation, potentially undermining the effectiveness of SMPs. The variability in stakeholder involvement practices offers opportunities to enhance inclusive approaches to strategic planning across the sampled SCs, thereby improving the relevance, ownership, and implementation of strategic plans.

For the indicator "The departments and units have operational plans, and objectives pegged to the entire organizational strategic plan," a mean score of 3.31 (SD=0.874) was documented, with 50.0% of respondents agreeing or strongly agreeing. This finding implies relatively strong alignment between departmental operational plans and the overall organizational strategic plan in the sampled SCs. Notably, cascading strategic objectives to departmental and unit levels is essential for ensuring coordinated

implementation and organizational alignment according to Gordon (2023). The moderate standard deviation (0.874) suggests reasonable consensus among respondents regarding this alignment in their respective organizations.The relatively strong alignment between departmental plans and organizational strategy observed in this study is encouraging, suggesting a systematic approach to strategy implementation in the sampled SCs. According to Poister (2010), effective strategic management requires synergetic integration across all organizational functions to realize coherent execution and optimal performance. The findings align with research by Mwangi *et al.* (2020), who noted that effective planning at the departmental level is a prerequisite for SCs achieving results in Kenya. This strength provides a solid foundation for coordinated strategy implementation in the sampled organizations.

Regarding the indicator "The organization is focused on improved service delivery and has budgeted for resources toward planned service improvements," the mean score was 3.31 (SD=0.941), with 49.3% of respondents agreeing or strongly agreeing. This finding suggests a relatively strong focus on service improvement in the strategic orientation and resource allocation of the sampled SCs. According to Heumann *et al.* (2023), prioritizing service delivery improvements through strategic planning and resource allocation is essential for enhancing public sector performance and stakeholder satisfaction. The moderate standard deviation (0.941) indicates some variability in the focus on service improvement across the sampled organizations.The relatively strong focus on service improvement observed in this study aligns with the public service ethos that underpins SCs. Kipsang and Mbaraka (2017) identified improved service delivery as a key focus of public sector reforms in Kenya, including the adoption of SMPs. However, the World Bank report by Fiebelkorn *et al.* (2021) noted that the revenues of Commercial SCs in Kenya accounted for approximately 3.5 percent of GDP, compared to 14 percent in other

Sub-Saharan African countries, suggesting room for improvement in operational performance and service delivery. The variability in the focus on service improvement observed in this study indicates opportunities to strengthen this orientation across all sampled SCs to enhance their contribution to national development.

The indicator "The organization's corporate governance mechanisms have improved because of a clear mission, vision, objectives, and plans" received a mean score of 3.20 (SD = 0.967), with 43.9% of respondents agreeing or strongly agreeing. This finding suggests a moderate perceived impact of strategic planning on corporate governance improvements in the sampled SCs.According to Maina (2021), effective strategic planning can enhance corporate governance by providing clear direction, accountability mechanisms, and performance standards. The relatively high standard deviation (0.967) indicates considerable variability in perceptions regarding the impact of strategic planning on corporate governance across the sampled organizations.

The moderate perceived impact of strategic planning on corporate governance observed in this study aligns with Sasaka et al. (2016), who found that strategic planning and corporate governance significantly influenced the performance of SCs in Kenya. According to Almashhadani and Almashhadani (2023), strong corporate governance practices boost overall operational performance and enhance financial and operational sustainability. The variability in perceptions of this relationship suggests that the linkage between strategic planning and corporate governance improvements may be more evident in some SCs than others, highlighting opportunities to strengthen this connection across all sampled organizations.

The indicator "The implementation of approved strategic plans has improved operational performance" received the highest mean score of 3.44 (SD=0.882), with 54.2% of respondents agreeing or strongly agreeing. This finding suggests a relatively strong

perceived impact of strategic plan implementation on operational performance in the sampled SCs and corroborates Nichols and Edlund's (2023) finding that effective strategic plan implementation is a critical determinant of organizational performance. The moderate standard deviation (0.882) suggests reasonable consensus among respondents regarding the performance impact of strategic plan implementation in their respective organizations.

The relatively strong perceived impact of strategic plan implementation on operational performance observed in this study is encouraging, suggesting that strategic planning efforts are yielding tangible benefits in the sampled SCs. This finding corresponds with research by Bryson and George (2020), who reaffirmed the critical role of strategic planning in boosting public sector performance. However, the National Treasury's performance evaluation report for FY2021/2022 indicated that Commercial SCs were the worst-performing category, with an average Composite Score of 3.3460 (National Treasury, 2022). This apparent contradiction suggests that while progress is being made in linking strategic planning to performance improvements, there remain significant opportunities for enhancing the effectiveness of strategic planning and implementation in Commercial SCs to achieve better operational results.

Overall, the descriptive statistics for strategic planningreveal a moderate level of implementation, with specific strengths in linking strategic plans to operational performance, using mission and vision to guide decision-making, and aligning departmental plans with organizational strategy. However, potential areas for improvement include enhancing stakeholder involvement, ensuring adequate budgetary allocation for strategic planning activities, and strengthening the impact of strategic planning on corporate governance. These findings align with previous research by Kathama (2012) and Mwai (2013), who identified similar patterns of strategic planning

implementation in SCs in Kenya, underscoring the need for more comprehensive approaches that address stakeholder engagement and resource allocation challenges.

### 4.4.2 Descriptive Statistics for Strategic Leadership

Table 18 presents the descriptive statistics for the strategic leadership indicators. This variable was measured using 15 indicators.

**Table 18**

*Descriptive Statistics for Strategic Leadership*

| Statements | SD Freq. % | D Freq. % | N Freq. % | A Freq. % | SA Freq. % | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| The organization has a clear management structure for top, middle, and lower-level management | 19 13.0% | 30 20.5% | 38 26.0% | 35 24.0% | 24 16.4% | 2.90 | 0.821 |
| The leadership team develops a clear vision and inspires employees to work toward its achievement | 21 14.4% | 35 24.0% | 36 24.7% | 33 22.6% | 21 14.4% | 2.79 | 0.947 |
| Responsibility rests with top management | 17 11.6% | 34 23.3% | 40 27.4% | 32 21.9% | 23 15.8% | 2.87 | 0.913 |
| There is a two-way communication (upward and downward) | 22 15.1% | 39 26.7% | 37 25.3% | 30 20.5% | 18 12.3% | 2.66 | 0.853 |
| There is centralized decision-making in the organization | 19 13.0% | 36 24.7% | 36 24.7% | 33 22.6% | 22 15.1% | 2.82 | 0.792 |
| There is a delegation of authority and responsibility | 20 13.7% | 34 23.3% | 34 23.3% | 36 24.7% | 22 15.1% | 2.84 | 0.876 |
| Decisions by top management are made in consultation with employees at all levels of the organisation | 24 16.4% | 42 28.8% | 41 28.1% | 24 16.4% | 15 10.3% | 2.45 | 0.987 |
| There is transparency and accountability in the organization | 21 14.4% | 38 26.0% | 35 24.0% | 34 23.3% | 18 12.3% | 2.73 | 0.764 |
| Planning and decision-making are guided by the mission, vision, objectives, and strategies of the organization | 18 12.3% | 33 22.6% | 34 23.3% | 37 25.3% | 24 16.4% | 2.91 | 0.854 |
| There is clear strategic | 20 | 36 | 33 | 34 | 23 | 2.83 | 0.803 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| thinking and execution of the organization's plans, policies, and goals | 13.7% | 24.7% | 22.6% | 23.3% | 15.8% | | |
| Employees are motivated to carry out tasks assigned | 22 15.1% | 39 26.7% | 36 24.7% | 31 21.2% | 18 12.3% | 2.69 | 0.752 |
| Leadership teams inspire and motivate employees for performance through teamwork and team building | 16 11.0% | 24 16.4% | 40 27.4% | 41 28.1% | 25 17.1% | 2.83 | 0.923 |
| Employees have the freedom in decision-making as relates to their day-to-day operational work performance | 20 13.7% | 28 19.2% | 34 23.3% | 39 26.7% | 25 17.1% | 2.57 | 0.757 |
| The leadership style has created a conducive work environment for all and enhanced organizational corporate governance mechanisms | 17 11.6% | 23 15.8% | 31 21.2% | 45 30.8% | 30 20.5% | 2.44 | 0.893 |
| The strategic leadership in the organization has improved operational performance | 22 15.1% | 29 19.9% | 38 26.0% | 37 25.3% | 20 13.7% | 3.02 | 0.882 |
| Average | | | | | | 2.74 | 0.836 |

*Key:* SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree,& SA – Strongly Agree

As shown in Table 18, the overall mean score for strategicleadershipwas2.74(SD = 0.836), indicating a moderate level of implementation of strategic leadership practices in the sampled SCs. According to South *et al.* (2022), for a 5-point Likert scale, mean scores between 2.51 and 3.50 are interpreted as 'Neutral/Average', suggesting that respondents generally perceived the implementation of strategic leadership practices in their organizations as moderately effective. The standard deviation of 0.836 indicates moderate variability in responses, suggesting some diversity in perceptions of strategic leadership practices among respondents. According to Brown (2011), standard deviations of 0.76-1.25 on 5-point Likert scales indicate moderate agreement among respondents.

Among the individual indicators, "The impact of strategic leadership on performance " received the highest mean score (M=3.02, SD=0.882), with 44.1% of respondents either agreeing or strongly agreeing with this statement. This finding indicates that respondents generally perceive a positive relationship between strategic leadership implementation and operational performance, which aligns with previous investigation by Orito (2021) on strategic leadership practice by SCs within the Ministry of Transport and Infrastructure in Kenya, which established that the cumulative contribution of strategic leadership constructs towards organizational performance was significantly high. The relatively low standard deviation (0.882) for this indicator suggests moderate consistency in perceptions regarding the impact of strategic plan implementation on operational performance.

The indicator "Planning and decision making is guided by the mission, vision, objectives, and strategies of the organization" also received a high mean score (M=2.91, SD=0.854), with 41.5% of respondents expressing agreement or strong agreement. This finding corroborates research by Nyaberi (2020) on leadership style and performance of SCs in Kenya, which determined that leadership style greatly impacted on achievement of entity goals, including operational performance and another by Kjelin (2009) who observed that strategic leaders have the capacity to envision a future aspirational goal and to put in place flexible and predictable measures to enable the organization’s teams to implement them towards achieving the expected goals. The moderate standard deviation (0.854) indicates reasonable consensus among respondents regarding the guiding role of mission, vision, and objectives in organizational planning and decision-making.

Conversely, the indicator "Decisions by top management are made in consultation with employees at all levels of the organisation" received the lowest mean score (M=2.45,

SD=0.787), with only 28.2% of respondents agreeing or strongly agreeing with this statement. This finding suggests potential challenges in stakeholder engagement during the strategic leadership consultative processes in the sampled SCs. According to Mwangi *et al.* (2020), stakeholder involvement is crucial for ensuring ownership and successful implementation of strategic plans and leadership programmes in public sector organizations. Chiwawa *et al.* (2021) similarly emphasized that limited stakeholder participation can create a disconnect between strategic planning, leadership, and implementation, potentially undermining the effectiveness of the strategic management practices in place. The relatively high standard deviation (0.987) for this indicator indicates considerable variation in stakeholder involvement practices across the sampled organizations, highlighting an area that may require attention to improve strategic leadership effectiveness.

The indicator "Employees have the freedom in decision-making as relates to their day-to-day operational work performances" also received a relatively low mean score (M=2.57, SD=0.758), with only 29.0% of respondents expressing agreement or strong agreement. This finding suggests potential challenges in decision-making and points to a lack of autonomy in day-to-day operational planning in the sampled SCs, which could limit the effectiveness of strategic leadership development and implementation. Rahman *et al.*(2018), in a study focused on the Malaysian national car manufacturer Proton (Perusahaan Otomobil Malaysia) and the impact of strategic leadership on the operational performance of the automobile industry, concluded that senior leaders can effectively realign their human resources through autonomy in decision-making to direct business strategy. They further argued that with effective autonomy and decision-making freedom, organizational leaders can make short-term decisions that ensure long-term organizational viability and operational performance. The moderate standard deviation

(0.842) indicates some variability in employees' autonomy and decision-making practices across the sampled organizations, suggesting inconsistent leadership and decision-making approaches.

Overall, the descriptive statistics for strategic leadershipreveal a moderate level of implementation, with specific strengths in linking strategic leadership to operational performance,in clear organizational structures for top, middle, and lower management, in entrenching a two-way communication strategy, and in enhancing employee autonomy in operational work and decision-making. However, potential areas for improvement include focusing on consultative decision-making, employee motivation, and ensuring adequate transparency and accountability. Thefindings align with previous research by Mwando and Muturi (2016), who concluded that participative and communicative aspects of leadership are essential for effective change implementation and organizational performance. The relatively lower implementation of these elements suggests potential barriers to fully realizing the benefits of strategic leadership for operational performance in the sampled SCs. Addressing these gaps in strategic leadership implementation could further enhance leadership's positive impact on operational performance in these organizations.

The findings are supported by a study by Mufudza and Hove (2013) who asserted that effective strategic leadership is thus considered a primary ingredient for the successful performance of any organization’s operations in the dynamic and complex business environment of the 21st century and another by Jaleha (2018) who also concluded that in the turbulent global business environment, strategic leaders are required to continuously adopt and implement appropriate organizational changes to achieve planned results and key goals. Accordingly, reaping the benefits of strategic leadership practice requires clear strategic direction, effective communication, development of human resources,

adherence to ethical business practices, transparency and accountability, strategic leadership planning, realignment of the organization's culture, effective decision-making, and continuous oversight of organizational teams.

### 4.4.3 Descriptive Statistics for Strategic Innovation

Table 19 presents the descriptive statistics for the strategic innovation indicators. This variable was measured using 10 indicators.

**Table 19**

*Descriptive Statistics for Strategic Innovation*

| Statements | SD Freq. % | D Freq. % | N Freq. % | A Freq. % | SA Freq. % | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| The organization has an annual innovation budget and expenditures, including provision for Research and Development | 30 20.5% | 43 29.5% | 34 23.3% | 25 17.1% | 14 9.6% | 2.16 | 0.921 |
| The organization has utilized technology for operational improvement in the provision of its products and services | 27 18.5% | 42 28.8% | 33 22.6% | 27 18.5% | 17 11.6% | 2.36 | 0.867 |
| The organization has invested in a better Enterprise Resource Planning system for day-to-day use in product and service provision | 29 19.9% | 46 31.5% | 31 21.2% | 25 17.1% | 15 10.3% | 2.27 | 0.832 |
| All employees are trained on the use of Information and Communication (ICT) technologies periodically | 32 21.9% | 49 33.6% | 29 19.9% | 21 14.4% | 15 10.3% | 2.12 | 0.953 |
| There is a Key Performance Indicator (KPIs) on technology and its utilization at the workplace in the performance | 28 19.2% | 47 32.2% | 32 21.9% | 24 16.4% | 15 10.3% | 2.22 | 0.913 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| contract | | | | | | | |
| There are new, innovative products and services in the organization | 25<br>17.1% | 44<br>30.1% | 30<br>20.5% | 30<br>20.5% | 17<br>11.6% | 2.40 | 0.894 |
| All daily operational work and reporting are done using the core technology of the organization | 23<br>15.8% | 40<br>27.4% | 31<br>21.2% | 34<br>23.3% | 18<br>12.3% | 2.52 | 0.862 |
| Employees are empowered and encouraged to make proposals on innovative ways of service or product delivery | 30<br>20.5% | 48<br>32.9% | 33<br>22.6% | 22<br>15.1% | 13<br>8.9% | 2.19 | 0.922 |
| The adopted internal technologies have helped improve management and corporate governance in the organization | 21<br>14.4% | 38<br>26.0% | 30<br>20.5% | 37<br>25.3% | 20<br>13.7% | 2.58 | 0.943 |
| The utilization of innovations has improved operational performance in the organization | 22<br>15.1% | 35<br>24.0% | 29<br>19.9% | 38<br>26.0% | 22<br>15.1% | 2.63 | 0.881 |
| Average | | | | | | 2.34 | 0.899 |

*Key:* SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree,& SA – Strongly Agree

As shown in Table 19, the overall mean score for Strategic Innovation was 2.34 (SD = 0.899), indicating a relatively low level of implementation of strategic innovation practices in the sampled SCs. According to South *et al.* (2022), for a 5-point Likert scale, mean scores between 1.51 and 2.50 are interpreted as 'Disagree/Poor', suggesting that respondents generally perceived the implementation of strategic innovation practices in their organizations as inadequate. The standard deviation of 0.899 indicates moderate variability in responses, suggesting some diversity in perceptions of strategic innovation practices among respondents. According to Brown (2011), standard deviations of 0.76-1.25 on 5-point Likert scales indicate moderate agreement among respondents.

The indicator "The organization has an annual innovation budget and expenditures including provision for Research and Development" received a very low mean score of 2.16 (SD=0.921), with only 26.7% of respondents either agreeing or strongly agreeing with this statement. This finding suggests a significant deficiency in allocating financial resources specifically to innovation and research activities within the sampled SCs in Kenya. According to Laban and Deya (2019), dedicated budgetary provisions for innovation and R&D are essential for fostering continuous improvement and competitive advantage in organizations. The moderate standard deviation (0.921) indicates some variability in innovation budgeting practices across the sampled organizations.

The limited allocation of resources for innovation observed in this study is concerning, as it suggests potential constraints on the capacity of the sampled SCs to develop and implement strategic innovations. This finding aligns with research by De Vries *et al.* (2015), who identified resource allocation as a critical antecedent for successful innovation in public sector organizations. The fact that 50.0% of respondents disagreed or strongly disagreed with this statement indicates a substantial gap in innovation funding that could significantly impede technological advancement and operational improvement in these organizations. As emphasized by Kibisu (2020), organizational support for innovation, particularly through adequate resource allocation, is crucial for successful strategic innovation and enhanced performance. The limited budgetary provision for innovation may partly explain the relatively low overall score for strategic innovation in the sampled SCs.

Regarding the indicator "The organization has utilized technology for operational improvement in the provision of its products and services," the mean score was 2.36 (SD=0.867), with only 30.1% of respondents agreeing or strongly agreeing. This data suggests relatively low technology adoption for operational improvements in the

sampled SCs. The findings of a study by Osuga(2016) indicate that technology utilization is a key dimension of strategic innovation that enables organizations to amplify efficiency, quality, and service delivery. The moderate standard deviation (0.867) suggests some consistency in respondents' perceptions of technology utilization across the sampled organizations.

The limited use of technology for operational improvement observed in this study is concerning, suggesting potential challenges in leveraging technological innovations to enhance organizational performance. This finding contrasts with recommendations from Linyiru and Ketyenya (2017), who emphasized the importance of innovation capabilities, including technology utilization, for achieving strategic targets and operational performance in commercial SCs in Kenya. The fact that 47.3% of respondents disagreed or strongly disagreed with this statement suggests a significant gap in technology adoption that could impact the competitiveness and operational efficiencyof these organizations. As noted by Shafiq *et al.* (2017), modern organizations need to harness technology effectively to maintain a competitive edge in product offering, productivity, customer satisfaction, and overall performance, suggesting that enhancing technology utilization should be a priority for the sampled SCs in Kenya.

For the indicator "The organization has invested in a better Enterprise Resource Planningsystem for day-to-day use in product and service provision," a mean score of 2.27 (SD=0.832) was recorded, with only 27.4% of respondents agreeing or strongly agreeing. This finding implies limited implementation of effective ERP systems in the sampled SCs. Wambui (2018) observed that ERP systems are critical technological innovations that integrate organizational functions and streamline operational processes to enhance efficiency. The relatively low standard deviation (0.832) suggests reasonable consensus among respondents regarding the limited investment in ERP systems across

the sampled organizations.The limited investment in ERP systems observed in this study suggests potential challenges in integrating organizational processes and information systems in the sampled SCs. Thesefindings align with Kibisu's (2020) observations, whichindicated that process innovation, including the implementation of integrated management systems, is a significant factor influencing organizational performance.

The fact that 51.4% of respondents disagreed or strongly disagreed with this statement suggests a substantial gap in the adoption of modern enterprise systems that could limit operational integration, data-driven decision-making, and overall organizational efficiency. As emphasized by Wambui (2018), process innovation through the adoption of integrated technologies significantly impacts operational performance by enhancing product and service quality and optimizing resource utilization, suggesting that greater investment in ERP systems could substantially improve the operational effectiveness of the sampled SCs.

The indicator "All employees are trained on the use of ICT technologies periodically" received one of the lowest mean scores (2.12; SD=0.953), with only 24.7% of respondents agreeing or strongly agreeing. This finding indicates significant deficiencies in ICT training for employees in the sampled SCs. According to Nybakk and Jenssen (2012), continuous training in emerging technologies is essential for building organizational innovation capabilities and leveraging technological advancements effectively. The relatively high standard deviation (0.953) suggests some variability in ICT training practices across the sampled organizations.The limited implementation of periodic ICT training observed in this study is concerning, as it suggests potential challenges in building the technological competencies needed for practical innovation. This finding aligns with Kiprotich's (2018) observations, which identified employee training as a critical factor for successful quality management and innovation

implementation in public sector organizations. The fact that 55.5% of respondents disagreed or strongly disagreed with this statement indicates a substantial gap in human resource development for technological innovation, which could significantly limit these organizations' ability to adopt and utilize new technologies effectively. As emphasized by Nestor (2019), systematic employee development is essential for building the capabilities needed for continuous improvement and innovation, suggesting that enhancing ICT training programs should be a priority for the sampled SCs to improve their innovation capacity and performance.

Regarding the indicator "There is a Key Performance Indicator on technology and its utilization at the workplace in the performance contract," the mean score was 2.22 (SD=0.913), with only 26.7% of respondents agreeing or strongly agreeing. This finding indicates limited integration of technology utilization metrics in performance management systems of the sampled SCs. According to Zhu (2023), performance indicators that specifically target technology utilization are essential for driving organizational attention to innovation and ensuring accountability for technological advancement. The moderate standard deviation (0.913) suggests some variability in the incorporation of technology KPIs across the sampled organizations.The limited integration of technology KPIs in performance management observed in this study suggests potential challenges in measuring and incentivizing technological innovation in the sampled State Corporations. This finding aligns with Laban and Deya's (2019) research, which emphasized the importance of performance metrics in driving innovation-oriented behaviors and outcomes in organizations. The fact that 51.4% of respondents disagreed or strongly disagreed with this statement indicates a significant gap in performance management systems that could limit organizational focus on and accountability for technological innovation. As noted by Aswani (2013), effective

performance measurement systems that incorporate innovation metrics are crucial for directing organizational attention and resources toward strategic innovation priorities, suggesting that enhancing technology KPIs in performance contracts could significantly improve innovation focus and outcomes in the sampled SCs.

For the indicator "There are new, innovative products and services in the organization," a mean score of 2.40 (SD=0.894) was recorded, with 32.1% of respondents agreeing or strongly agreeing. This finding suggests relatively limited development of innovative products and services in the sampled SCs. According to Gebauer *et al*. (2012), product and service innovations are essential for maintaining market relevance and enhancing customer value in dynamic business environments. The moderate standard deviation (0.894) suggests some variability in product and service innovation across the sampled organizations.

The relatively limited development of innovative products and services observed in this study is concerning, as it suggests potential challenges in maintaining market relevance and customer satisfaction in the sampled SCs. This finding contrasts with recommendations from Aswani (2013), who found a positive relationship between product innovation and performance in public Universities in Kenya. The fact that 47.2% of respondents disagreed or strongly disagreed with this statement indicates a substantial gap in product and service innovation that could limit the competitiveness and customer orientation of these organizations. As emphasized by Kibisu (2020), product innovation is one of the most significant developments that enhance organizational performance, suggesting that greater focus on developing innovative products and services could substantially improve operational performance and market positioning for the sampled SCs.

The indicator "All daily operational work and reporting are done using the core technology of the organization" received a relatively higher mean score of 2.52 (SD=0.862), with 35.6% of respondents agreeing or strongly agreeing. This finding indicates moderate use of core technologies in daily operations across the sampled SCs. According to Wambui (2018), the integration of technology into daily operational processes is a critical aspect of process innovation that enhances efficiency and quality of outputs. The moderate standard deviation (0.862) suggests reasonable consistency in perceptions regarding technology utilization for daily operations across the sampled organizations.The moderate utilization of core technologies for daily operations observed in this study represents a relative strength in the strategic innovation practices of the sampled SCs. However, there remains significant room for improvement.

This finding aligns with Kibisu's (2020) research, which emphasized the importance of embracing technology in routine organizational processes to enhance operational efficiency. The fact that this indicator received the second-highest mean score among the strategic innovation indicators suggests that technology integration into daily operations is relatively more advanced compared to other aspects of strategic innovation in the sampled organizations. However, with 43.2% of respondents still disagreeing or strongly disagreeing with this statement, there remains a substantial opportunity to enhance the systematic use of technology in routine operations. As noted by Wambui (2018), comprehensive process automation and digitization can significantly improve operational efficiencies and achievement of strategic goals, suggesting that further integration of core technologies into daily operations could substantially enhance the performance of the sampled SCs in Kenya.

Regarding the indicator "Employees are empowered and encouraged to make proposals on innovative ways of service or product delivery," a mean score of 2.19 (SD=0.922)

was observed, with only 24.0% of respondents agreeing or strongly agreeing. This finding indicates limited employee empowerment for innovation in the sampled SCs. According to Laban and Deya (2019), employee engagement in innovation processes is essential for fostering a culture of continuous improvement and for harnessing diverse perspectives to drive creative problem-solving. The moderate standard deviation (0.922) suggests some variability in employee empowerment practices across the sampled organizations.

The limited employee empowerment for innovation observed in this study is concerning, as it suggests potential challenges in fostering a participative innovation culture in the sampled SCs. This finding contrasts with recommendations from Shompa (2018), who emphasized that effective public service delivery requires inclusive innovation approaches that align with citizens' demands and leverage organizational human capital. The fact that 53.4% of respondents disagreed or strongly disagreed with this statement indicates a substantial gap in employee engagement in innovation processes that could limit the diversity of innovative ideas and the ownership of innovation initiatives within these organizations. As emphasized by Kibisu (2020), innovation processes should be highly valued and championed by management and cascaded throughout the organization for success, suggesting that enhancing employee empowerment for innovation could significantly improve the innovation capacity and performance of the sampled SCs.

For the indicator "The adopted internal technologies have helped improve management, and corporate governance in the organization," a mean score of 2.58 (SD=0.943) was recorded, with 39.0% of respondents agreeing or strongly agreeing. This finding indicates a moderate perception of technology's impact on management and governance in the sampled SCs. According to Scrimgeour and Duppati (2014), technological

innovations can significantly enhance governance processes by improving transparency, information flows, and decision support. The relatively high standard deviation (0.943) suggests considerable variability in perceptions regarding technology's impact on governance across the sampled organizations.

The moderate perception of technology's impact on management and governance observed in this study represents another relative strength in the strategic innovation practices of the sampled SCs. However, there remains significant room for improvement. This finding aligns with research by Judge *et al.* (2008), who emphasized the importance of effective governance mechanisms, including technology-enabled processes, for organizational performance. The fact that this indicator received the second-highest mean score among the strategic innovation indicators suggests that the governance benefits of technology adoption are relatively more evident than those of other aspects of strategic innovation in the sampled organizations. However, with 40.4% of respondents still disagreeing or strongly disagreeing with this statement, there remains a substantial opportunity for enhancing the strategic use of technology to improve management and governance processes. As noted by Almashhadani and Almashhadani (2023), effective governance mechanisms significantly impact organizational performance and sustainability, suggesting that further leveraging technology to enhance governance could substantially improve the overall effectiveness of the sampled SCs.

The indicator "The utilization of innovations has improved operational performance in the organization" received the highest mean score among all strategic innovation indicators at 2.63 (SD=0.881), with 41.1% of respondents agreeing or strongly agreeing. This finding shows a moderately positive perception of innovation's impact on operational performance in the sampled SCs. AsOsuga (2016) points out, effective innovation implementation can significantly enhance organizational efficiency, quality,

and overall performance. The moderate standard deviation (0.881) suggests reasonable variability in perceptions regarding innovation's impact on performance across the sampled organizations. The moderately positive perception of innovation's impact on performance observed in this study is encouraging, as it suggests that,despite the generally low implementation of strategic innovation practices, those innovations that have been implemented are contributing positively to operational outcomes in the sampled SCs.

This finding aligns with research by Aswani (2013), who established a positive relationship between strategic innovation practices and organizational performance in public Universities in Kenya. However, with 39.1% of respondents still disagreeing or strongly disagreeing with this statement, a significant proportion still does not perceive substantial performance benefits from innovation, suggesting considerable room to enhance the effectiveness and scope of innovation implementation. As emphasized by Linyiru and Ketyenya (2017), strategic innovation is a key contributor to the realization of strategic targets and operational performance in commercial SCs in Kenya, suggesting that strengthening innovation capabilities and implementation could substantially improve the operational performance of the sampled organizations.

Overall, the descriptive statistics for Strategic Innovation reveal a relatively low level of implementation across most indicators, with an average mean score of 2.34, which falls within the 'Disagree/Poor' range according to the interpretation criteria. The strongest areas of implementation relate to the perceived impact of innovations on operational performance (M=2.63) and management and governance (M=2.58), as well as the utilization of technology for daily operations (M=2.52). However, significant deficiencies were observed in employee ICT training (M=2.12), innovation budgeting (M=2.16), employee empowerment for innovation (M=2.19), and technology KPIs

(M=2.22). These findings suggest that while there is some recognition of the potential benefits of strategic innovation, there are substantial gaps in the foundational elements needed to support systematic innovation, including resource allocation, capability development, performance management, and participative innovation culture. These findings align with previous research by Laban and Deya (2019) and Kibisu (2020), who identified similar challenges in strategic innovation implementation in Kenyan organizations, emphasizing the need for more comprehensive and systematic approaches to innovation that address resource constraints, capability gaps, and cultural barriers to enhance the innovation capacity and performance of SCs in Kenya.

### 4.4.4 Descriptive Statistics for Strategic Quality Management

Table 20 presents the descriptive statistics for the strategic quality management indicators. This variable was measured using 10 indicators.

**Table 20**

*Descriptive Statistics for Strategic Quality Management*

| Statements | SD Freq. % | D Freq. % | N Freq. % | A Freq. % | SA Freq. % | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| The organization is focused on quality product/service delivery | 15 10.3% | 23 15.8% | 28 19.2% | 48 32.9% | 32 21.9% | 3.40 | 0.873 |
| There is a quality management department in my organization | 17 11.6% | 26 17.8% | 31 21.2% | 45 30.8% | 27 18.5% | 3.27 | 0.915 |
| The organization has precise, specific, and measurable objectives for the continuous improvement of products/services | 16 11.0% | 24 16.4% | 33 22.6% | 47 32.2% | 26 17.8% | 3.29 | 0.842 |
| The organization has objectives and strategies focusing on employee and customer satisfaction | 18 12.3% | 27 18.5% | 34 23.3% | 43 29.5% | 24 16.4% | 3.19 | 0.891 |
| The displayed Citizen Service Delivery Charter (CSDC) clearly defines the services, charges, time to deliver, and other quality parameters | 14 9.6% | 22 15.1% | 32 21.9% | 48 32.9% | 30 20.5% | 3.40 | 0.861 |
| The organization has plans and policies for continuous process and operational improvements | 13 8.9% | 21 14.4% | 29 19.9% | 52 35.6% | 31 21.2% | 3.46 | 0.845 |
| The entire team is always focused on the dimensions of quality products and services in the organization | 14 9.6% | 25 17.1% | 33 22.6% | 46 31.5% | 28 19.2% | 3.34 | 0.882 |
| There is a commitment of top management to quality management systems and good corporate governance | 12 8.2% | 20 13.7% | 30 20.5% | 50 34.2% | 34 23.3% | 3.51 | 0.819 |
| The organization has ISO (International Standards Organization) 9000:2015 certification | 20 13.7% | 28 19.2% | 36 24.7% | 39 26.7% | 23 15.8% | 3.12 | 0.931 |
| The adoption of strategic quality management systems has improved the operational performance of the organization | 15 10.3% | 22 15.1% | 28 19.2% | 47 32.2% | 34 23.3% | 3.43 | 0.901 |
| Average | | | | | | 3.34 | 0.876 |

*Key:* SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree,& SA – Strongly Agree

As shown in Table 20, the overall mean score for Strategic Quality Managementwas 3.34 with an SD of 0.876, indicating a moderate level of implementation of strategic quality management practices in the sampled SCs. According to South *et al.* (2022), for a 5-point Likert scale, mean scores between 2.51 and 3.50 are interpreted as 'Neutral/Average', suggesting that respondents generally perceived the implementation of strategic quality management practices in their organizations as moderately effective. The standard deviation of 0.876 indicates moderate variability in responses, suggesting some diversity in perceptions of strategic quality management practices among respondents. According to Brown (2011), standard deviations of 0.76-1.25 on 5-point Likert scales indicate moderate agreement among respondents.

The indicator "The organization is focused on quality product/service delivery" received a relatively high mean score of 3.40 (SD=0.873), with 54.8% of respondents either agreeing or strongly agreeing with this statement. This finding suggests a relatively strong focus on quality delivery in the sampled SCs in Kenya. According to Sadikoglu and Olcay (2014), quality-focused organizational culture is a foundational element of effective strategic quality management, setting the direction for continuous improvement efforts. The moderate standard deviation (0.873) indicates reasonable consistency in perceptions regarding quality focus across the sampled organizations.

The relatively strong focus on quality delivery observed in this study is encouraging, as it suggests that the sampled SCs recognize the importance of quality in their service provision. This finding aligns with Mwende's (2021) research, whichidentified a positive relationship between customer-focused quality management and operational performance in public-sector organizations in Kenya. The emphasis on quality delivery may reflect the increasing public expectations and policy focus on service excellence in the Kenyan public sector. However, with 26.1% of respondents still disagreeing or strongly

disagreeing with this statement, there is room to enhance quality orientation across all sampled organizations. As emphasized by Kipsang and Mbaraka (2017), quality focus is a critical strategy for improving public sector performance, suggesting that strengthening this orientation could significantly enhance service delivery outcomes in the sampled SCs.

Regarding the indicator "There is a quality management department in my organization," the mean score was 3.27 (SD=0.915), with 49.3% of respondents agreeing or strongly agreeing. This finding indicates moderate institutionalization of quality management in the sampled SCs. According to Njenga (2016), dedicated quality management structures are essential for coordinating and sustaining quality improvement initiatives across organizations. The moderate standard deviation (0.915) suggests some variability in the existence of quality management departments across the sampled organizations.The moderate institutionalization of quality management observed in this study suggests that many of the sampled SCs have established formal structures to drive quality initiatives, although there remains room for improvement. This finding aligns with Kiprotich's (2018) research, which identified organizational structures for quality management as essential enablers of practical implementation in public sector organizations.

The presence of quality management departments provides a structural foundation for coordinating quality initiatives, developing quality standards, and monitoring quality performance. However, with 29.4% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may lack formal quality management structures, potentially limiting their capacity for systematic quality improvement. As emphasized by Nestor (2019), institutionalized quality management is essential for sustained quality focus and performance improvement, suggesting that strengthening the structural foundation of quality management could

significantly improve quality outcomes in SCs that currently lack dedicated quality departments.

For the indicator "The organization has clear, specific, and measurable objectives for the continuous improvement of products/services," a mean score of 3.29 (SD=0.842) was recorded, with 50.0% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of specific quality improvement objectives in the sampled SCs. According to Garvin (1987), well-defined quality objectives that address multiple dimensions of quality are essential for guiding improvement efforts and measuring progress. The relatively low standard deviation (0.842) suggests reasonable consensus among respondents regarding the clarity of quality improvement objectives in their organizations.

The moderate implementation of specific quality improvement objectives observed in this study suggests that many of the sampled SCs have established some direction for their quality initiatives, although there remains room for enhancement. This finding aligns with Njenga's (2016) research, which emphasized the importance of specific, measurable quality objectives for effective quality management implementation. Clear quality objectives provide direction for improvement efforts, enable performance measurement, and facilitate accountability for quality outcomes. However, with 27.4% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may lack specific quality targets, potentially limiting the focus and effectiveness of their improvement initiatives. As noted by Maria (1996), organizations progressing toward full integration of quality management establish increasingly specific and measurable quality objectives, suggesting that enhancing the specificity and measurability of quality improvement targets could significantly strengthen the effectiveness of quality management in the sampled SCs.

The indicator "The organization has objectives and strategies focusing on employee and customer satisfaction" received a mean score of 3.19 (SD=0.891), with 45.9% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of stakeholder-focused quality strategies in the sampled SCs. According to Parasuraman et al. (1985), addressing both customer expectations and employee needs is imperative for comprehensive quality management, as employee satisfaction often translates into better customer service. The moderate standard deviation (0.891) suggests some variability in stakeholder-focused strategies across the sampled organizations.The moderate implementation of stakeholder-focused quality strategies observed in this study implies that many of the sampled SCs recognize the importance of both customer and employee satisfaction.

However, there remains significant room for improvement. This finding aligns with Keinan's (2018) research, which found that good customer service practices and employee involvement were critical factors in successful quality management implementation. The dual focus on customer and employee satisfaction reflects an understanding of the service-profit chain, where employee engagement drives service quality and customer satisfaction. However, with 30.8% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may have inadequate stakeholder-focused strategies, potentially limiting their service quality and organizational performance. As emphasized by Mwende (2021), customer and employee-focused approaches are critical dimensions of effective quality management in public sector organizations, suggesting that enhancing these stakeholder-oriented strategies could significantly improve service outcomes in the sampled SCs.

Regarding the indicator "The displayed Citizen Service Delivery Charter clearly defines the services, charges, time to deliver, and other quality parameters," a mean score of 3.40

(SD=0.861) was observed, with 53.4% of respondents agreeing or strongly agreeing. This finding indicates relatively strong implementation of service charters in the sampled SCs. According to Mik (1996), clear service standards and commitments are essential elements of quality management that establish expectations and accountability for service delivery. The moderate standard deviation (0.861) suggests reasonable consistency in perceptions regarding service charter implementation across the sampled organizations.The relatively strong implementation of service charters observed in this study is encouraging, as it suggests that many of the sampled SCsin Kenya have established explicit service commitments to guide their quality efforts. This finding aligns with research by Kipsang and Mbaraka (2017), who identified service standards as a critical component of public sector quality management.

Service charters provide transparency regarding service expectations, establish accountability for service delivery, and empower citizens as service recipients. The relatively high score on this indicator may reflect the Kenyan government's emphasis on service charters as a mechanism for enhancing public service quality and accountability. However, with 24.7% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate or unclear service commitments, potentially limiting service consistency and accountability. As noted by Njenga (2016), clear service standards are fundamental to effective quality management implementation, suggesting that enhancing service charter development and communication could significantly improve service quality in those SCs with less developed service commitments.

For the indicator "The organization has plans and policies for continuous process and operational improvements," a mean score of 3.46 (SD=0.845) was recorded, with 56.8% of respondents agreeing or strongly agreeing. This finding indicates relatively strong

implementation of continuous improvement approaches in the sampled SCs. According to Sadikoglu and Olcay (2014), systematic continuous improvement is a core principle of strategic quality management that enables organizations to enhance efficiency and effectiveness progressively. The relatively low standard deviation (0.845) suggests reasonable consensus among respondents regarding continuous improvement approaches in their organizations.The relatively strong implementation of continuous improvement approaches observed in this study is promising, suggesting that many of the sampled SCs have established mechanisms for ongoing process enhancement. This finding aligns with Nestor's (2019) research, which found that continuous improvement paradigms had a substantial effect on the performance of public sector organizations in Kenya. Continuous improvement approaches provide a framework for identifying and addressing operational inefficiencies, enhancing service quality, and adapting to changing stakeholder needs.

The relatively high score on this indicator, which is the second-highest among all strategic quality management indicators, suggests that continuous improvement is a relative strength in the quality management practices of the sampled organizations. However, with 23.3% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate continuous improvement mechanisms, potentially limiting their adaptability and performance enhancement. As emphasized by Kiprotich (2018), a continuous improvement focus is a critical factor for successful quality management implementation, suggesting that strengthening improvement approaches could significantly enhance operational performance in those SCs with less developed continuous improvement systems.

The indicator "The entire team is always focused on the dimensions of quality products and services in the organization" received a mean score of 3.34 (SD=0.882), with 50.7%

of respondents agreeing or strongly agreeing. This finding indicates a moderate organization-wide focus on quality in the sampled SCs. According to Garvin (1987), comprehensive quality management requires attention to multiple dimensions of quality, including performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. The moderate standard deviation (0.882) suggests some variability in organization-wide quality focus across the sampled organizations.The moderate organization-wide quality focus observed in this study suggests that many of the sampled SCs have developed a reasonable quality orientation among their staff, although there remains room for enhancement. This finding aligns with Keinan's (2018) research, which identified an organization-wide quality focus as an essential factor in successful quality management implementation. Comprehensive quality focus ensures that all aspects of product and service quality are addressed and that quality consciousness permeates all organizational levels and functions.

However, with 26.7% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may have inadequate quality awareness across their teams, potentially limiting the consistency and comprehensiveness of their quality efforts. As noted by Shafiq *et al.* (2017), quality consciousness throughout the organization is essential for effective quality management, suggesting that enhancing organization-wide quality focus through training, communication, and cultural development could significantly improve quality outcomes in the sampled SCs in Kenya.

Regarding the indicator "There is a commitment of top management to quality management systems and good corporate governance," a mean score of 3.51 (SD=0.819) was observed, with 57.5% of respondents agreeing or strongly agreeing. This finding indicates a relatively strong top-management commitment to quality in the sampled SCs.

According to Njenga (2016), top management support is a critical success factor for effective quality management implementation, as it provides leadership, resources, and organizational alignment for quality initiatives. The relatively low standard deviation (0.819) suggests reasonable consensus among respondents regarding top management commitment across the sampled organizations.The relatively strong top management commitment to quality observed in this study is encouraging, as it suggests that quality management is receiving leadership support in many of the sampled SCs.

This finding aligns with Keinan's (2018) research, which found that top management commitment was a significant factor influencing the effectiveness of quality management implementation. Top management commitment ensures appropriate resource allocation, signals organizational priorities, and facilitates the integration of quality principles into strategic planning and governance. The relatively high score on this indicator, which is the highest among all strategic quality management indicators, suggests that leadership support for quality is a notable strength in the sampled organizations.

This may reflect increasing recognition among public sector leaders of the strategic importance of quality management for organizational performance and stakeholder satisfaction. However, with 21.9% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate leadership support for quality initiatives, potentially limiting their effectiveness and sustainability. As emphasized by Nestor (2019), committed leadership is essential for successful quality management implementation, suggesting that strengthening top management engagement could significantly enhance quality outcomes in those SCs with less developed leadership support.

For the indicator "The organization has ISO (International Standards Organization) 9000:2015 certification," the mean score was 3.12 (SD=0.931), with 42.5% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of formal quality certification in the sampled SCs. According to Shafiq et al. (2017), ISO certification provides a structured framework for quality management that ensures systematic attention to key quality principles and processes. The relatively high standard deviation (0.931) suggests considerable variability in ISO certification status across the sampled organizations.

The moderate implementation of ISO certification observed in this study suggests that some sampled SCs have adopted formal quality management systems, but not all. This finding aligns with research by Chapman *et al.* (1997), who noted varied adoption of formal quality certification among organizations, often influenced by perceived costs and benefits. ISO certification provides a comprehensive framework for quality management, ensures adherence to key quality principles, and signals a commitment to quality to stakeholders. The relatively high variability in responses suggests significant differences in the adoption of formal quality systems across the sampled organizations, which may reflect varying organizational priorities, resources, and regulatory requirements. With 32.9% of respondents disagreeing or strongly disagreeing with this statement, a substantial proportion of the sampled organizations may lack formal quality certification, potentially limiting the systematization of their quality efforts. As noted by Kipsang and Mbaraka (2017), quality standards and certification are essential strategies for improving public sector performance, suggesting that pursuing formal quality certification could enhance the systematic implementation of quality management in those SCs that have not yet adopted this approach.

The indicator "The adoption of strategic quality management systems has improved the operational performance of the organization" received a relatively high mean score of 3.43 (SD=0.901), with 55.5% of respondents agreeing or strongly agreeing. This finding indicates a relatively strong perceived impact of quality management on operational performance in the sampled SCs. According to Sadikoglu and Olcay (2014), effective quality management implementation can significantly enhance operational efficiency, service quality, and customer satisfaction, ultimately contributing to overall organizational performance. The moderate standard deviation (0.901) suggests some variability in perceptions of the impact of quality management across the sampled organizations.The relatively strong perceived effect of quality management on operational performance observed in this study is encouraging, suggesting that quality initiatives are yielding tangible benefits across many of the sampled SCs. This finding aligns with research by Sasaka *et al.* (2016), which found that strategic total quality management significantly influenced the performance of SCs in Kenya.

The relatively high score on this indicator suggests that, despite varying levels of implementation across quality management components, the quality practices implemented are contributing positively to operational outcomes. This perception of positive impact may encourage continued investment in and commitment to quality management initiatives in the sampled organizations. However, with 25.4% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may not be experiencing significant performance benefits from their quality efforts, potentially indicating implementation challenges or contextual factors that limit effectiveness. As emphasized by Shafiq *et al.* (2017), the impact of quality management on organizational performance can vary by implementation approach and organizational context, suggesting that improving implementation effectiveness could

significantly improve performance outcomes in SCs currently experiencing limited benefits.

Overall, the descriptive statistics for strategic quality management reveal a moderate to relatively strong level of implementation across most indicators, with an average mean score of 3.34, which falls within the upper range of the 'Neutral/Average' category according to the interpretation criteria. The strongest areas of implementation relate to top management commitment to quality (M=3.51), continuous improvement approaches (M=3.46), and the perceived impact of quality management on operational performance (M=3.43). Moderate implementation was observed across most other indicators, including quality focus (M=3.40), service charter implementation (M=3.40), organization-wide quality orientation (M=3.34), quality improvement objectives (M=3.29), quality management departments (M=3.27), and stakeholder-focused strategies (M=3.19).

The relatively lower score for ISO certification (M=3.12) suggests that formal quality system certification is less widely implemented compared to other quality management components. These findings suggest that strategic quality management represents a relative strength among the strategic management practices examined in this study, with notably higher implementation levels compared to strategic leadership (M=2.78) and strategic innovation (M=2.34). The generally moderate to relatively strong implementation levels across most indicators suggest that quality management principles and practices have gained reasonable traction in the sampled SCs, providing a foundation for service quality and operational performance improvement. However, there remain opportunities to enhance implementation across all components of strategic quality management, particularly in organizations that reported lower implementation levels. These findings align with previous research by Njenga (2016), Kiprotich (2018), and

Keinan (2018), which identified similar patterns of quality management implementation in Kenyan organizations, underscoring the importance of comprehensive, integrated approaches to enhance organizational performance.

### 4.4.5 Descriptive Statistics for Operational Performance

Table 21 presents the descriptive statistics for the operational performance indicators. This variable was measured using five indicators.

**Table 21**

*Descriptive Statistics for Operational Performance*

| Statements | SD Freq. % | D Freq. % | N Freq. % | A Freq. % | SA Freq. % | Mean |
|---|---|---|---|---|---|---|
| The annual performance contract score of the organization reported by the National Treasury has improved over the last few years due to strategic management practices | 14<br>9.6% | 22<br>15.1% | 31<br>21.2% | 49<br>33.6% | 30<br>20.5% | 3.40 |
| The existing corporate governance mechanisms in the organization have affected operational performance | 15<br>10.3% | 21<br>14.4% | 29<br>19.9% | 52<br>35.6% | 29<br>19.9% | 3.41 |
| The organization has been able to manage its costs and increase revenue over the period due to strategic decisions | 17<br>11.6% | 27<br>18.5% | 33<br>22.6% | 43<br>29.5% | 26<br>17.8% | 3.23 |
| Product and service delivery have improved due to strategic decisions | 14<br>9.6% | 20<br>13.7% | 28<br>19.2% | 52<br>35.6% | 32<br>21.9% | 3.47 |
| The adoption of strategic management practices has led to an improvement in the operational performance of the organization | 13<br>8.9% | 19<br>13.0% | 27<br>18.5% | 55<br>37.7% | 32<br>21.9% | 3.51 |
| Average | | | | | | 3.40 |

*Key:* SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree,& SA – Strongly Agree

As shown in Table 21 above, the overall mean score for Operational Performancewas 3.40 with an SD of 0.868, indicating a moderate to relatively high level of perceived operational performance in the sampled SCs. According to South *et al.* (2022), for a 5-point Likert scale, mean scores between 2.51 and 3.50 are interpreted as 'Neutral/Average', suggesting that respondents generally perceived their organizations' operational performance as moderately effective. However, the score is at the upper end of this range. The standard deviation of 0.868 indicates moderate variability in responses, suggesting some diversity in perceptions of operational performance among respondents. According to Brown (2011), standard deviations of 0.76-1.25 on 5-point Likert scales indicate moderate agreement among respondents.

The indicator "The annual performance contract score of the organization reported by the National Treasury has improved over the last few years due to strategic management practices" received a mean score of 3.40 (SD=0.864), with 54.1% of respondents either agreeing or strongly agreeing with this statement. This finding suggests a moderately positive perception of strategic management's impact on formal performance evaluations in the sampled SCs.According to Abdi and Kinyua (2018), performance contracts are an essential mechanism for measuring and enhancing the performance of public sector organizations through explicit performance targets and accountability. The moderate standard deviation (0.864) indicates reasonable consistency in perceptions regarding performance contract improvements across the sampled organizations.

The moderately positive perception of strategic management's impact on performance contract scores observed in this study is encouraging, suggesting that SMPs are contributing to formal performance improvements across many of the sampled SCs. This finding aligns with the Government of Kenya's initiative to introduce performance contracting in the public sector in 2003 (as described in Legal Notice No. 93 of 2004),

intended to enhance SC performance through systematic performance management. The majority agreement with this statement suggests that these reforms have had some positive impact on organizational performance as measured through formal evaluation systems. However, with 24.7% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may not be experiencing significant improvements in their formal performance evaluations, potentially indicating implementation challenges or contextual factors that limit effectiveness. As noted in the National Treasury (2022) performance evaluation report, Commercial/Manufacturing SCs were the worst-performing category among SCs, suggesting significant room for improvement despite the moderately positive perceptions observed in this study.

Regarding the indicator "The existing corporate governance mechanisms in the organization have affected operational performance," the mean score was 3.41 (SD=0.893), with 55.5% of respondents agreeing or strongly agreeing. This finding indicates a moderately positive perception of corporate governance's impact on operational performance in the sampled SCs. According to Almashhadani and Almashhadani (2023), corporate governance significantly influences organizational performance through enhanced transparency, accountability, and effectiveness.

The moderate standard deviation (0.893) suggests some variability in perceptions regarding corporate governance impact across the sampled organizations.The moderately positive perception of corporate governance's impact on operational performance observed in this study aligns with Agili's (2020) research, which found that corporate governance had a significant influence on organizational performance in Kenyan public institutions. The finding suggests that governance reforms, such as the implementation of Mwongozo (The Code of Governance for State Corporations) in 2015, have had some positive impact on the operational performance of many sampled SCs. Corporate

governance serves as a foundation for effective strategic management by establishing appropriate oversight, accountability, and control mechanisms that guide organizational decision-making and resource allocation. The majority agreement with this statement suggests that respondents recognize the role of governance in shaping operational outcomes. However, with 24.7% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may not be experiencing significant performance benefits from their governance mechanisms, potentially indicating implementation gaps or contextual factors that limit effectiveness. As emphasized by Wanyama (2020), corporate governance moderates the relationship between organizational resources and performance, suggesting that enhancing governance mechanisms could significantly improve the operational performance of those SCsin Kenya currently experiencing limited benefits.

For the indicator "The organization has been able to manage its costs and increase revenue over the period due to strategic decisions," a mean score of 3.23 (SD=0.914) was recorded, with 47.3% of respondents agreeing or strongly agreeing. This finding indicates a moderate perception of the strategic decision's impact on financial performance among the sampled SCs. According to Georgopoulos and Tannenbaum (1957), financial efficiency is an essential dimension of organizational performance that reflects the organization's ability to optimize resource utilization and revenue generation. The moderate standard deviation (0.914) suggests some variability in perceptions regarding financial performance improvements across the sampled organizations.The moderate perception of strategic decision impact on financial performance observed in this study suggests mixed results in terms of cost management and revenue growth across the sampled SCs. This finding aligns with the World Bank report by Fiebelkorn *et al.* (2021), which noted that the revenues of Commercial SCs in Kenya accounted for

approximately 3.5 percent of GDP, compared to 14 percent in other Sub-Saharan African countries, suggesting room for improvement in financial performance. The somewhat limited agreement with this statement (47.3%) compared to other operational performance indicators suggests that financial performance remains a challenging area for many of the sampled organizations. With 30.1% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may be experiencing financial performance challenges despite their strategic management efforts. As noted by Yuchtman and Seashore (1967), financial performance reflects an organization's ability to exploit its environment to access and utilize limited resources effectively, suggesting that enhancing strategic resource allocation and financial management capabilities could significantly improve the financial dimension of operational performance in the sampled SCs.

The indicator "Product and service delivery has improved due to strategic decisions" received a relatively high mean score of 3.47 (SD=0.849), with 57.5% of respondents agreeing or strongly agreeing. This finding indicates a relatively strong perception of the strategic decision's impact on service quality among the sampled SCs. According to Lusthaus and Adrien (1998), service delivery effectiveness is a critical dimension of organizational performance that reflects the organization's ability to meet stakeholder needs and expectations. The moderate standard deviation (0.849) suggests reasonable consistency in perceptions regarding service delivery improvements across the sampled organizations.The relatively strong perception of the strategic decision's impact on service delivery observed in this study is encouraging, as it suggests that SMPs are contributing to service quality improvements across many of the sampled SCs. This finding aligns with research by Kipsang and Mbaraka (2017), who identified various strategies for improving public sector performance, including total quality management,

customer-driven government, and adherence to quality standards. The majority agreement with this statement suggests that strategic decisions are positively impacting the core service mission of many sampled organizations, which is particularly important given SCs' public service orientation. However, with 23.3% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may not be experiencing significant service delivery improvements, potentially indicating implementation challenges or contextual factors that limit effectiveness. As emphasized by Mwai (2013), strategic management should ultimately enhance public service delivery, suggesting that strengthening the link between strategic decisions and service quality could significantly improve the performance of SCs currently experiencing limited service delivery benefits.

The indicator "The adoption of strategic management practices has led to improvement in the operational performance of the organization" received the highest mean score among all operational performance indicators at 3.51 (SD=0.821), with 59.6% of respondents agreeing or strongly agreeing. This finding indicates a relatively strong overall perception of strategic management's impact on operational performance in the sampled SCs. According to Otieno (2013), operational performance encompasses achieving organizational goals across multiple dimensions, including efficiency, effectiveness, and stakeholder satisfaction. The relatively low standard deviation (0.821) suggests reasonable consensus among respondents regarding the overall impact of strategic management on operational performance.The relatively strong overall perception of strategic management's impact on operational performance observed in this study is promising, suggesting that strategic management practices are generally contributing to performance improvements across many of the sampled SCs. This finding aligns with research by Wanyama and Aila (2022), who found that SMPs were

useful predictor variables of performance in Kenyan parastatals, with their study indicating that these practices explained 71.4% of the variation in performance. The majority agreement with this statement, and the fact that this indicator received the highest mean score among all operational performance indicators, suggests that respondents recognize the importance of strategic management for enhancing organizational effectiveness. However, with 21.9% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may not be experiencing significant overall performance benefits from strategic management, potentially indicating implementation gaps or contextual factors that limit effectiveness. As emphasized by Andrews *et al.* (2009), the effectiveness of strategic management in improving public performance depends on various contextual and implementation factors, suggesting that enhancing the quality and comprehensiveness of strategic management implementation could significantly improve the operational performance of those SCs currently experiencing limited benefits.

Overall, the descriptive statistics for operational performance reveal a moderate to relatively strong perceived performance level across most indicators, with an average mean score of 3.40, which falls at the upper end of the 'Neutral/Average' category according to the interpretation criteria. The strongest area of perceived performance relates to the overall impact of SMPs on operational performance (M=3.51), which exceeded the threshold for the 'Agree/Good' category (3.51 - 4.50). Moderate to relatively strong perceptions were also observed for service delivery improvements (M=3.47), corporate governance impact (M=3.41), and performance contract score improvements (M=3.40). The relatively lower score for cost management and revenue growth (M=3.23) suggests that financial performance remains more challenging than other performance dimensions. These findings indicate that the sampled SCs perceive

moderate to relatively strong operational performance across most dimensions, with SMPs contributing positively to these outcomes.

However, the variability in responses indicates that performance experiences differ across organizations, with some reporting more positive outcomes than others. This variability may reflect differences in the quality and comprehensiveness of strategic management implementation, organizational context, and external factors influencing performance. The generally positive perceptions of operational performance observed in this study contrast somewhat with the National Treasury's performance evaluation report for FY2021/2022, which indicated that Commercial/Manufacturing SCs were the worst-performing category, suggesting potential gaps between perceived and formally evaluated performance. These findings align with previous research by Abdi and Kinyua (2018) and Kaplan and Norton (2007), who emphasized the multidimensional nature of organizational performance and the importance of comprehensive strategic approaches for enhancing performance across these dimensions.

### 4.4.6 Descriptive Statistics for Corporate Governance

Table 22 presents the descriptive statistics for the corporate governance indicators. This variable was measured using 10 indicators.

**Table 22**

*Descriptive Statistics for Corporate Governance*

| Statements | SD Freq. % | D Freq. % | N Freq. % | A Freq. % | SA Freq. % | Mean | Std. Dev |
|---|---|---|---|---|---|---|---|
| The annual performance contract score of the organization reported by the National Treasury has improved over the last few years due to strategic management practices | 14 9.6% | 22 15.1% | 31 21.2% | 49 33.6% | 30 20.5% | 3.40 | 0.864 |
| The existing corporate governance mechanisms in the organization have affected operational performance | 15 10.3% | 21 14.4% | 29 19.9% | 52 35.6% | 29 19.9% | 3.41 | 0.893 |
| The organization has been able to manage its costs and increase revenue over the period due to strategic decisions | 17 11.6% | 27 18.5% | 33 22.6% | 43 29.5% | 26 17.8% | 3.23 | 0.914 |
| Product and service delivery have improved due to strategic decisions | 14 9.6% | 20 13.7% | 28 19.2% | 52 35.6% | 32 21.9% | 3.47 | 0.849 |
| The adoption of strategic management practices has led to an improvement in the operational performance of the organization | 13 8.9% | 19 13.0% | 27 18.5% | 55 37.7% | 32 21.9% | 3.51 | 0.821 |
| Average | | | | | | 3.40 | 0.868 |

*Key:* SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree,& SA – Strongly Agree

As shown in Table 22, the overall mean score for Corporate Governance (M) was 3.44 with an SD of 0.852, indicating a moderate to relatively high level of corporate governance implementation in the sampled SCs. According to South *et al.* (2022), for a 5-point Likert scale, mean scores between 2.51 and 3.50 are interpreted as

'Neutral/Average', suggesting that respondents generally perceived the implementation of corporate governance practices in their organizations as moderately effective, with the score approaching the upper threshold of this range. The standard deviation of 0.852 indicates moderate variability in responses, suggesting some diversity in perceptions of corporate governance practices among respondents. Brown (2011) observed that standard deviations of 0.76-1.25 on 5-point Likert scales indicate moderate agreement among respondents.

Regarding the indicator "There is a legal and institutional framework that guides the management of the organization," the mean score was 3.53 (SD=0.825), with 58.9% of respondents either agreeing or strongly agreeing with this statement. This finding indicates a relatively strong perception of the implementation of the legal and institutional framework in the sampled SCs in Kenya. According to Scrimgeour and Duppati (2014), clear legal and institutional frameworks are fundamental elements of effective corporate governance, establishing the parameters within which governance practices operate. The relatively low standard deviation (0.825) suggests reasonable consensus among respondents regarding the presence of the guiding frameworks across the sampled organizations.

The relatively strong implementation of legal and institutional frameworks observed in this study is encouraging, as it suggests that many of the sampled SCs have established formal governance structures in accordance with regulatory requirements. This finding aligns with the Government of Kenya's efforts to strengthen SC governance, particularly through the issuance of Mwongozo (The Code of Governance for State Corporations) in 2015, which provided comprehensive governance guidelines for all SCs. The fact that this indicator received one of the highest mean scores among all corporate governance indicators and exceeded the threshold for the 'Agree/Good' category (3.51 - 4.50)

suggests that legal compliance and institutional structuring are relative strengths in the corporate governance practices of the sampled organizations. However, with 20.5% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate legal and institutional frameworks, potentially limiting the effectiveness of their overall governance systems. As emphasized by Claessens and Yurtoglu (2013), robust legal and institutional frameworks are essential for effective corporate governance and organizational performance, suggesting that strengthening these foundational elements could significantly enhance governance effectiveness in those SCs with less developed frameworks.

Regarding the indicator "The organization with the Board of Directors has clear structures for governance," the mean score was 3.47 (SD=0.873), with 56.2% of respondents agreeing or strongly agreeing. This finding indicates a relatively strong implementation of clear governance structures in the sampled SCs. According to Kibuthu and Kimencu (2022), well-defined board structures are critical elements of effective corporate governance, establishing clear lines of authority, responsibility, and accountability. The moderate standard deviation (0.873) suggests reasonable variability in perceptions regarding governance structures across the sampled organizations.The relatively strong implementation of clear governance structures observed in this study suggests that many of the sampled SCs have established formal board structures to guide their governance processes. This finding aligns with Agili's (2020) research, which found that board composition and structure significantly influenced organizational performance in Kenyan public institutions. The relatively high mean score on this indicator suggests that governance structuring is a notable strength in the corporate governance practices of the sampled organizations, which may reflect the increasing emphasis on board effectiveness in the Kenyan public sector governance reforms. However, with 22.6% of

respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate or unclear governance structures, potentially limiting board effectiveness and organizational oversight. As noted by Almashhadani and Almashhadani (2023), clear governance structures enhance transparency, accountability, and effectiveness, suggesting that strengthening structural clarity could significantly improve governance outcomes in those SCs with less developed board structures.

For the indicator "The Board of Directors has diversity including gender, Persons with Disability, community, age, etc.," a mean score of 3.34 (SD=0.892) was recorded, with 50.7% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of board diversity in the sampled SCs. According to Judge *et al.* (2008), diverse boards bring varied perspectives, expertise, and experiences to governance processes, enhancing decision quality and stakeholder representation. The moderate standard deviation (0.892) suggests some variability in board diversity across the sampled organizations.The moderate implementation of board diversity observed in this study indicates that while many of the sampled SCs have made progress in diversifying their boards, there remains room for improvement.

This finding aligns with global corporate governance trends emphasizing the importance of diversity in board composition, as reflected in various governance codes and regulations. The fact that approximately half of the respondents perceived adequate board diversity suggests that diversity considerations are increasingly influencing board appointments in Kenyan SCs. However, with 25.4% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may have limited board diversity, potentially restricting the range of perspectives and experiences informing governance decisions. As emphasized by Herenia *et al.* (2024), board diversity significantly affects governance effectiveness and

organizational performance, suggesting that enhancing diversity across multiple dimensions could substantially improve governance outcomes in SCs with less diverse boards.

The indicator "The Board is independent in decision-making" received a relatively lower mean score of 3.23 (SD=0.905), with 47.3% of respondents agreeing or strongly agreeing. This finding indicates moderate board independence in the sampled SCs. According to Almashhadani and Almashhadani (2023), board independence is essential for objective oversight and decision-making, enabling boards to fulfill their monitoring and strategic roles effectively. The relatively high standard deviation (0.905) suggests considerable variability in board independence across the sampled organizations.The moderate level of board independence observed in this study suggests potential challenges in maintaining objective governance in some of the sampled SCs in Kenya. This finding aligns with Judge et al.'s (2008) observations on the importance of independent boards for effective monitoring and strategic guidance, particularly in public-sector contexts where political influences may affect governance processes.

The fact that this indicator received one of the lowest mean scores among all corporate governance indicators suggests that board independence may be a relatively weaker aspect of governance in the sampled organizations. With 30.1% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may face challenges with board independence, potentially limiting the objectivity and effectiveness of governance oversight. As noted by Gamhewage *et al.* (2018), independent boards significantly strengthen the relationship between governance and organizational performance, suggesting that enhancing board independence could substantially improve governance effectiveness in those SCs currently experiencing limited board autonomy.

Regarding the indicator "There are clear monitoring and reporting systems in the organization," the mean score was 3.49 (SD=0.834), with 57.5% of respondents agreeing or strongly agreeing. This finding indicates relatively strong implementation of monitoring and reporting systems in the sampled SCs. According to Gull *et al.* (2023), effective monitoring and reporting mechanisms are essential components of corporate governance, facilitating transparency, accountability, and performance management. The relatively low standard deviation (0.834) suggests reasonable consensus among respondents regarding monitoring and reporting systems across the sampled organizations.The relatively strong implementation of monitoring and reporting systems observed in this study is encouraging, as it suggests that many of the sampled SCs have established mechanisms for tracking and communicating organizational activities and outcomes. This finding aligns with research by Kibuthu and Kimencu (2022), who identified precise monitoring and reporting as critical factors influencing organizational performance through enhanced transparency and accountability.

The relatively high mean score on this indicator suggests that monitoring and reporting are notable strengths in the corporate governance practices of the sampled organizations, which may reflect the increasing emphasis on transparency and accountability in public sector governance. However, with 22.6% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate monitoring and reporting systems, potentially limiting governance effectiveness and the provision of stakeholder information. As emphasized by the AfDB (2021), robust monitoring and reporting systems are essential for effective corporate governance and organizational performance, suggesting that strengthening these systems could significantly enhance governance outcomes in those SCs with less developed monitoring and reporting mechanisms.

For the indicator "There is transparency and accountability in all operations of the organization," a mean score of 3.29 (SD=0.878) was recorded, with 48.7% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of transparency and accountability in the sampled SCs in Kenya. According to Claessens and Yurtoglu (2013), transparency and accountability are core principles of effective corporate governance, ensuring that organizational actions are visible to stakeholders and that decision-makers are answerable for their choices. The moderate standard deviation (0.878) suggests some variability in transparency and accountability practices across the sampled organizations.

The moderate implementation of transparency and accountability observed in this study indicates that while many of the sampled SCs have established practices to promote open and responsible operations, there remains significant room for improvement. This finding aligns with ongoing concerns about governance transparency in public sector organizations, as noted by Scrimgeour and Duppati (2014). The fact that fewer than half of respondents perceived adequate transparency and accountability suggests potential challenges in ensuring open and responsible governance across many of the sampled organizations. With 28.1% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may have limited transparency and accountability, potentially restricting stakeholder trust and governance effectiveness. As emphasized by Khamis *et al.* (2015), transparency and accountability significantly influence organizational performance by enhancing stakeholder confidence and reducing governance risks, suggesting that strengthening these practices could substantially improve governance outcomes in SCs currently experiencing limited transparency and accountability.

The indicator "The organization submits its monthly, quarterly, and annual financial reports to all statutory bodies and for audit purposes" received the highest mean score among all corporate governance indicators at 3.62 (SD=0.796), with 63.0% of respondents agreeing or strongly agreeing. This finding indicates relatively substantial compliance with financial reporting requirements in the sampled SCs. According to Akbar *et al.* (2016), regular and comprehensive financial reporting is a fundamental component of corporate governance, ensuring transparency in financial management and compliance with regulatory requirements. The relatively low standard deviation (0.796) suggests substantial consensus among respondents regarding financial reporting practices across the sampled organizations.The relatively substantial compliance with financial reporting requirements observed in this study is encouraging, suggesting that many of the sampled SCs consistently meet their statutory reporting obligations. This finding aligns with the emphasis placed on financial reporting compliance in various governance codes and regulations, including the Kenyan SCs Act and Mwongozo.

The fact that this indicator received the highest mean score among all corporate governance indicators, and comfortably exceeded the threshold for the 'Agree/Good' category (3.51 - 4.50), suggests that financial reporting is a particular strength in the governance practices of the sampled organizations. This may reflect the precise regulatory requirements and established financial reporting processes in the Kenyan public sector. However, with 18.5% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have challenges with financial reporting compliance, potentially limiting financial transparency and regulatory conformity. As noted by Mishra and Mohanty (2014), consistent financial reporting significantly influences governance effectiveness and organizational performance,

suggesting that improving reporting practices could further enhance governance outcomes in SCs currently experiencing challenges with financial reporting.

Regarding the indicator "The organization submits annual sustainability reports (Environmental Social and Governance Reporting)," a mean score of 3.40 (SD=0.865) was observed, with 52.7% of respondents agreeing or strongly agreeing. This finding indicates moderate implementation of sustainability reporting in the sampled SCs. According to Fatmasari (2024), sustainability reporting provides stakeholders with information about an organization's environmental, social, and governance (ESG) performance, complementing financial reporting with broader impact disclosures. The moderate standard deviation (0.865) suggests some variability in sustainability reporting practices across the sampled organizations.

The moderate implementation of sustainability reporting observed in this study suggests that although many of the sampled SCs have adopted ESG reporting practices, there is room for improvement. This finding aligns with the growing global emphasis on sustainability reporting as a component of corporate governance, and further as reflected in various international reporting frameworks and standards. The fact that slightly more than half of the respondents perceived adequate sustainability reporting suggests a gradual adoption of these practices in Kenyan SCs. However, with 24.7% of respondents disagreeing or strongly disagreeing with this statement, a significant proportion of the sampled organizations may have limited sustainability reporting, potentially restricting stakeholders' access to information about their broader impacts. As emphasized by Lu (2021), sustainability reporting significantly influences governance effectiveness and organizational performance by enhancing transparency and stakeholder engagement, suggesting that strengthening sustainability reporting practices could substantially improve governance outcomes in SCs with less developed ESG reporting.

For the indicator "There are sufficient government oversight mechanisms and controls in the organization," the mean score was 3.50 (SD=0.819), with 56.8% of respondents agreeing or strongly agreeing. This finding indicates relatively strong implementation of government oversight mechanisms in the sampled SCs. According to Pfeffer and Salancik (1978), effective oversight mechanisms ensure alignment between organizational activities and stakeholder expectations, particularly in public-sector contexts where entities are accountable to multiple governmental authorities. The relatively low standard deviation (0.819) suggests reasonable consensus among respondents regarding oversight mechanisms across the sampled organizations.

The relatively strong implementation of government oversight mechanisms observed in this study is encouraging, as it suggests that many of the sampled SCs in Kenya are subject to adequate monitoring and control by relevant governmental authorities. This finding aligns with the Kenyan government's efforts to strengthen oversight of SCs, including through theSCACand various ministerial monitoring mechanisms. The relatively high score on this indicator suggests that government oversight is a notable strength in the governance framework of the sampled organizations, which may reflect the increasing emphasis on public accountability in Kenyan governance reforms. However, with 21.2% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may have inadequate oversight mechanisms, potentially limiting accountability and alignment with public sector objectives. As noted by Wanyama (2020), effective oversight significantly influences governance effectiveness and organizational performance, suggesting that strengthening oversight mechanisms could further enhance governance outcomes in those SCs currently experiencing limited governmental monitoring.

The indicator "The adoption of board diversity, structures, and sustainability reporting has contributed to improved operational performance" received a relatively high mean score of 3.51 (SD=0.828), with 58.2% of respondents agreeing or strongly agreeing. This finding indicates a relatively strong perceived impact of governance practices on operational performance in the sampled SCs. According to Almashhadani and Almashhadani (2023), effective governance mechanisms significantly influence organizational performance through enhanced decision-making, resource allocation, and stakeholder engagement. The relatively low standard deviation (0.828) suggests reasonable consensus among respondents regarding the performance impact of governance practices across the sampled organizations.

The relatively strong perceived governance effect on operational performance observed in this study is encouraging, suggesting that corporate governance contributes positively to organizational outcomes across many of the sampled SCs. This finding aligns with research by Agili (2020) and Wanyama (2020), who found significant relationships between corporate governance and organizational performance in Kenyan public institutions. The fact that this indicator received one of the highest mean scores among all corporate governance indicators and exceeded the threshold for the 'Agree/Good' category (3.51 - 4.50) suggests that the performance benefits of governance are widely recognized in the sampled organizations. This perception of positive impact may encourage continued investment in and commitment to governance enhancement in the sampled SCs. However, with 21.2% of respondents still disagreeing or strongly disagreeing with this statement, some organizations may not be experiencing significant performance benefits from their governance practices, potentially indicating implementation challenges or contextual factors that limit effectiveness. As emphasized by Tahir and Ibrahim (2020), the performance impact of governance practices can vary

by implementation approach and organizational context, suggesting that improving implementation effectiveness could significantly improve performance outcomes for SCs currently experiencing limited benefits from their governance systems.

Overall, the descriptive statistics for corporate governance indicate a moderate to strong level of implementation across most indicators, with an average score of 3.44, which falls near the upper threshold of the 'Neutral/Average' category according to the interpretation criteria. The strongest areas of implementation relate to financial reporting compliance (M=3.62), legal and institutional frameworks (M=3.53), the perceived impact of governance on performance (M=3.51), and government oversight mechanisms (M=3.50). Moderate to relatively strong implementation was observed for governance structures (M=3.47), monitoring and reporting systems (M=3.49), sustainability reporting (M=3.40), and board diversity (M=3.34).

The relatively lower scores for transparency and accountability (M=3.29) and board independence (M=3.23) suggest that these aspects of governance may require particular attention for improvement. These findings indicate that while corporate governance practices are generally well-established in the sampled SCs, there remains room for enhancement, particularly in ensuring board independence and organizational transparency. The variability in responses across indicators suggests inconsistent implementation of governance practices, with some organizations demonstrating stronger governance than others. These findings align with previous research by Akbar *et al.* (2016), Agili (2020), and Almashhadani and Almashhadani (2023), which identified similar patterns of corporate governance implementation in public sector organizations and emphasized the importance of comprehensive, integrated governance approaches to enhance organizational performance.

### 4.5 Correlation Analysis

Correlation analysis was conducted to examine the strength and direction of the relationships between the independent variables and the dependent variable. The Pearson correlation coefficient (r) was used to measure these relationships, with values ranging from -1 to +1, where values closer to ±1 indicate stronger relationships, and the sign indicates the direction of the relationship. Table 26 presents the correlation results for each independent variable with the dependent variable.

**Table 23**

*Correlation Analysis Results*

| Variable (s) | Correlation Coefficient with Operational Performance |
|---|---|
| Strategic Planning | Pearson Correlation: 0.523**<br>Sig. (2-tailed): .000<br>N: 146 |
| Strategic Leadership | Pearson Correlation: 0.472**<br>Sig. (2-tailed): .000<br>N: 146 |
| Strategic Innovation | Pearson Correlation: 0.417**<br>Sig. (2-tailed): .000<br>N: 146 |
| Strategic Quality Management | Pearson Correlation: 0.545**<br>Sig. (2-tailed): .000<br>N: 146 |

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

The correlation analysis in Table 23 showed a positive and statistically significant relationship between strategic planning and operational performance, with a Pearson correlation coefficient of r = 0.523 and p =0.000. According to Cohen (1988), correlation coefficients between 0.50 and 0.70 indicate a strong positive relationship. Therefore, the noted correlation coefficient of 0.523 suggests a strong positive relationship between strategic planning and operational performance in the sampled SCs. The statistical significance at the 0.01 level (p = .000) shows that this relationship is improbable to have

occurred by chance, providing strong evidence of a genuine association between these variables. This finding aligns with research by Bryson and George (2020), who underscored the critical role of strategic planning in enhancing public sector performance through improved strategic direction, resource allocation, and organizational alignment.

On Strategic leadership and operational performance, results indicate a positive and statistically significant relationship, with a Pearson correlation coefficient of r = 0.472 and p = 0.000. According to Cohen (1988), correlation coefficients between 0.30 and 0.49 indicate a moderate positive relationship.

Therefore, the observed correlation coefficient of 0.472 suggests a mild to strong positive relationship between strategic leadership and operational performance in the sampled SCs. The statistical significance at the 0.01 level (p = .000) indicates that this relationship is improbable to have occurred by chance, providing strong evidence of a genuine association between these variables. This finding aligns with Orito's (2021) research, which found that strategic leadership contributed significantly (77%) to organizational performance in SCs within Kenya's Ministry of Transport and Infrastructure. The correlation coefficient of 0.472 indicates that approximately 22.3% of the variance in operational performance can be explained by strategic leadership practices, highlighting the substantial influence of leadership approaches on organizational outcomes.

On strategic innovation and operational performance, the results showed a positive and statistically significant relationship, with a Pearson correlation coefficient of r = 0.417 and p = 0.000. As Cohen (1988) stated, correlation coefficients between 0.30 and 0.49 indicatea moderate positive relationship. Therefore, the observed correlation coefficient of 0.417 suggests a moderate positive relationship between strategic innovation and operational performance in the sampled SCs. The statistical significance at the 0.01 level

(p = .000) indicates that this relationship is improbable to have occurred by chance, providing strong evidence of a genuine association between these variables. This finding aligns with a study by Linyiru and Ketyenya (2017), which found that innovativeness is a key contributor to achieving strategic targets and operational performance in commercial SCs in Kenya. The correlation coefficient of 0.417 indicates that approximately 17.4% of the variance in operational performance can be explained by strategic innovation practices, underscoring the substantial influence of innovation approaches on organizational outcomes.

Regarding strategic quality management and operational performance, the results revealed a positive and statistically significant relationship, with a Pearson correlation coefficient of r = 0.545 and p = 0.000. According to Cohen (1988), correlation coefficients between 0.50 and 0.70 indicate a strong positive relationship. Therefore, the observed correlation coefficient of 0.545 suggests a strong positive relationship between strategic quality management and operational performance in the sampled SCs. The statistical significance at the 0.01 level (p = .000) indicates that this relationship is improbable to have occurred by chance, providing strong evidence of a genuine association between these variables. This finding aligns with research by Sadikoglu and Olcay (2014), who emphasized that strategic quality management can significantly enhance operational efficiency, service quality, and customer satisfaction, ultimately contributing to overall organizational performance. The correlation coefficient of 0.545 indicates that approximately 29.7% of the variance in operational performance is explained by strategic quality management practices, highlighting the substantial influence of quality management practices on organizational outcomes.

### 4.6 Diagnostic Test Results

Before conducting regression analysis, it was essential to verify that the data met the fundamental assumptions underlying the technique. This section presents the results of tests for normality, multicollinearity, and homoscedasticity, which are critical prerequisites for valid regression analysis. Adherence to these assumptions ensures that the regression results are unbiased and that the statistical inferences drawn from the study are reliable.

#### 4.6.1 Normality Test

The normality test assesses whether the data follow a normal distribution, which is a key assumption for parametric statistical analyses, including regression. This test is crucial for ensuring the validity of statistical inferences drawn from the data. Table 24 presents the results of the normality assessment using skewness and kurtosis measures.

**Table 24**

*Normality Test Results*

| Variable | N | Maximum | Skewness | Std. Error | Kurtosis | Std. Error |
|---|---|---|---|---|---|---|
| Strategic Planning | 146 | 5.00 | -0.216 | 0.201 | -0.452 | 0.399 |
| Strategic Leadership | 146 | 5.00 | -0.298 | 0.201 | -0.513 | 0.399 |
| Strategic Innovation | 146 | 5.00 | -0.372 | 0.201 | -0.327 | 0.399 |
| Strategic Quality Management | 146 | 5.00 | -0.265 | 0.201 | -0.426 | 0.399 |
| Operational Performance | 146 | 5.00 | -0.305 | 0.201 | -0.421 | 0.399 |
| Valid N (listwise) | 146 | | | | | |

As shown in Table 24, the skewness values for all variables range from -0.216 to -0.372, while the kurtosis values range from -0.327 to -0.513. According to Hair *et al.* (2019),

skewness and kurtosis values within ±1.96 (at the .05 significance level) indicate that the data are typically distributed. Specifically, strategic planning has skewness of -0.216 and kurtosis of -0.452; strategic leadership has skewness of -0.298 and kurtosis of -0.513; Strategic Innovation has skewness of -0.372 and kurtosis of -0.327; strategic quality management has skewness of -0.265 and kurtosis of -0.426; and operational performance has skewness of -0.305 and kurtosis of -0.421. The observed skewness and kurtosis values for all variables fall well within the acceptable range of ±1.96, indicating that the data approximate a normal distribution. According to Tabachnick and Fidell (2013), skewness values between -0.5 and 0.5 indicate that the data are approximately symmetric. The slight negative skewness across all variables indicates a longer left tail; however, these values are not substantial enough to violate the normality assumption. Similarly, negative kurtosis values indicate a slightly flatter distribution than a perfect normal curve, but they are also within acceptable limits for normality.

Confirming data normality is critical for the validity of subsequent regression analyses, as it ensures that statistical tests yield unbiased parameter estimates and accurate significance levels. According to Gordon (2023), when the normality assumption holds, confidence intervals and hypothesis tests based on the normal distribution are valid and reliable. Therefore, based on the skewness and kurtosis results, it was concluded that the data met the normality assumption required for parametric statistical analyses, including the planned regression analyses.

### 4.6.2 Multicollinearity Test

Multicollinearity refers to the presence of high correlations between independent variables, which can lead to unreliable and unstable estimates of regression coefficients. This test is essential for validating regression models with multiple predictor variables.

Table 25 presents the results of the multicollinearity assessment using Tolerance and Variance Inflation Factor values.

**Table 25**

*Multicollinearity Test Results*

| Model | Tolerance | VIF |
|---|---|---|
| Strategic Planning | 0.613 | 1.631 |
| Strategic Leadership | 0.577 | 1.734 |
| Strategic Innovation | 0.625 | 1.600 |
| Strategic Quality Management | 0.602 | 1.661 |

As indicated in Table 25, the Tolerance values for all independent variables range from 0.577 to 0.625, while the VIF values range from 1.600 to 1.734. Specifically, Strategic Planning has a Tolerance of 0.613 and a VIF of 1.631; Strategic Leadership has a Tolerance of 0.577 and a VIF of 1.734; Strategic Innovation has a Tolerance of 0.625 and a VIF of 1.600; and Strategic Quality Management has a Tolerance of 0.602 and a VIF of 1.661. According to Sürücü *et al.* (2023), Tolerance values greater than 0.1 and VIF values less than 10 indicate the absence of severe multicollinearity among the independent variables.

The observed Tolerance and VIF values for all independent variables are well within the acceptable thresholds, suggesting that multicollinearity is not a significant concern in this study. According to Maina (2021), high Tolerance values (approaching 1) and low VIF values (close to 1) suggest minimal correlation among predictor variables, which is desirable for regression analysis. The relatively high Tolerance values (all above 0.5) and low VIF values (all below 2) observed in this study indicate that the independent variables are sufficiently distinct from each other, allowing for reliable estimation of their individual effects on the dependent variable.

The absence of severe multicollinearity is critical for the validity of the multiple regression analysis planned for this study. According to Heumann *et al.* (2023), when multicollinearity is minimal, regression coefficients reflect the unique contribution of each independent variable to predicting the dependent variable, thereby enhancing the interpretability and stability of the regression model. Therefore, as evidenced by the Tolerance and VIF results, the data from the study met the multicollinearity assumptions required for a valid multiple regression analysis and, hence, ensured that the relationship between the SMPs and operational performance was accurately assessed.

### 4.6.3 Homoscedasticity Test

Homoscedasticity refers to the assumption that the variance of residuals is constant across all levels of the independent variables. This assumption is crucial for ensuring the reliability of regression analyses, as heteroscedasticity can lead to biased standard errors and invalid statistical inferences. Table 26 presents the results of the homoscedasticity assessment using Levene's test.

**Table 26**

*Homoscedasticity Assessment Results*

| Levene Statistic | Df | Sig. |
|---|---|---|
| 1.627 | 4 | 0.169 |

Table 26 provides the Levene's test results for equality of variances, yielding a statistic of 1.627 with 4 degrees of freedom and a significance level of 0.169. According to Yockey (2023), a non-significant Levene's test ($p > 0.05$) indicates that the variances are homogeneous across groups, satisfying the homoscedasticity assumption. The above observed significance level of 0.169 exceeds the conventional threshold of 0.05, and hence confirms that the null hypothesis of equal variances cannot be rejected. This confirmation of homoscedasticity in the research data was necessary for the validity of

the regression analyses, as it guarantees that the standard errors of the regression coefficients are correctly estimated. Gordon (2023) noted that when the homoscedasticity assumption holds, the OLS estimator is efficient, and accordingly, the statistical tests of regression coefficients are valid. Given that the non-significant Levene's test indicates that the residuals' variance is relatively constant across levels of the independent variables, this increases confidence in the subsequent regression analyses.

Cognizant of the above homoscedasticity test results and noting that normality and absence of severe multicollinearity had already been confirmed, this indicates the study data met the key assumptions required for valid regression analysis. According to Zhu (2023), when these assumptions are effectively met, the regression model thus provides an unbiased and efficient estimate of the nexus between variables and allows for reliable statistical inferences. Hence, the study data are suitable for the regression analyses needed to examine the linkage between SMPs, corporate governance, and operational performance of the sampled SCs in Kenya.

### 4.7 Simple Regression Analysis

Regression analysis was conducted to examine the effect of the independent variables on the dependent variable, extending beyond correlation analysis by quantifying the predictive relationship and the magnitude of the effect. The regression analysis herein includes simple linear regression for each independent variable, multiple linear regression with all independent variables, and moderated multiple regression with corporate governance as the moderating variable. These analyses provide comprehensive insights into the relationships between SMPs, corporate governance, and operational performance in the sampled SCs.

### 4.7.1 Strategic Planning and Operational Performance

The analysis begins with an examination of the model summary, which provides an overview of the explanatory power of strategic planning for operational performance variations, the analysis of variance, and, finally, the regression coefficients.

The model summary results are presented in Table 27.

**Table 27**

*Model Summary Results for Strategic Planning*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .523[a] | .273 | .268 | .702 |

[a] Predictors: (Constant), Strategic Planning

As shown in Table 27, the regression model yielded an R value of 0.523, representing the correlation between strategic planning and operational performance. The R Square value of .273 indicates that strategic planning explains approximately 27.3% of the variance in operational performance. According to Heumann *et al.* (2023), R-square values in the social sciences typically range from 0.10 to 0.30, with values above 0.25 considered substantial. Therefore, the observed R-square value of .273 suggests a significant contribution of strategic planning to variations in operational performance. The Adjusted R Square value of .268, which accounts for sample size and the number of predictors, confirms the model's substantial explanatory power. The Standard Error of the Estimate (.702) provides a measure of prediction accuracy, with lower values indicating more precise predictions.

The analysis of variance(ANOVA) results are indicated in Table 28.

**Table 28**

*ANOVA Results for Strategic Planning*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 26.872 | 1 | 26.872 | 54.512 | .000[b] |
| | Residual | 71.048 | 144 | .493 | | |
| | Total | 97.920 | 145 | | | |

[a]Dependent Variable: Operational Performance

[b] Predictors: (Constant), Strategic Planning

The ANOVA results assess the statistical significance of the regression model. The F-statistic of 54.512 with 1 and 144 degrees of freedom and a p-value of .000 (less than .001) indicates that the regression model is statistically significant. According to Yockey (2023), significant F-statistics in regression analysis suggest that the model explains a substantial amount of variance in the dependent variable, providing statistical validation for the predictive relationship. The Sum of Squares for Regression (SSR) is (26.872), which represents the variance explained by the model, while the Residual Sum of Squares (RSS) is (71.048),which means the unexplained variance.

The regression coefficient results are shown in Table 29.

**Table 29**

*Regression Coefficients for Strategic Planning*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.732 | .238 | | 7.277 | .000 |
| | Strategic Planning | .513 | .069 | .523 | 7.435 | .000 |

[a] Dependent Variable: Operational Performance

As shown in Table 29, the unstandardized beta coefficient ($\beta_1 = 0.513$) indicates that a one-unit increase in strategic planning implementation is associated with a 0.513-unit increase in operational performance, holding other factors constant. This positive coefficient suggests that enhancing strategic planning practices leads to improved operational performance in the sampled SCs. According to Maina (2021), unstandardized beta coefficients in regression analysis indicate the magnitude and direction of the relationship between the independent and dependent variables, with positive values indicating a direct relationship: increases in the predictor variable are associated with increases in the outcome variable.

The observed effect size ($\beta_1 = 0.513$) indicates that strategic planning has a substantial practical impact on operational performance, beyond statistical significance. This finding suggests that SCs seeking to enhance their operational performance should prioritize developing and implementing comprehensive strategic planning processes that articulate a clear vision and mission statements, specific and measurable objectives, and systematic implementation strategies.The finding regarding the significant positive effect of strategic planning on operational performance aligns with previous research on strategic management in public sector organizations. Kathama (2012) found that strategic planning significantly influenced SC performance in Kenya through formal documentation of vision and mission statements, the development of key strategies, effective communication of goals, and performance monitoring.The regression equation derived from this analysis is: $Y = 1.732 + 0.513X_1$, which can be used to predict the operational performance of commercial SCs based on their strategic planning implementation levels. These findings provide valuable insights for policymakers and managers seeking to enhance the performance of public sector organizations through effective SMPs.

### 4.7.2 Strategic Leadership and Operational Performance

The analysis begins with an examination of the model summary, which provides an overview of the explanatory power of strategic planning for operational performance variations, the analysis of variance, and, finally, the regression coefficients.

The model summary results are presented in Table 30.

**Table 30**

*Model Summary Results for Strategic Leadership*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .472[a] | .223 | .217 | .724 |

[a] Predictors: (Constant), Strategic Leadership

As shown in Table 30, the regression model yielded an R value of 0.472, representing the correlation between strategic leadership and operational performance. The R Square value of .223 indicates that strategic leadership explains approximately 22.3% of the variance in operational performance. According to Zhu (2023), R-square values between 0.20 and 0.30 in the social sciences indicate moderate explanatory power. Therefore, the observed $R^2$ value of .223 suggests a substantial contribution of strategic leadership to variations in operational performance, albeit somewhat lower than that of strategic planning ($R^2 = .273$). The Adjusted R Square value of .217, which accounts for sample size and the number of predictors, confirms the model's substantial explanatory power. The Standard Error of the Estimate (.724) provides a measure of the accuracy of the predictions; it is slightly higher than for the strategic planning model (.702), suggesting somewhat less precise predictions.

The analysis of variance results are indicated in Table 31.

**Table 31**

*ANOVAResultsfor Strategic Leadership*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 21.837 | 1 | 21.837 | 41.661 | .000[b] |
| | Residual | 76.083 | 144 | .528 | | |
| | Total | 97.920 | 145 | | | |

[a] Dependent Variable: Operational Performance

[b] Predictors: (Constant), Strategic Leadership

The ANOVA results presented in Table 31assess the statistical significance of the regression model. The F-statistic of 41.661 with 1 and 144 degrees of freedom and a p-value of .000 (less than .001) indicates that the regression model is statistically significant. According to Hinton *et al.* (2023), a significant F-statistic confirms that the independent variable explains a substantial amount of variance in the dependent variable, beyond what would be expected by chance. The SSR (21.837) represents the variance explained by the model, while the RSS (76.083) represents the unexplained variance. The ratio of explained variance to total variance (.223) corresponds to the R Square value reported in Table 30, confirming the consistency of the analysis. The F-statistic for the strategic leadership model (41.661) is lower than that for the strategic planning model (54.512), indicating somewhat lower explanatory power for strategic leadership.

The regression coefficient results are shown in Table 32.

**Table 32**

*Regression Coefficientsfor Strategic Leadership*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.013 | .219 | | 9.192 | .000 |
| | Strategic Leadership (X2) | .483 | .075 | .472 | 6.440 | .000 |

[a] Dependent Variable: Operational Performance

The unstandardized beta coefficient ($\beta_2 = 0.483$) indicates that a one-unit increase in strategic leadership implementation is associated with a 0.483-unit increase in operational performance, holding other factors constant. This positive coefficient suggests that enhancing strategic leadership practices leads to improved operational performance in the sampled SCs. The magnitude of this coefficient (0.483) is substantial, indicating a meaningful practical effect, though slightly lower than that of strategic planning ($\beta_1 = 0.513$).

The standardized beta coefficient ($\beta = .472$) further confirms a moderate-to-strong positive relationship between strategic leadership and operational performance, indicating that strategic leadership is a significant predictor of operational performance in the sampled organizations. According to Gordon (2023), standardized beta coefficients allow for direct comparisons of the relative importance of different predictors, and the value of .472 suggests that strategic leadership has a substantial influence on operational performance.The regression equation derived from this analysis is: $Y = 2.013 + 0.483X_2$, which can be used to predict the operational performance of commercial SCs based on their strategic leadership. The finding suggests that SCs

seeking to enhance operational performance should prioritize developing effective strategic leadership capabilities, including clear articulation of vision, effective communication, employee motivation, and strategic thinking.

### 4.7.3 Strategic Innovation and Operational Performance

The analysis begins with an examination of the model summary, which provides an overview of the explanatory power of strategic leadership in relation to operational performance variations, the analysis of variance, and finally the regression coefficients.

The model summary results are presented in Table 33.

**Table 33**

*Model Summary Results for Strategic Innovation*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .417[a] | .174 | .168 | .746 |

[a] Predictors: (Constant), Strategic Innovation

As shown in Table 33, the regression model yielded an R value of .417, indicating the correlation between strategic innovation and operational performance. The R Square value of .174 suggests that strategic innovation explains approximately 17.4% of the variance in operational performance. As stated by Ho (2023), R-square values between 0.10 and 0.20 in the social sciences indicate a modest but meaningful explanatory power. Therefore, the observed R Square value of .174 suggests a substantial contribution of strategic innovation to variations in operational performance, albeit lower than those of strategic planning ($R^2$ = .273) and strategic leadership ($R^2$ = .223). The Adjusted R Square value of .168, which accounts for sample size and the number of predictors, confirms the model's meaningful explanatory power. The Standard Error of the Estimate (.746) provides a measure of the accuracy of the predictions, with this value being higher

than for both the strategic planning (.702) and strategic leadership (.724) models, suggesting somewhat less precise predictions for innovation.

The analysis of variance results are shown in Table 34.

**Table 34**

*ANOVAResultsfor Strategic Innovation*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 17.039 | 1 | 17.039 | 30.636 | .000[b] |
| | Residual | 80.881 | 144 | .562 | | |
| | Total | 97.920 | 145 | | | |

[a] Dependent Variable: Operational Performance

[b] Predictors: (Constant), Strategic Innovation

The ANOVA results presented in Table 34assess the statistical significance of the regression model. The F-statistic of 30.636 with 1 and 144 degrees of freedom and a p-value of .000 (less than .001) indicates that the regression model is statistically significant. As reported by Stockemer and Bordeleau (2023), a significant F-statistic provides statistical evidence that the independent variable (strategic innovation) explains a substantial portion of the variance in the dependent variable (operational performance), beyond what would be expected by chance. The SSR for Regression (17.039) represents the variance explained by the model, while the RSS (80.881) represents the unexplained variance. The ratio of explained variance to total variance (.174) corresponds to the R Square value reported in Table 33, confirming the consistency of the analysis. The F-statistic for the strategic innovation model (30.636) is lower than those for the strategic planning (54.512) and strategic leadership (41.661) models, reflecting the somewhat lower explanatory power of strategic innovation compared to these other SMPs.

The regression coefficient results are presented in Table 35.

**Table 35**

*Regression Coefficientsfor Strategic Innovation*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.365 | .191 | | 12.382 | .000 |
| | Strategic Innovation (X3) | .442 | .080 | .417 | 5.525 | .000 |

[a] Dependent Variable: Operational Performance

Table 35 shows the unstandardized beta coefficient ($\beta_2 = 0.442$), indicating that a one-unit increase in strategic innovation is associated with a 0.442-unit increase in operational performance, holding other factors constant. This positive coefficient suggests that enhancing strategic innovation practices improves operational performance in the sampled SCs. The magnitude of this coefficient (0.442) is substantial, indicating a meaningful practical effect. The standardized beta coefficient ($\beta = .417$) further confirms a moderate-to-strong positive relationship between strategic leadership and operational performance, suggesting that strategic innovation is a significant predictor of operational performance in the sampled organizations.

According to Gordon (2023), standardized beta coefficients allow for direct comparisons of the relative importance of different predictors, and the value of .417 suggests that strategic innovation has a substantial influence on operational performance. The regression equation derived from this analysis is: $Y = 2.365 + 0.442X_3$, which can be used to predict the operational performance of commercial SCs based on their strategic innovation. The finding suggests that SCs seeking to enhance operational performance should prioritize developing effective strategic innovation capabilities, including clear

articulation of vision, effective communication, employee motivation, and strategic thinking.

### 4.7.4 Strategic Quality Management and Operational Performance

The analysis begins with an examination of the model summary, which provides an overview of the explanatory power of strategic leadership in relation to operational performance variations, the analysis of variance, and finally the regression coefficients.

The model summary results are presented in Table 36.

**Table 36**

*Model Summary Results for Strategic Quality Management*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .545[a] | .297 | .292 | .689 |

[a] Predictors: (Constant), Strategic Quality Management

As shown in Table 36, the regression model yielded an R value of .545, indicating the correlation between strategic quality management and operational performance. The R-square value of .297 suggests that strategic quality management explains approximately 29.7% of the variance in operational performance. Heumann *et al.* (2023)noted that R-square values approaching 0.30 in organizational research indicate substantial explanatory power.

Therefore, the observed R Square value of .297 indicates a substantial contribution of strategic quality management to variations in operational performance, higher than that of any other SMP examined in this study. The Adjusted R Square value of .292, which accounts for sample size and the number of predictors, confirms the model's substantial explanatory power. The Standard Error of the Estimate (.689) provides a measure of the accuracy of the predictions, with this value being lower than for all other strategic

management practices examined, suggesting more precise predictions for the relationship between quality management and operational performance.

The analysis of variance results are shown in Table 37.

**Table 37**

*ANOVAResultsfor Strategic Quality Management*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 29.082 | 1 | 29.082 | 61.257 | .000[b] |
| | Residual | 68.838 | 144 | .478 | | |
| | Total | 97.920 | 145 | | | |

[a] Dependent Variable: Operational Performance

[b] Predictors: (Constant), Strategic Quality Management

The ANOVA results presented in Table 37assess the statistical significance of the regression model. The F-statistic of 61.257 with 1 and 144 degrees of freedom and a p-value of .000 (less than .001) indicates that the regression model is statistically significant. According to Yockey (2023), the F-statistic in regression analysis tests whether the independent variable (strategic quality management) explains a substantial amount of variance in the dependent variable (operational performance), beyond what would be expected by chance. The substantial F-value (61.257) in this analysis, which is higher than for any other SMP examined, provides strong evidence of the predictive power of strategic quality management for operational performance. The SSR (29.082) represents the variance explained by the model, while the RSS (68.838) represents the unexplained variance. The ratio of explained variance to total variance (.297) matches the reported R Square value, confirming the consistency of the analysis.

The regression coefficient results are presented in Table 38.

**Table 38**

*Regression Coefficientsfor Strategic Quality Management*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.582 | .236 | | 6.703 | .000 |
| | Strategic Quality Management | .545 | .070 | .545 | 7.786 | .000 |

[a] Dependent Variable: Operational Performance

The unstandardized beta coefficient ($\beta_4 = 0.545$) indicates that a one-unit increase in strategic quality management implementation is associated with a 0.545-unit increase in operational performance, holding other factors constant. This positive coefficient suggests that enhancing quality management practices leads to improved operational performance in the sampled SCs. According to Maina (2021), unstandardized beta coefficients in regression analysis indicate the magnitude and direction of the relationship between the independent and dependent variables, with positive values indicating a direct relationship: increases in the predictor variable are associated with increases in the outcome variable.

The standardized beta coefficient ($\beta_4 = .545$) further confirms the strong positive relationship between strategic quality management and operational performance, indicating that strategic quality management is the strongest predictor of operational performance among all the SMPs examined in this study. The regression equation derived from this analysis is $Y = 1.582 + 0.545X_4$, which can be used to predict the operational performance of commercial SCs based on their strategic quality

management. This finding suggests that SCs seeking to enhance operational performance should prioritize developing and implementing comprehensive quality management systems that emphasize quality focus, continuous improvement, customer orientation, and top management commitment to quality.

### 4.8 Moderated Multiple Regression Analysis

A moderated multiple regression analysis was conducted using the Hierarchical Regression Method with three sequential models to assess the direct effects of strategic management, the direct effect of the moderator, and the interaction effect between strategic management and the moderator. The predictor variables were entered into the regression model in a series of steps, and at every step, the change in the variance explained in the dependent variable (R Square change) was calculated to assess whether the additional variables added a statistically significant amount of predictive power.

The model summary results are presented in Table 39.

**Table 39**

*Model Summary Resultsfor Moderated Multiple Regression*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .638[a] | .407 | .390 | .639 |
| 2 | .657[b] | .432 | .412 | .624 |
| 3 | .683[c] | .466 | .431 | .605 |

a Predictors: (Constant), Strategic Management (X)

b Predictors: (Constant), Strategic Management (X), Corporate Governance (M)

c Predictors: (Constant), Strategic Management (X), Corporate Governance (M), X*M

Model 1, which includes only the composite strategic management variable (X), explains 39.0% of the variance in Operational Performance (adjusted $R^2$ = .390). This substantial explanatory power aligns with the findings of Wanyama and Aila (2022), who observed

that SMPs were suitable explanatory variables for organizational performance in Kenyan parastatals, with their study identifying a 71.4% variation in performance attributed to SMPs. The variance explained in the current study, while lower, still accounts for a substantial portion of performance differences among commercial SCs and confirms the importance of strategic management, as suggested by various scholars.

Model 2 introduces Corporate Governance as an additional predictor, increasing the explanatory power to 41.2% (adjusted $R^2$ = .412). This 2.2 percentage-point increase in the adjusted $R^2$ provides empirical support for the theoretical assertions of Judge et al. (2008) and Almashhadani and Almashhadani (2023), who argued that corporate governance mechanisms directly affect organizational performance. The findings also align with those of Agili (2020), whose study of Kenyan universities found that corporate governance had a significant influence on organizational performance ($R^2$ = 0.213, p = 0.019). This direct effect highlights the importance of governance structures that promote transparency, accountability, and effectiveness, as emphasized in the literature on public sector management.

Model 3, which incorporates the interaction term between strategic management and corporate governance (X*M), further increases the explanatory power to 43.1% (adjusted $R^2$ = .431). This additional increase of 1.9 percentage points in the adjusted $R^2$ confirms the interaction effect (moderation) and aligns with the theoretical framework proposed by Barney (1991) in the Resource-Based View, which suggests that organizational capabilities must be effectively deployed through appropriate governance mechanisms to achieve competitive advantage. The findings are also consistent with Wanyama's (2020) study of RDAs in Kenya, which found that corporate governance significantly moderated the relationship between organizational resources and performance, explaining 10.9% of performance variation. This further supports the view that governance frameworks serve

as critical contingency factors in determining how effectively strategic resources translate into performance outcomes in public sector organizations.

The ANOVA results are presented in Table 40.

**Table 40**

*ANOVAResults for Moderated Multiple Regression*

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 39.851 | 1 | 39.851 | 24.363 | .000 |
| Residual | 58.069 | 144 | .403 | | |
| Total | 97.920 | 145 | | | |
| Regression | 42.302 | 2 | 21.151 | 21.688 | .000 |
| Residual | 55.618 | 143 | .389 | | |
| Total | 97.920 | 145 | | | |
| Regression | 45.669 | 3 | 15.223 | 13.875 | .000 |
| Residual | 52.251 | 142 | .368 | | |
| Total | 97.920 | 145 | | | |

All three models demonstrate strong statistical significance ($p=0.000 < .001$), confirming that the predictors collectively explain operational performance significantly better than chance. The F-statistics for Models 1, 2, and 3 are 24.363, 21.688, and 13.875, respectively, all indicating robust statistical significance. The decreasing F-values across the models, despite remaining significant, reflect the addition of more predictors with diminishing incremental explained variance, which typically reduces the F-statistic while still providing meaningful predictions. This pattern aligns with the observations of Andrews *et al.* (2009) and Poister *et al.* (2010), who noted that although evidence of strategic management's influence on public sector performance was sometimes questioned, correctly specified models with appropriate variables consistently demonstrate significant explanatory power.

The significant F-statistics across all models provide empirical support for the Resource Dependence Theory proposed by Pfeffer and Salancik (1978), which posits that organizations must effectively manage their resources and governance structures to respond to environmental challenges. The findings also support the observations of Pina *et al.* (2011) and Ferlie and Ongaro (2022) regarding the importance of strategic management in public sector reforms and modernization. The robust significance of all models further validates the theoretical proposition by Teece *et al.* (1997) in their Dynamic Capabilities Theory, namely that organizations must integrate, marshal, and reconfigure their resources and capabilities within appropriate governance frameworks to adapt to rapidly changing business environments for enhanced performance. The regression coefficients are presented in Table 41.

**Table 41**

*Regression Coefficientsfor Moderated Multiple Regression*

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1 | | | | | |
| (Constant) | 1.125 | .241 | | 4.668 | .000 |
| Strategic Management (X) | .458 | .093 | .492 | 4.925 | .000 |
| 2 | | | | | |
| (Constant) | .835 | .263 | | 3.175 | .002 |
| Strategic Management (X) | .407 | .093 | .437 | 4.376 | .000 |
| Corporate Governance (M) | .195 | .082 | .181 | 2.378 | .019 |
| 3 | | | | | |
| (Constant) | 1.945 | .618 | | 3.147 | .002 |
| Strategic Management (X) | -.624 | .332 | -.670 | -1.880 | .062 |
| Corporate Governance (M) | -.473 | .231 | -.439 | -2.048 | .042 |
| X*M | .328 | .102 | 1.203 | 3.216 | .002 |

In Model 1, SMPs, as a composite variable, demonstrate a significant positive effect on operational performance ($\beta_X$ = .458, p = 0.000). This substantial effect size indicates that

a one-standard-deviation increase in SMPs is associated with a nearly half-standard-deviation increase in operational performance. This finding aligns with the observations of Latif and Gohar (2013) and Omerzel and Antoncic (2008), who argued that adopting SMPs equips organizations with the tools to achieve sustainable competitive advantage and effective performance. It also supports the conclusions of Mwangi *et al.* (2020) and Ondera (2013), who found that strategic planning significantly influenced SC performance in Kenya. The strong direct effect of SMPs provides empirical validation for the Resource-Based View Theory proposed by Barney (1991), which suggests that organizations can achieve competitive advantage through the strategic deployment of their valuable, rare, inimitable, and organized resources.

Model 2 reveals that when Corporate Governance is added as a predictor, SMPs maintain their significant positive effect ($\beta_X$= 0.407, p = 0.000). At the same time, Corporate Governance also shows a significant positive direct effect ($\beta_M$ = .195, p = .019). The continued significance of both variables indicates that SMPs and governance frameworks independently contribute to operational performance. This finding supports the observations of Akbar *et al.* (2016), Haβ *et al.* (2016), Khamis *et al.* (2015), and Mishra and Mohanty (2014), who found positive relationships between corporate governance and organizational performance.

It also aligns with the Stewardship Theory proposed by Donaldson and Davis (1989), which suggests that good governance fosters a culture of transparent, accountable, and responsible management that permeates throughout the organization, positively impacting decision-making at all levels and ultimately enhancing performance. The significant direct effect of corporate governance further validates the AfDB Report's (2021) position, which posited a positive link between good corporate governance as a strategic approach and organizational performance.

Model 3 introduces the interaction term between SMPs and corporate governance, revealing a critical moderation effect. In this model, the direct effect of SMPs becomes negative and marginally significant ($\beta_X$ = -0.624, p = .062), while Corporate Governance becomes significantly negative ($\beta_M$= -0.437, p = 0.042). Most importantly, the interaction term (X*M) shows a highly significant positive effect ($\beta_{XM}$ = 0.328, p = .002). This pattern of coefficients, where main effects become negative while the interaction term is significantly positive, is characteristic of genuine moderation relationships. It indicates that the effect of SMPs on operational performance depends on the organization's level of corporate governance. This finding supports the theoretical proposition of Teece *et al.* (1997) in their Dynamic Capabilities Theory, which argues that organizational capabilities must be deployed within appropriate governance frameworks to be effective. It also aligns with Alamri's (2018) findings, which concluded that corporate governance played a moderating role in the relationship between strategic management and firm performance in Saudi companies. The results further corroborate Wanyama's (2020) study of RDAs in Kenya, which found that corporate governance significantly moderated the relationship between organizational resources and performance.

The significant standardized coefficient for the interaction term ($\beta_{XM}$= 1.203) indicates a powerful moderation effect, suggesting that corporate governance substantially amplifies the impact of SMPs on operational performance. This finding is consistent with the observations of Almashhadani and Almashhadani (2023), who established that corporate governance characteristics enhance transparency, accountability, and effectiveness, thereby impacting operational performance. The pattern of coefficients suggests that in environments with poor corporate governance, SMPs alone may be ineffective or potentially counterproductive. In contrast, when implemented within strong governance

frameworks, these same practices significantly enhance operational performance. The final model is expressed as $Y= 1.945-0.624X-0.437M+328XM+\varepsilon$. This moderated multiple regression analysis reveals several key findings with significant implications for understanding the complex relationships between SMPs, corporate governance, and operational performance in commercial SCs.

### 4.9 Hypothesis Testing Results

The study sought to test the hypothesis that $H_{01}$:There is no statistically significant relationship between strategic planning practice and the operational performance of commercial State Corporations in Kenya. Table 29's regression results revealed a statistically significant positive effect of strategic planning on operational performance, with $\beta_1 = 0.513$ and $p = 0.000$. According to Gordon (2023), a p-value less than the conventional significance level of $\alpha = 0.05$ provides sufficient evidence to reject the null hypothesis. Accordingly, based on the rule of significance, the study rejected the null hypothesis $H_{01,}$ concluding that there is astatistically significant relationship between strategic planning practice and the operational performance of commercial SCs in Kenya. The findings align with previous research on strategic management in public sector organizations by Kathama (2012), who established that strategic planning significantly influenced the performance of SCs in Kenya.

The study equally sought to test the hypothesis that $H_{02}$:There is no statistically significant relationship between strategic leadership practice and the operational performance of commercial State Corporations in Kenya. Table 32 regression results revealed a statistically significant positive effect of strategic leadership on operational performance (Y), with $\beta_2 = 0.483$ and $p = 0.000$. The null hypothesis $H_{02}$ was therefore rejected, and a conclusion was made that strategic leadership practice has a significant effect on the operational performance of commercial SCs in Kenya. As stated by Sürücü

*et al.* (2023), a p-value less than the conventional significance level of $\alpha = 0.05$ is considered sufficient evidence to reject the null hypothesis in social science research. These findings validate research on leadership in public sector organizations, including a study by Orito (2021), who established that strategic leadership significantly influenced organizational performance in State Corporations.

The other hypothesis that this study sought to test was $H_{03}$: There is no statistically significant relationship between strategic innovation practice and the operational performance of commercial State Corporations in Kenya. Table 35 regression results revealed a statistically significant positive effect of strategic innovation on operational performance (Y), with $\beta_2 = 0.442$ and $p = 0.000$. The null hypothesis $H_{03}$ wastherefore rejected, and a conclusion was made that strategic innovation practice has a significant effect on the operational performance of commercial SCs in Kenya.The null hypothesis $H_{03}$ was therefore rejected, and a conclusion was made that strategic innovation practice has a significant effect on the operational performance of commercial SCs in Kenya.

These findings corroborate a study by Linyiru and Ketyenya (2017) that examined the innovativeness and performance of 55 commercial SCs in Kenya and established that innovativeness is a key contributor to the realization of strategic targets and operational performance. It also aligns with the results of another study by Aswani (2013) on strategic innovation in public Universities in Kenya, which established a positive relationship between the practice of strategic innovation and University performance.

Furthermore, this study tested the hypothesis that $H_{04}$: There is no statistically significant relationship between strategic quality management practice and the operational performance of commercial State Corporations in Kenya. Table 38's regression results revealed a statistically significant positive effect of strategic innovation on operational performance (Y), with $\beta_2 = 0.545$ and $p = 0.000$. The null hypothesis $H_{04}$ was rejected,

and the conclusion was made that strategic quality management practice hasa significant effect on the operational performance of commercial SCs in Kenya. These findings align with previous research on quality management in public sector organizations by Njenga (2016) on the energy sector and Sasaka e*t al.* (2016), who concluded that strategic total quality management had a significant influence on the performance of SCs in Kenya.

Finally, this study tested the hypothesis that $H_{05}$: Corporate governance has no statistically significant moderating effect on the relationship between Strategic Management Practices and the operational performance of the commercial State Corporations in Kenya. When the interaction term between SMPs and corporate governance was introduced, Table 41's regression results showed a significant moderation effect. In this model, the direct effect of SMPs becomes negative and marginally substantial ($\beta_X$ =-.624,p =.062), while Corporate Governance becomes significantly negative ($\beta_M$ = -0.473, p = 0.042). Most importantly, the interaction term (X*M) shows a highly significant positive effect ($\beta_{XM}$ = 0.328, p = 0.002).

This pattern of coefficients, where main effects become negative while the interaction term becomes significantly positive, is characteristic of authentic moderation relationships. It indicates that the effect of strategic management on operational performance is contingent upon the level of corporate governance in the organization, accordingly, given that the observed p-value (p=0.000) < 0.05, the level of significance, the null hypothesis was rejected, and the conclusion that corporate governance has a statistically significant moderating effect on the relationship between SMPs and the operational performance of the commercial SCs in Kenya.These findings confirm the theoretical proposition by Judge *et al.* (2008) that the efficacy of strategic management may depend on the quality of governance frameworks and support Lu's (2021) observations that organizations with resilient corporate governance mechanisms are more

likely to achieve higher performance through their strategic initiatives. The same further corroborates the study's results by Ferlier and Ongaro (2022), who emphasized the need for public organizations to align their strategic management approaches with appropriate governance structures to enhance effectiveness.

# CHAPTER FIVE

# SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

## 5.1 Introduction

This chapter presents a comprehensive synthesis of the research findings, conclusions, and recommendations derived from the study findings. It also provides actionable recommendations for practitioners and policymakers, alongside suggestions for future research to extend the current knowledge base.

## 5.2 Summary of the Findings

The study sought to investigate the moderating effect of corporate governance on the nexus between SMPs and the operational performance of commercial SCs in Kenya. The specific objectives of the study were to examine the impact of strategic planning, strategic leadership, strategic innovations, and strategic quality management on the operational performance of commercial SCs in Kenya. Data were analysed using descriptive statistics, correlation, and regression analyses within the MMR framework. The study's significant findings are presented below, aligned with each objective.

### 5.2.1 Strategic Planning onOperational Performance of State Corporations

Strategic planning was measured using 12 indicators: vision and mission clarity, specific and measurable objectives, strategic plan implementation, performance contracts, budgetary allocation, stakeholder involvement, and operational alignment. The descriptive analysis revealed that "The implementation of approved strategic plans has improved operational performance" received the highest mean score (M=3.44, SD=0.882). At the same time, "All stakeholders are involved in strategic plan development, implementation, and review" received the lowest (M=3.01, SD=0.987). The overall mean score for strategic planning was 3.25 (SD=0.921), indicating a moderate level of implementation. The correlation analysis showed a positive,

statistically significant relationship between Strategic Planning and Operational Performance (r = 0.523, p = 0.000), indicating a strong positive association. Inferential statistics from the regression analysis revealed an R value of 0.523, an R Square of 0.273, and an Adjusted R Square of 0.268. The ANOVA results yielded an F-statistic of 54.512 with 1 and 144 degrees of freedom and a p-value of 0.000, confirming statistical significance. The regression coefficient showed a statistically significant positive effect of strategic planning on operational performance ($\beta_1$ = 0.513, p = 0.000), with the regression equation Y = 1.732 + 0.513X1. Further hypothesis test results revealed that p-value p=0.000, the conventional significance level of $\alpha$ = 0.05, and provided sufficient evidence to reject the null hypothesis. Accordingly, based on the rule of significance, the null hypothesis $H_{01}$ was rejected, and it was concluded that there was astatistically significant relationship between strategic planning practice and the operational performance of commercial SCs in Kenya.

### 5.2.2 Strategic Leadership onOperational Performance of State Corporations

Strategic leadership was assessed using 15 indicators covering management structure, vision development, responsibility allocation, communication, decision-making processes, delegation, transparency, and employee motivation. The descriptive statistics showed that "The strategic leadership in the organization has improved operational performance" received the highest mean score (M=3.02, SD=0.887). At the same time, "Decisions by top management are made in consultation with employees at all levels of the organisation" received the lowest (M=2.45, SD=0.934). The overall mean score for strategic leadership was 2.78 (SD=0.849), indicating a moderate to low level of implementation. The correlation analysis revealed a positive, statistically significant relationship between Strategic Leadership and Operational Performance (r = 0.472, p = 0.000), indicating a moderate to strong positive relationship. Inferential statistics from

the regression analysis showed an R value of 0.472, an R Square of 0.223, and an Adjusted R Square of 0.217. The ANOVA results produced an F-statistic of 41.661 with 1 and 144 degrees of freedom and a p-value of 0.000, confirming statistical significance. The regression coefficient demonstrated a statistically significant positive effect of strategic leadership on operational performance ($\beta_2 = 0.483$, $p = 0.000$), with the regression equation $Y = 2.013 + 0.483X2$. Further hypothesis test results revealed that p-value p=0.000, the conventional significance level of $\alpha = 0.05$, and provided sufficient evidence to reject the null hypothesis. Accordingly, based on the rule of significance, the null hypothesis $H_{02}$ was rejected, indicating astatistically significant relationship between strategic leadership practice and the operational performance of commercial SCs in Kenya.

### 5.2.3 Strategic Innovation onOperational Performance of State Corporations

Strategic innovation was evaluated using 10 indicators: innovation budgeting, technology utilization, enterprise resource planning, employee training in information and communication technologies, technology performance indicators, new product and service development, operational work digitization, employee empowerment for innovation, and the impact of innovation on governance and performance. Descriptive analysis revealed that "The utilization of innovations has improved operational performance in the organization" received the highest mean score (M=2.63, SD=0.881). At the same time, "all employees are trained on the use of Information and Communication (ICT) technologies periodically" received the lowest (M=2.12, SD=0.953). The overall mean score for strategic innovation was 2.34 (SD=0.899), indicating a relatively low level of implementation. The correlation analysis showed a positive, statistically significant relationship between Strategic Innovation and Operational Performance ($r = 0.417$, $p = 0.000$), indicating a moderate positive

relationship. Inferential statistics from the regression analysis revealed an R value of 0.417, an R Square of 0.174, and an Adjusted R Square of 0.168. The ANOVA results yielded an F-statistic of 30.636 with 1 and 144 degrees of freedom and a p-value of 0.000, confirming statistical significance. The regression coefficient indicates a statistically significant positive effect of strategic innovation on operational performance ($\beta_3 = 0.442$, $p = 0.000$), with the regression equation $Y = 2.365 + 0.442X_3$. Further hypothesis test results revealed that the p-value ($p = 0.000$) was below the conventional significance level of $\alpha = 0.05$, providing sufficient evidence to reject the null hypothesis. Accordingly, based on the rule of significance, the null hypothesis $H_{03}$ was denied, and the conclusion was made that there was astatistically significant relationship between strategic innovation practice and the operational performance of commercial SCs in Kenya.

### 5.2.4 Strategic Quality Management on Operational Performance of State Corporations

Strategic quality management was measured using 10 indicators: quality product/service delivery, quality management departments, continuous improvement objectives, customer and employee satisfaction, service delivery charters, process improvements, quality focus, top management commitment, ISO certification, and impact on operational performance. The descriptive statistics showed that "There is a commitment of top management to quality management systems and good corporate governance" received the highest mean score (M=3.51, SD=0.819). At the same time, "The organization has ISO (International Standards Organization) 9000:2015 certification" received the lowest (M=3.12, SD=0.931). The overall mean score for strategic quality management was 3.34 (SD=0.876), indicating a moderate to relatively high level of implementation. The correlation analysis revealed a positive, statistically significant relationship between

Strategic Quality Management and Operational Performance (r = 0.545, p = 0.000), indicating a strong positive association. Inferential statistics from the regression analysis showed an R value of 0.545, an R Square of 0.297, and an Adjusted R Square of 0.292. The ANOVA results produced an F-statistic of 61.257 with 1 and 144 degrees of freedom and a p-value of 0.000, confirming statistical significance. The regression coefficient demonstrated a statistically significant positive effect of strategic quality management on operational performance ($\beta_4 = 0.545$, $p = 0.000$), with the regression equation $Y = 1.582 + 0.545X_4$. Further hypothesis test results revealed that $p = 0.000 < 0.05$, the conventional significance level of $\alpha = 0.05$, and provided sufficient evidence to reject the null hypothesis. Accordingly, based on the rule of significance, the null hypothesis $H_{04}$ was denied, and the conclusion was made that there was astatistically significant relationship between strategic quality management practice and the operational performance of commercial SCs in Kenya.

### 5.2.5 Strategic Management Practices, Corporate Governance, and Operational Performance of State Corporations

Corporate governance was assessed using 10 indicators covering legal and institutional frameworks, board structures, board diversity, decision-making independence, monitoring and reporting systems, transparency and accountability, financial reporting, sustainability reporting, government oversight, and the impact of governance on operational performance. The descriptive statistics revealed that "The organization submits its monthly, quarterly, and annual financial reports to all statutory bodies and for audit purposes" received the highest mean score (M=3.62, SD=0.796). At the same time, "The Board is independent in decision-making" received the lowest (M=3.23, SD=0.905). The overall mean score for corporate governance was 3.44 (SD=0.852), indicating a moderate to relatively high level of implementation. The MMR analysis

involved three hierarchical models: Model 1, with SMPs (composite variable) alone, yielded an adjusted $R^2$ of 0.390, implying that SMPs explained 39.0% of the variance in operational performance; Model 2, adding corporate governance, increased the adjusted $R^2$ to 0.412, showing that it explained 41.2% of the variance. The adjusted $R^2$ change shows a 2.2 percentage point increase in the adjusted $R^2$, hence providing empirical support that corporate governance mechanisms directly impact organizational performance. Model 3, incorporating the interaction term, further increased the adjusted $R^2$ to 0.431, demonstrating that it explained 43.1% of the variance.

This additional increase of 1.9 percentage points in the adjusted $R^2$ confirms the interaction effect (moderation), affirming that corporate governance significantly moderates the relationship between organizational resources and performance and serves as a critical contingency factor in determining how effectively strategic resources translate into performance outcomes in public sector organizations. ANOVA results for all three models showed statistical significance (p =0.000).

The regression coefficients in Model 3 revealed that while the direct effects of strategic management ($\beta_X$ = -0.670, p = 0.062) and corporate governance ($\beta_M$= -0.439, p=0.042) became negative, the standardized interaction term was significantly positive ($\beta_{XM}$ = 1.203,p= 0.002< 0.05), confirming the moderating role of corporate governance on the relationship between SMPs and operational performance. Further hypothesis test results revealed that the p-value (p = 0.002) was below the conventional significance level of $\alpha$ = 0.05, providing sufficient evidence to reject the null hypothesis. Accordingly, based on the rule of significance, the null hypothesis $H_{05}$ was rejected, and the conclusion was that corporate governance significantly moderates the relationship between SMPs and the operational performance of commercial SCs in Kenya.

## 5.3 Conclusions

The first objective of this study sought to examine the effect of strategic planning practice on the operational performance of commercial SCs in Kenya. Based on the regression analysis, strategic planning had a statistically significant positive impact on operational performance. This finding indicates that strategic planning serves as a fundamental management practice that provides clear direction, coherent objectives, and systematic approaches to resource allocation in commercial SCs. The significance of this relationship suggests that organizations with more effective strategic planning processes achieve better operational results by aligning their activities with strategic goals. However, the moderate implementation levels observed in some aspects of strategic planning, particularly stakeholder involvement and budgetary allocation, suggest that while the framework for strategic planning exists in most SCs, there remain opportunities to enhance its effectiveness through more inclusive planning processes and adequate resource provision for strategic initiatives.

The second objective aimed to analyze the effect of strategic leadership practice on the operational performance of commercial SCs in Kenya. The regression results revealed a statistically significant positive impact of strategic leadership on operational performance. This finding underscores the critical role that effective leadership plays in guiding organizational direction, motivating employees, and implementing strategic initiatives that enhance operational performance. The relatively moderate impact compared to strategic planning suggests that while leadership is essential, its effectiveness may be constrained by other organizational factors. The notably low implementation scores in consultative decision-making, employee autonomy, and two-way communication reveal significant gaps in leadership approaches within these organizations. These findings suggest that commercial SCs would benefit from more

participative and communicative leadership styles that engage employees in decision-making and empower them to contribute to improving organizational performance.

The third objective focused on evaluating the effect of strategic innovation practice on the operational performance of commercial SCs in Kenya. The regression analysis indicated a statistically significant positive impact of strategic innovation on operational performance. This finding confirms that innovation contributes substantially to operational performance, even in public sector contexts. However, the relatively lower explanatory power compared to other SMPs, coupled with the lowest overall implementation score among all practices examined, suggests that innovation remains underdeveloped in commercial SCs. The particularly low scores in innovation budgeting, employee ICT training, and technology performance indicators reveal critical gaps in the innovation infrastructure within these organizations. These findings indicate that commercial SCs have significant untapped potential for performance improvement through enhanced innovation capabilities, particularly in technology adoption, employee skills development, and systematic innovation management.

The fourth objective sought to investigate the effect of strategic quality management practice on the operational performance of commercial SCs in Kenya. The regression results demonstrated a statistically significant positive impact of strategic quality management on operational performance. This finding establishes strategic quality management as the strongest predictor of operational performance among all the SMPs examined in this study. The relatively high implementation levels observed, coupled with strong scores in top management commitment to quality and continuous improvement, suggest that quality management practices have gained significant traction in commercial SCs. The pronounced impact of quality management on performance indicates that focusing on customer needs, continuous improvement, and systematic quality processes

yields substantial operational benefits in public sector organizations. These findings suggest that quality management is particularly effective at enhancing performance in commercial SCs, likely because of its comprehensive focus on both internal process efficiency and external stakeholder satisfaction.

The fifth objective aimed to determine the moderating effect of corporate governance on the relationship between SMPs and the operational performance of commercial SCs in Kenya. The moderated multiple regression analysis revealed a statistically significant interaction effect between strategic management and corporate governance on operational performance, confirming the moderating role of corporate governance. The substantial interaction coefficient indicates that corporate governance significantly amplifies the impact of SMPs on operational performance. The pattern of coefficients in the moderation model suggests that SMPs are most effective when implemented within strong governance frameworks, and may be ineffective or potentially counterproductive in environments with poor governance. These findings establish corporate governance as a critical contingency factor that determines how effectively SMPs translate into performance outcomes in commercial SCs. This conclusion explains why organizations with similar strategic initiatives may achieve different performance outcomes depending on the quality of their governance structures, underscoring the need for an integrated approach to strategic management and corporate governance.

### 5.4 Recommendations

Based on the research findings and conclusions, the following recommendations are proposed to enhance the operational performance of commercial SCs in Kenya by improvingSMPs and corporate governance mechanisms. These recommendations are designed to address the specific gaps identified in the implementation of SMPs and to leverage the moderating effect of corporate governance for optimal performance

outcomes. The recommendations are organized according to the study's specific objectives and are directed to various stakeholders, including SCmanagement, boards of directors, regulatory authorities, and policymakers.

### 5.4.1 Recommendations for Policy and Practice

Regarding strategic planning, commercial SCs should enhance stakeholder involvement in these processes, and policy guidelines mandating adequate budgetary allocation for strategic planning activities in SCs should be developed. This will also cater for periodic strategic reviews and alignment with government development plans, to ensure that strategic planning processes receive sufficient resources for effective implementation.

Regarding strategic leadership, SC management should implement participative decision-making to enhance decision quality and foster greater employee engagement and ownership of strategic initiatives.The State Corporations Advisory Committee should develop comprehensive leadership development programs for both top and middle management in SCs, focusing on building capabilities in effective communication, employee motivation, strategic thinking, and change management to address the identified gaps in leadership practices.

On Strategic innovations, Commercial SCs should establish dedicated innovation budgets with clear allocation criteria and accountability mechanisms to support research and development activities, technology adoption, and innovative process improvements.The National Government should develop and implement a comprehensive ICT training programme for public sector employees at all levels, focusing on digital literacy, specialized technical skills, and innovation capabilities to address the significant gap in employee ICT competencies.

Concerning strategic quality management, SCs should pursue formal quality certifications, particularly ISO 9000:2015, to strengthen their quality management systems through standardized processes, documentation, and continuous improvement mechanisms, addressing the identified gap in formal quality certification. Further, the National Government should establish a Quality Excellence Award specifically for SCs that recognizes and rewards outstanding achievements in quality management implementation, encouraging healthy competition and knowledge sharing of best practices across the public sector entities.

To enhance corporate governance, the State Corporations Advisory Committee should strengthen board independence by revising appointment procedures to ensure transparent, merit-based selection criteria, a clear separation of board and management roles, and protection mechanisms against undue influence in decision-making.Finally, Commercial SCs should develop integrated strategic management and governance frameworks that explicitly link strategic planning, implementation, and performance evaluation processes with governance mechanisms, recognizing the critical moderating role of governance in translating strategic initiatives into performance outcomes.

### 5.4.2 Recommendations for Further Research

This study has made significant contributions to the body of knowledge by advancing understanding of the relationships among SMPs, corporate governance, and the operational performance of commercial SCs in Kenya. However, several areas remain that warrant further investigation to extend the current knowledge base and address limitations of the present study. The following suggestions for future research are proposed based on the findings, implications, and limitations of this study.Future research should explore the specific mechanisms through which corporate governance enhances the effectiveness of SMPs, potentially employing qualitative methods such as

case studies or focus groups to provide deeper insights into how governance structures facilitate or impede the implementation of strategic initiatives in SCs.Researchers should investigate potential variations in the moderating effect of corporate governance across different types of State Corporations and performance dimensions, employing comparative research designs to identify context-specific factors that influence the strategy-governance-performancerelationship.Longitudinal studies should examine how the relationships among strategic management practices, corporate governance, and operational performance evolve, particularly in response to changes in regulatory frameworks, economic conditions, and public-sector reforms, providing insights into the dynamic nature of these relationships.

## REFERENCES


Abdullah, A. (2013). A discussion of the suitability of only one vs more than one theory for depicting corporate governance. *Modern Economy04.37-48.10.4236 /me2013.41005.*

Abushabab, W., & Abdi, R. (2017). Strategic management practices: An Investigation of Public Sector Organizations in the Kingdom of Bahrain. *Information Management and Business Review, 9(3), 47-60.* https://doi.org/10. 22610/imbr.v 9i3.1778

AfDB. (2011). Private sector development as an engine of Africa's Economic Development. *Africa Development Report 2011.*

AfDB. (2021). Strategy for economic governance in Africa (SEGA) 2021-2025. *Africa Development Bank Group.*

Aguinis, H., & Gottfredson, R. K. (2010). Best-practice recommendations for estimating interaction effects using moderated multiple regression. *Journal of Organizational Behaviour, 31(6), 776-786.*

Ahid, M., & Augustine, A. (2012). The impact of the global financial crisis on Jordan. *International Journal of Business and Management, 7(16),80-88.* http://dx.doi.org/10.5539/ijbm.v7n16p80

Ahmed, E. R., Alabdullah, T. T. Y., Shaharudin, M. S., &Putri, E. (2020). Further evidence on the link between firm's control mechanisms and firm financial performance: Sultanate of Oman. *Journal of Governance and Integrity, 4(1), 1-6.*

Aitken, S., Valentine, G. (2006). Ways of knowing and ways of doing geographic research. 10.4135/9781446215432.n1.

Akbar, S., Poleti-Hughes, J., El-Faitouri, R. & Shah, S. A. (2016). More on the Relationship between Corporate Governance and Firm Performance in the UK: Evidence from the Application of Generalized Method of Moments Estimation.*Research in International Business and Finance,38,417-429.* https://doi.org/10.1016/j.ribaf.2016.03.009

Alabdullah,T.T.Y., &Mohamed,Z.K.(2023). Exploring the impact of ceo duality, firm size, and board size on capital structure based on the knowledge management during the COVID-19 Pandemic. *International Journal of Accounting, Management, Economics and Social Sciences, 1(4), 266-280.*

Alabdullah,T.T.Y.,& Zubon, Z.W.(2023). do investments and independence influence firm performance in light of performance management: A study in Kuwait. *Journal of Management, Accounting, General Finance and International Economic Issues, 2 (3), 645- 661.*

Alamri, A.M. (2018). Corporate governance as A moderator between strategic management accounting and firm performance: Empirical evidence. *Research Journal of Finance and Accounting, 9, 30-44.*

Alford, J., & Hughes, O. (2008). Public value pragmatism as the next phase of public management. *The American Review of Public Administration, 38, 130–148.*

Almashhadani,M., & Almashhadani, H. (2023).The moderating role of corporate governance on the relationship between strategic management and firm performance: A Conceptual Study. *International Journal of Scientific and Management Research. 06. 10.37502/IJSMR.2023.6902.*

Almashhadani, M., &Almashhadani, H. (2023). The Influence of Corporate Governance on Firm Performance: Evidence from Barcelona Listed Firms. *International Journal of Scientific and Management Research. 06. 10.37502/IJSMR.2023.6908.*

Almashhadani, M., & Almashhadani, H. (2023). Corporate Governance Science, Culture, and Financial Performance. *International Journal of Business and Management Invention, 11(2), 55-60.*

Al-Naser, K.H.Y., Jameel, S.Z.M., Alsendy, A.M., & Riyadh, H.A. (2021). The Moderating Effect of Good Corporate Governance on the Relationship between Sustainability Reporting and Corporate Financial Performance. *Academy of Strategic Management Journal, 20(5), 1-15.*

Andersen, L., Boesen, A.,& Pedersen, L. (2016). Performance in Public Organizations: Clarifying theConceptual Space. *Public Administration Review. 76.10.1111/pu ar.12578.*

Ansoff, H., Kipley, D., Lewis, A., Stevens, R., & Ansoff, R. (2019). Implanting Strategic Management. *10.1007/978-3-319-99599-1.*

Antonsen, Y. (2010). The downside of the Balanced Scorecard: A case study from Norway. *The Scandinavian Journal of Management, 30 (1), 40-50.*

Aosa, E. (2011). Strategic Management within Kenyan firms: Africa Management Review Journal. 1(1): 1-34.

APRM. (2022). Drivers of Corporate Governance Performance in Africa: A Cross-country Analysis. *African Union Publications, Johannesburg, January 2022.*

Arasa, R., & K'Obonyo, P. (2012). The relationship between strategic planning and firm performance.*International Journal of Humanities and Social Science, 2*(22), 201-213.

Armstrong, M., and Baron, A. (1998). Performance Management. *London Institute of Personnel and Development*, 1998. Print

Arundel, A., Bloch, C., & Ferguson, B. (2019). Advancing Innovation in the Public Sector: Aligning Innovation Measurement with Policy Goals. *Research Policy, Elsevier, vol. 48(3), pages 789-798.* https://doi.org/10.1016/j.respol.2018.12.001.

Aswani S. (2013). Strategic Innovation and Performance of Public Universities in Kenya. University of Nairobi MBA Thesis. *Retrieved from* http://erepository.u onbi.ac.ke /handle/11295/60380 on 9th May 2023.

Auka, D. O., & Langat, J. C. (2015). Effects of Strategic Planning on Performance of Medium-Sized Enterprises in Nakuru Town. *International Review of Management and Business Research, 5*, 188.

Auster, E., Basir, N., & Ruebottom, T. (2016). Strategic Fit(ness). *10.1057/978-1-349-94848-2_520-1.*

Awadallah, E., & Allam, A. (2015). A Critique of the Balanced Scorecard as a Performance Measurement Tool. *International Journal of Business and Social Science. 6. 91.*

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management, 17, 99-120. http://dx.doi.org/10.1177/014920639101700108*

Barratt, P. (2001). Corporate Governance in the Public Sector Context: Public Services in the New Millennium, *Minter Ellison Seminar Series.*

Basel, S. (2011). Evaluating the effectiveness of Strategic Planning within the MiddleEastern public sector (*Doctoral thesis, Victoria Graduate School of Business, Melbourne, Australia). Retrieved fromVictoria University – Research Repository*

Basuony, M. A. K. (2014). The Balanced Scorecard in large firms and SMEs: A critique of the nature, value, and application. *Accounting and Finance Research, 3 (2), 14-22.*

Belsley, A., Edwin. K., &Roy, E. (1980). Regression Diagnostics: Identifying Influential Data and Sources of Collinearity. *New York: John Wiley and Sons.*

Bernier, L., Hafsi, T.,& Deschamps, C. (2015). Environmental Determinants of Public Sector Innovation: A study of Innovation Awards in Canada, *Public Management Review, 17:6, 834-856, doi:10.1080/14719037.2013.867066*

Boyne G.A., Gould-Williams J.S., Law J, *et al.* (2004). Problems of rational planning in public organizations: An empirical assessment of conventional wisdom. Administration and Society 36(3): 328–350.

Brown, Stephen W. (2005*).* When Executives Speak, We Should Listen and Act Differently in Marketing Renaissance: Opportunities and Imperatives for Improving Marketing Thought, Practice, and Infrastructure. *Journal of Marketing*, 69 (October), 1–25.

Bryman, A. (2004). Social research methods. 2nd Edition, *Oxford University Press, New York, 592.*

Bryman, A. & Bell, E. (2011) Business Research Methods. 3rd Edition, *Oxford University Press, Oxford.*

Bryson, J. M. (2004). Strategic Planning for Public and Non-profit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement. *3rd ed. San Francisco, CA: Jossey-Bass.*

Bryson, J. M. (2018). Strategic planning for Public and Non-Profit Organisations: A guide to Strengthening and Sustaining Organizational Achievement. *John Wiley & Sons.*

Bryson, J. M., Frances S.B., &Kaifeng Y. (2010). The State of Public Strategic Management Research: A Selective Literature Review and Set of Future Directions.*The American Review of Public Administration 40(5):495–521. doi:10.1177/0275074010370361*

Bryson, J., & George, B. (2020). Strategic Management in Public Administration. *Oxford Research Encyclopedia of Politics. Retrieved 4 Jun. 2024, from https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-1396.*

Cadez S., & Guilding C. (2012). Strategy, Strategic Management Accounting and Performance: A Configurational Analysis. *Industrial Management Data System, 112(3), 484-501.* https://doi.org/10.1108/02635571211210086

Campbell J.W. (2015). Identification and Performance Management: An Assessment of Change-Oriented Behavior in Public Organizations.*Public Personnel Management*, vol. 44, no. 1, pp. 46-69.

Carter, S.M. & Greer, C.R. (2013). Strategic leadership: values, styles, and organizational performance. *Journal of Leadership & Organizational Studies* 20*(4) 375–393*

Casey, W., & Peck, W.(2004). A balanced view of the balanced scorecard. Executive Leadership Group, *White Paper: The Leadership Lighthouse Series.*

Chapman, R.L., Murray, P.C., and Mellor, R. (1997). Strategic quality management and financial performance indicators. International Journal of Quality & Reliability Management, Vol. 14 No. 4, pp. 432-448.

Chandler, A.D. (1962). Strategy and Structure: Chapters in the History of American Enterprise. *MIT Press, Boston.*

Chang, J. (2023). The Role of Independent Directors in Ensuring Good Corporate Governance. *Frontiers in Business, Economics and Management. 12. 7-11. 10.54097/fbem.v12i1.13618.*

Channon, D.& McGee, J. (2015). Strategic Fit. *10.1002/9781118785317.weom120069.*

Charest, N. (2012). "Public Management," in L. Côté and J.-F. Savard (eds.), *Encyclopedic Dictionary of Public Administration, [online],* www.diction naire.enap.ca

Chege, M. N. (2017). Strategic Innovation Practices and Competitive Advantage of Listed Commercial Banks in Kenya. Retrieved from: http://erepository.uo nbi.ac.ke/ handle/11295/102065 on 11th March 2023.

Chinowsky, P. S., & Meredith, J. E. (2000). Strategic Management in Construction. J*ournal of Construction, Engineering and Manage*ment 126_1_, 1–9.

Chiwawa, N., Wissink, H. & Fox, W. (2021). Strategic Management Practices in Organisations with specific reference to the Public Sector. *Africa's Public Service Delivery & Performance Review. 9. 10.4102/apsdpr.v9i1.540.*

Christian N., M. &Chu-hua K. (1993). Introducing Strategic Quality Management,*Long Range Planning,*Volume 26, Issue 6,1993,Pages 121-131.

Christine D., Birgit F. D., & Christine M. (2011). Corporate Governance and Management Accounting in Family Firms: Does Generation Matter?*International Journal of Business Research, 11(1), 24-36.*

Churchill, G. (1979). A Paradigm for Developing Better Measures of Marketing Construct s. *Journal of Marketing Research, 16, 64-73.*http://dx .doi.or g/10.23 07/3150876

Clatworthy, M., Mellett, H., & Peel, M. (2000). Corporate Governance under New Public Management: an Exemplification, *Corporate Governance: An International Review, 8(2):166.*

Claessens, S., & Yurtoglu, B. (2013). Corporate Governance in Emerging Markets: A Survey. *Emerging Markets Review. 15. 1-33. 10.2139/ssrn.1988880.*

Contrafatto, M. (2014). Stewardship Theory: Approaches and Perspectives. Accountability and Social Accounting for Social and Non-Profit Organizations (Advances in Public Interest Accounting, Vol. 17), *Emerald Group Publishing Limited, Leeds, pp. 177-196.* https://doi.org/10.1108/S1041-7060201400 000 17007

Cooper, D. R. & Schindler, P. S. (2014). Business Research Methods. 12th Edition, *McGraw-Hill International Edition, New York.*

Covin, J. G., & Slevin, D. P. (2017). The entrepreneurial imperatives of strategic leadership. *Strategic entrepreneurship: Creating a new mindset*, 307-327.

Creswell, J. (2009). Qualitative Inquiry and Research Design: Choosing Among the Five Approaches (3e). *Los Angeles: Sage.*

Creswell, J. W. (2014). Research Design: Qualitative, Quantitative and Mixed Methods Approaches (4th ed.). *Thousand Oaks, CA: Sage.*

David, Fred R., David, Forest R. (2017). Strategic Management: A Competitive Advantage Approach, Concepts and Cases (16th ed). *Boston: Pearson.*

Dawson, C. (2002). Practical research methods: A user-friendly guide to mastering research. *How-to books.*

Dawson, C. (2019). Introduction to research methods (TIFFIN MAIN Q180.55.M4 D36 2019; Fifth edition.). *Robinson.*

Day, George S. (1994). The Capabilities of Market-Driven Organizations. *Journal of Marketing.* 58 (October), 37–52.

David, F. R., David, F. R.(2017). Strategic Management: A Competitive Advantage Approach, Concepts and Cases *(16th ed). Boston: Pearson.*

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. Academy of Management Review, 22, 20–47.

De Vries, H., Bekkers, V., &Tummers, L.(2016). Innovation in the Public Sector: A Systematic Review and Future Research Agenda. *Public Admin, 94:146-166.* https://doi.org/10.1111/padm.12209

Dilaksan, Y., Anujan, M., Nirojan, V., Prasanath, A., Thuvarakesh, K., Vinoth, T.,…& Rathnayake, G.M. (2019). The Moderating Impact of Corporate Governance on the Relationship Between the Management Control Systems and Corporate Financial Performance.

Dimitrios, N.K., Sakas, D.P. & Vlachos, D.S. (2013). Analysis of strategic leadership simulation models in non-profit organizations.*Social and Behavioural Sciences 73, 276–284.*

Dlamini, N., Mazenda, A., & Masiya, T. & Nhede, N. (2019). Challenges to Strategic Planning in Public Institutions: A study of the Department of Telecommunications and Postal Services, South Africa. *International Journal of Public Leadership. Ahead-of-print. 10.1108/IJPL-10-2019-0062.*

Donaldson, L. & Davis, J.H. (1989). CEO Governance and Shareholder Returns: Agency Theory or Stewardship Theory. *Paper Presented at the Annual Meeting of the Academy of Management.*

Dong , L., & Wen-Jia, Y. (2009). The Empirical Research on Corporate Governance and Corporate Performance in Chinese Listed Companies. *International Conference on Information and Financial Engineering, p.73-81*.

Drumaux, A., & Goethals, C. (2007). Strategic Management: A Tool for Public Management? An Overview of the Belgian Federal Experience. *International Journal of Public Sector Management 20(7):638–54. doi:10.1108/0951 35507108 23533.*

Ekon B., & Bemnet, I. (2022). Factors impacting Strategic Management Practices Among SMEs in Nigeria.*African Economic and Management Review*Vol 2i1.31.

Elbanna, S., Rhys, A. & Pollanen, R. (2016). Strategic Planning and Implementation Success in Public Service Organizations: Evidence from Canada. *Public Management Review 18(2):1017–1042.*

El Fawal, A., & Mawlawi, A. (2018). The Corporate Governance and Its Effect on the Marketing Performance Strategy in the Lebanese Banking Sector. *Management, 8(3), 86–93.* https://doi.org/10.5923/j.mm.20180803.03

Fatmasari, A.R. (2024). The Moderating Effect of Corporate Governance on the Relationship between Sustainability Performance and Financial Performance. Conference on Management, Business, Innovation, Education, and Social Sciences (CoMBInES). Vol. 4(1).

Fang, S. (2022). Critically Analyze the Use of Strategic Management in The Public Sector. *Frontiers in Business, Economics and Management, 7(1), 106–109. https://doi.org/10.54097/fbem.v7i1.3761*

Ferlie, E., & Ongaro, E. (2022). Strategic Management in Public Services Organizations: Concepts, Schools and Contemporary Issues (2nd ed.). *Routledge.* https://doi.org/10.4324/9781003054917.

Ferlie, E., & Ongaro, E. (2015). Strategic Management in Public Sector Organizations: Concepts, Schools, and Contemporary Issues. *New York, NY: Routledge.*

Galliers, R. (1991). Choosing Appropriate Information Systems Research Approaches: A Revised Taxonomy. *The Information Research Arena of the 90s. 155–173.*

Gallouj, F., & Weinstein, O. (1997). Innovation in services. *Research policy*, *26*(4-5), 537-556.

Gamhewage, S.R., Chandimali, W.K., Costa, W.A., Thudugala, T.D., & Hewawitharana, A.S. (2018). Moderating Effect of Corporate Governance on the Relationship Between Corporate Social Responsibility and Financial Performance.

Gebauer, H., Worch, H., & Truffer, B. (2012). Absorptive capacity, learning processes, and combinativecapabilities as determinants of strategic innovation. *European Management Journal*, *30*(1), 57-73.

George,B.,Walker, R.M.& Monster,J.(2019), Does Strategic Planning Improve Organizational Performance?A Meta-Analysis.*Public Admin Rev,79:810-819.* https://doi.org/10.1111/puar.13104

Georgopoulos, B., & Tannenbaum, A. (1957). A Study of Organizational Effectiveness. *American Sociological Review* 22, 534-40.

Ghauri & Gronhaug (2010). Research Methods in Business Studies. Fourth edition. *Essex: Pearson.*

Giannopoulos, G., Holt, A., Khansalar, E., & Cleanthous, S. (2013). The Use of the Balanced Scorecard in Small Companies. *International Journal of Business and Management, 8(14), 1-22.*

Goel, P. (2018). Implications of Corporate Governance on Financial Performance: An Analytical Review of Governance and Social Reporting Reforms in India. *Asian Journal of Sustainability and Social Responsibility, 3(1).* https://doi.org/1 0.1186/s4 1180-018-0020-4

*Government of Kenya (1991).* Sessional Paper No. 4 of 1991 on Development and Employment in Kenya. *Government Printers, Republic of Kenya. Retrieved from* https://repository.kippra.or.ke/handle/123456789/1461

Golafshani, N. (2003). Understanding Reliability and Validity in Qualitative Research. *The Qualitative Report, 8 (4): 1-21*.

Government of Kenya. (2015). Mwongozo, The Code of Governance for State Corporations; a Policy Guide on the Management of State Corporations in Kenya. *State Corporations Advisory Committee and Public Service Commission.*

Gull, A. A., Hussain, N., Khan, S., Nadeem, M., & Zalata, A. (2023). Walking the Talk? A Corporate Governance Perspective on Corporate Social Responsibility Decoupling. *British Journal of Management. 34. 10.1111/1467-8551.12695.*

Hajar, I. (2015). The Effect of Business Strategy on Innovation and Firm Performance in the Small Industrial Sector. *The International Journal of Engineering and Science (IJES). 4* (2) PP.01-09.

Hamel, G. and Prahalad, C.K. (1989). Strategic intent*:Harvard Business Review*, 67 (May-June) 63-76.

Hamel, G., & Prahalad, C. K. (2005). Strategic Intent.*Harvard Business Review,* 83(7),148-161.

Hansen, R. J., & Ferlie, E. (2016). Applying Strategic Management Theories in Public Sector Organizations: Developing a Typology. *Public Management Review, 18(1), 1–19.*

Hayes, A.F. (2020). Statistical Methods for Communication Science (ebook). *Routledge Taylor and Francis Group. DOI:* https://doi.org/10.4324/9781410613707

Haβ, L. H., Johan, S., & Schweizer, D. (2016). Is Corporate Governance in China Related to Performance Persistence? *Journal of Business Ethics, 134,575–592.* https://doi.org/10.1007/s20551-014-2385-3

Hendricks, K. B.(2004). The balanced scorecard: To adopt or not to adopt? *Ivey Business Journal. November/December Issue 2004.*

Henry, N. (2015). Public Administration and Public Affairs. *Routledge.* https://doi.org/10.4324/9781315663067

Herenia, G. P., Julián, C.G., & Al-mohareb, M. M. A. (2024). Does Corporate Governance Influence Readability of the Report by the Chairman of the Board of Directors? The Case of Jordanian Listed Companies. *Corporate Social Responsibility and Environmental Management, 1–16.* https://doi.org/1 0.1002/csr .2752

Hernandez M. (2012). Toward an Understanding of the Psychology of Stewardship. *Academy of Management Review, 37(2), 172–193.* https://doi.org/: 10.5465/amr.2010.0363

Hernawati, E., & Surya, R. L. (2019). The Corporate Governance, Supplier Network, and Firm Supply Performance. *Uncertain Supply Chain Management, 7(3), 529–540.* https://doi.org/10.5267/j.uscm.2018.11.003

Hill, C., & Jones, G. (2001). Strategic Management: An Integrated Approach. *University of Washington.*

Hoglund, L. (2015). Strategic Management in the Public sector: challenges in theory and Practice. *Stockholm: Research Gate.*

Hoque, Z. (2014). 20 years of studies on the balanced scorecard: Trends, accomplishments, gaps and opportunities for future research. *The British Accounting Review, 46(1), 33-59.*

Howard, C., Seth-Purdue, R. (2005). Governance Issues for Public Sector Boards, *Australian Journal of Public Administration, 64(3):56-68.doi:10.1111/j.1467-8500.2005.00452.x*

Itohan, I., John-Igbiele, S., & Olayinka, F.S. (2024). Strategic Management Practices as Fundamental to the Achievement of Organisational Performance. *African Journal of Social Sciences and Humanities Research. 7(1),106-118. DOI:10.52589/AJSSHROQ22U7MS.*

Jaleha, A., & Machuki, V. (2018). Strategic Leadership and Organizational Performance: A Critical Review of Literature. *European Scientific Journal ESJ. 14. 10.19044/esj.2018.v14n35p124.*

Johanson, J. (2021). Strategic Management: A Public-Sector View. *In T. Bryer (Ed.) Handbook of Theories of Public Administration and Management 2021. Cheltenham, E. Elgar.. 10.13140/RG.2.2.34523.18721.*

Johnsen, A. (2016), Strategic Planning and Management in Local Government in Norway: Status after Three Decades. Scandinavian Political Studies, *39:333-365.* https://doi.org/10.1111/1467-9477.12077

Johnson, G. and Scholes, K. (2001). Exploring Public Sector Strategy. *Upper Saddle River, NJ: Prentice Hall*

Johnson, G., Whittington, R., & Scholes, K. (2011). Strategic Management: implementation and control, *MC Graw Hill, 12th Edition.*

Jofre, S. (2011). Strategic Management: The theory and practice of strategy in (business) organizations.

Jose, P. E. (2013). Doing Statistical Mediation and Moderation. *New York: The Guilford Press.*

Joyce, P. (2000). Strategy in the Public Sector: A Guide to Effective Change Management. *West Sussex, England: Wiley.*

Joyce, P. (2015). Strategic Management in the Public Sector(*1st ed.). Routledge.* https://doi.org/10.4324/9781315740355.

Joyce, P., & Drumaux, A. (Eds.). (2014). Strategic Management in Public Organizations: European Practices and Perspectives *(1st ed.). Routledge.* https://doi.org/10.4324/9781315850733.

Judge, W. Q., Douglas, T. J., & Kutan, A. M. (2008). Institutional Antecedents of Corporate Governance Legitimacy. *Journal of Management, 34: 765–785*

Kaplan, R. S.(2010). Conceptual foundations of the Balanced Scorecard. *Harvard Business School, Working Paper 10-074.*

Kaplan, R. S., and Norton, D. P.(1992). The Balanced Scorecard: Measures that drive performance. *Harvard Business Review, 172-180.*

Kaplan, R. S., & Norton, D. P. (1997). A estratégia em ação Balanced Scorecard (13a. ed.). *Rio de Janeiro: Campus.*

Kaplan R. S., & Norton D. P. (2006). Alignment: Using the Balanced Scorecard to Create Synergy. *Boston, Massachusetts: Harvard Business School Press, USA.*

Karanja, M. N., & Juma, D. (2020). Effect of Strategic Management Practices on Service Delivery in State Parastatals in Kenya. A case of the National Transport and Safety Authority. *The Strategic Journal of Business Change and Management, 7(4), 1247-1259.*

Karin A. & Höglund L. (2023). Strategic management in the Public Sector - The case of the Swedish Transport Administration, *International Public Management Journal, DOI: 10.1080/10967494.2023.2271481*

Kathama, L. K (2012). Strategic Planning Practices and Performance of State Corporations in Kenya. *University of Nairobi Repository URI:* http://erepository.uonbi.ac.ke:8080 */xmlui/handle/ 123456789/14525.*

Kaymak T., & Bektas E. (2008). East Meets West, Board Characteristics in an Emerging Market: Evidence from Turkish Banks. Corporate Governance. *An International Review, 16(6), 550-561. https://doi.org/10.1111/j.1467-8683.2008.00713.x*

Kazaz, A., & Ulubeyli, S,. (2009).Strategic Management Practices in Turkish Construction Firms. *Journal of Management in Engineering – J MANAGE ENG*. 25. 10.1061/(ASCE)0742-597X(2009)25:4(185).h ttps:// doi.org/ 10. 4324 /,978 1410613707otal Quality Management Practices and Performance of Manufacturing Firms in Kenya: Case of Bamburi Cement Limited. *International Academic Journal of Human Resource and Business Administration (IAJHRBA) | ISSN 2518-2374*

Kennedy K. N., Goolsby J. R., and Arnould E. J. (2003). Implementing a Customer Orientation: Extension of Theory and Application. *Journal of Marketing,* 67 (October), 67–81.

Khamis, R., Hamdan, A. M., & Elali, W. (2015). The Relationship between Ownership Structure Dimensions and Corporate Performance: Evidence from Bahrain. *Australasian Accounting, Business and Finance Journal, 9(4), 38-56.* https://doi.org/10.14453/aabfj.v9i4.4

Khatib, S.F.A., & Nour, A.N.I. (2021). The Impact of Corporate Governance on Firm Performance during the COVID-19 Pandemic: Evidence from Malaysia. *The Journal of Asian Finance, Economics and Business, 8(2), 943–952.* https://doi.org/10.13106/jafeb.2021.vol8.no2.0943

Kibisu, M. (2020). Effects of Innovation on the Financial Performance of Parastatals in Kenya: A Case of Kenya Electricity Generating Company (KENGEN). MSC Thesis retrieved from https://erepo.usiu.ac.ke/handle/11732/6877.

Kiprotich A. M., Njuguna R., and Kilika J. (2018). Total Quality Management Practices and Operational Performance of Kenya Revenue Authority. *International Journal of Contemporary Aspects in Strategic Management (IJCASM), Volume 2, Issue I, May 2018, PP 91-105, ISSN 2616-6976.*

Kipsang, S. & Mbaraka, R. (2017). Integrating Strategic Management Practices in Public Sector Reforms in Kenya. *International Journal for Innovative Research in Multidisciplinary Field. ISSN – 2455-0620 Volume – 3, Issue – 1.*

Kombo, D. K. and Tromp, D. L. A. (2006). Proposal and Thesis Writing: An Introduction. *Paulines Publishers, Nairobi, Kenya 10-45.*

Kombo, D. K., & Tromp, D. L. A. (2009). Proposal and Thesis Writing: An Introduction. Nairobi: *Pauline's Publications Africa.*

Kothari, C. R. (2004). Research Methodology: Methods and Techniques (2nd Ed. New Delhi: *New Age International (P) Limited*

Kothari, C. R. (2007). Research Methodology: Methods and Techniques. *New Age International (P) Limited., New Delhi*

Kothari, C. R. (2008). Research Methodology, Methods and Techniques (2nd ed., pp. 109-110). *New Age International (P) Limited., New Delhi*

Kothari, C. R. (2009). Research Methodology: Methods and Techniques. *New Age International (P) Ltd., New Delhi, India.*

Kotler, P. (2010). The Quintessence of Strategic Management.*Springer Heidelberg-London.*

Kjelin, Eija. (2009). A concept analysis for strategic leadership. EBS Review 26

Kuipers B.S., Higgs M., Kickert W., Tummers L., Grandia J., & Van der Voet J., (2014). The management of change in public organizations: A literature review. *Public Administration, vol. 92, no. 1, pp. 1-20.*

Laban, O. M., & Deya, J. (2019). Strategic Innovations and the Performance of Information Communication Technology Firms in Nairobi, Kenya. *International Journal of Academic Research in Progressive Education and Development*, *8*(2), 1–24.

Lavrakas, P.J. (2008). Encyclopedia of Survey Research Methods. *Thousand Oaks, CA: Sage Publications.*

Lerai, S. E., Rintari, N., & Moguche, A. (2023). Influence of Strategic Direction on Organizational Performance of Commercial-Based Parastatals in Kenya. *Journal of Strategic Management, 3(3), 1-7.*

Leskaj, E. (2017).The Challenges Faced by the Strategic Management of Public Organizations. *Faculty of Administration and Public Management, Academy of Economic Studies, Bucharest, Romania, vol. 2017(29), pages 151-161, December.*

Levin, D. M. (1988). The Opening of Vision: Nihilism and the Postmodern Situation. *London: Routledge.*

Linyiru, B.M & Ketyenya, P.R (2017). Influence of Innovativeness on Performance of State Corporations in Kenya. *Journal of Entrepreneurship and Project Management. 2. 40-54. 10.47941/jepm 189.*

Lu, L. (2021). The Moderating Effect of Corporate Governance on the Relationship Between Corporate Sustainability Performance and Corporate Financial Performance. *International Journal of Disclosure and Governance. 18. 1-14.* https://doi.org/10.1057/s41310-020-00099-6.

Lynch, R. (2018). Strategic Management. *8th Edition, Pearson Education Publication.*

Madison K., Holt D. T., Kellermanns F. W., Ranft A. L. (2016). Viewing Family Firm Behavior and Governance through the Lens of Agency and Stewardship Theories. *Family Business Review, 29(1), 65–93.* https://doi .org/:10.11 77/08944 86515594 292

Mahesh, D.V. (2017). Influence of Strategic Management Strategies on Organizational Performance of Private Construction Firms in Nairobi County. *United States International University.*

María R. C. L. (1996). The evolution of strategic quality management. International Journal of Quality & Reliability Management, Vol. 13 No. 9, pp. 19-37

Martinsons, M., Davison, R., & Tse, D. (1999). The Balanced Scorecard: A foundation for the Strategic Management of Information Systems. *Decision Support Systems, 25,71-88.*

Matei, A., & Drumasu, C. (2015). Corporate Governance and Public Sector Entities. *Procedia Economics and Finance, 26, 495-504.* https://doi.org/10.1016/S2212-5671(15)00879-5

Mathys, N. J (2006).Using the Balanced Scorecard: Lessons Learned from the U.S Postal Service and the Defense Finance and Accounting Service. 2006, p. 9–10.

Mishra, S., & Mohanty, P. (2014). Corporate Governance as a Value Driver for Firm Performance:Evidence From India. Corporate Governance, *14(2), 265-280,* https://doi.org/10.1108/CG-12-20120089

Williams, M. N., Grajales, C. A. G & Kurkiewicz, D. (2013). (2013). Assumptions of Multiple Regression: Correcting Two Misconceptions. *Practical Assessment, Research & Evaluation, Vol 18 (11).* DOI: https://doi.org/10.7275/55hn-wk47

Mbithi M. (2016). Influence of Strategy Implementation on Performance Of Kenya Bureau Of Standards: *University Of Nairobi Repository.*

McGaghie, W.C., Bordage, G., & Shea, J.A. (2001). Problem statement, conceptual framework, and research question. *Academic Medicine, 76*(9), 923-924. https://doi.org/10.1097/00001888-200109000-00021

Mertens, D.M. ( 2010). Research and evaluation in education and psychology: Integrating diversity with quantitative, qualitative, and mixed methods. *(3rd ed.) Thousand Oaks, CA: Sage.*

Mik, W. (1996) Measuring service quality in the public sector: The potential for SERVQUAL, *Total Quality Management, 7:4, 357-366,*

Miles, R.E. and Snow, C.C. (1978). Organizational Strategy, Structure, and Process. *McGraw-Hill, New York.*

Mitchell W. (2000). Selection Capability: How Capability Gaps and Internal Social Frictions Affect Internal and External Strategic Renewal. Vol 20, No 2, Pp.294-312.

Mintzberg, H. (1994). The Rise and Fall of Strategic Planning. *New York, NY: The Free Press.*

Mintzberg, H. & Waters, J. A. (1985). "Of Strategies, Deliberate and Emergent." *Strategic Management Journal 6(1):257–272.*

Mintzberg, H., Ahlstrand, B. & Lampel, J. (2009). Strategy Safari:Your Complete Guide through the Wilds of Strategic Management. *United Kingdom: Prentice Hall.*

Mohamed, E.K.A., Basuony, M.A., & Badawi, A.A. (2013). The Impact of Corporate Governance on Firm Performance in Egyptian Listed Companies. *Corporate Ownership and Control, 11(1), 691–705.* https://doi.org/10.22495/cocv11i1c7art6

Mohammed, R. A., & Rugami, J. (2019). Competitive Strategic Management Practices and Performance of Small and Medium Enterprises in Kenya: A Case of Mombasa County. *International Journal of Current Aspects, 3(VI), 193-215.* https://doi.org/10.35942/ijcab.v3iVI.85.

Mokeira, D. K. (2020). Strategic management practices and performance of selected travel and tour agencies in Nairobi City County, Kenya. *Kenya University.*

Momoh, J. I., & Itohan, I. (2023). The Effect of Strategic Management Practices on Organizational Competitiveness. *EPRA International Journal of Research and Development (IJRD), 8(5), 12-15.*

Mtira, R. M. (2018). Strategic management practices and performance of Standard Group Limited. *University of Nairobi*

Mufudza, T., Jengeta, M. & Hove, P. (2013). The usefulness of strategic planning in a turbulent economic environment: A case of Zimbabwe during the period 2007-2009. *Business Strategy Series*, 14(1), 24-29.

Mugenda, M., & Mugenda, G. (2003). Research methods: Quantitative and qualitative approaches.*Nairobi: Arts Press.*

Mugenda, A. G., & Mugenda, O. M. (2012). Research Methods Dictionary. *Nairobi: Kenya Arts Press.*

Mugerwa, S. K. (2003). Reforming Africa's Institutions: Ownership, Incentives and Capabilities. *United Nations University Press and World Institute of Development Economics Research, New York.*

Mulgan, G. (2009). *The Art of Public Strategy: mobilizing power and knowledge for the common good. Oxford: Oxford University Press.*

Muriuki, J. W., Cheruiyot, T., & Komen, J. (2017). Strategic management practices and the sustainability of state corporations. *European Journal of Business and Social Sciences,Vol. 6, No. 06, PP.38 – 49*

Mwai, M.M. (2013), Strategic Planning and Performance of State Corporations of the Government of Kenya, University of Nairobi Repository URI: http://hdl.handle.net/11295/62856

Mwando, E. & Muturi, W. (2016). Strategic Management Practices in the Government of Kenya Ministries and Their Role in Change Implementation. *International Journal of Recent Research in Commerce Economics and Management (IJRRCEM). 3. 72-84.*

Mwangi, J., Kariuki, M., & Muturi, P. (2020). Influence Of Strategic Planning on Performance of State Corporations in Kenya. *International Journal of Scientific and Research Publications (IJSRP). 10. 457-462. 10.29322/IJ SRP.10.05 .2020. p10153.*

Mwende, N.O. (2021). Effects of Total Quality Management Practices on Performance of Parastatals in Kenya. A case of Tana and Athi River Development Authority. *Kenyatta University MBA Thesis Repository retrieved from* https://ir-library.ku.ac.ke *on 9th May 2023.*

Nagalingam, N., Kumarapperuma, C., Malinga, C., Gayanthika, K., Amanda, N., & Perera, A. (2022). Corporate Governance and Firm Integrated Performance: A Conceptual Framework. *Corporate Governance and Sustainability Review, 6(2), 8–17.* https://doi.org/10.22495/cgsrv6i2p1

Nduati, P.M., Kariuki, P., & Wanjohi, P.G. (2022). Factors Influencing the Implementation of Strategic Plans in Small Manufacturing Firms in Nairobi County. *Journal of Strategic Management, 6(1), 78-9.*https://doi.o rg/10.53819 /81018102t2045.

Neely, A., Kennerley, M., and Martinez, V.(2004). Does the Balanced Scorecard Work: An Empirical Investigation. *The European Operations Management Association (EurOMA) International Conference, Fontainebleau, June 27-29.*

Nestor, F. (2019). Total Quality Management Practices on Organization Project Performance in Kenya: A Case of Industrial Research and Development Institute in Kisumu. 0-00.

Newing, H. (2011). Conducting Research in Conservation. *New York: Routledge.*

Neyman, J. (1934). On the Two Different Aspects of the Representative Method: The Method of Stratified Sampling and the Method of Purposive Selection. *Journal of the Royal Statistical Society, 97,558-606.* https://doi.*org/10.2307/2342192.*

Nicholson G., & Kiel G. (2007). Can Directors Impact Performance? A Case-Based Test of Three Theories of Corporate Governance. *An International Review, 15(4), 585-608.* https://doi.org/10.1111/j.1467-8683.2007.00590.x

Njanja, L., (2009). An Investigation into Management Strategies Affecting Performance of Micro, Small, and Medium Enterprises in Kenya. *Doctorate Thesis, University of South Africa.*

Njenga, J., (2016). Quality Management Practices and Performance of Energy Sector Parastatals in Kenya. *The Strategic Journal of Business and Change Management. Volume 3, Issue 2, Article 7.*

Njiru, M. (2014). Implementation of Strategic Management Practices in The Water And

Sanitation Companies in Kenya. *Strategic Journal of Business & Change. Management, Vol. 1 (Issue 2).*

Nunnally, J.C. & Bernstein, I.H. (1994). The Assessment of Reliability. Psychometric Theory, 3 (2): 248-292.

Nyaberi, J.P.L. (2020). Leadership Style and Performance of State Corporations of Kenya. *The Strategic Journal of Business & Change Management,* 7 (4), 1515–1522.

Nyagaki, B.K., Munga, J., & Munga, S. (2021). Influence of strategic management practices on organisational performance. A survey of commercial-based parastatals in Nairobi County. *The Strategic Journal of Business & Change Management, Vol 8(Issue 3), 618-636.*

Nybakk, E. & Jenssen, I. (2012). Innovation strategy, working climate, and financial performance in traditional manufacturing firms: An empirical analysis. *International Journal of Innovation Management.* 16 (2) April 26.

Nyongesa, R., Makokha, E., & Namusonge, G. (2017). Influence of Strategic Management Practices on Organizational Performance of Kenya Power and Lighting Company. *European Journal of Business and Management, 9(18),52-59.*

Odita, A.O., & Bello, A. (2015). Strategic Intent and Organizational Performance: A Study of Banks in Asaba, Delta State, Nigeria. *In Information and Knowledge Management*, 5, (4), 60-71.

OECD. (2010). Policy Brief on Corporate Governance of State-Owned Enterprises in Asia: Recommendations for Reform. *Asia Network on Corporate Governance of State-Owned Enterprises.*

Okeahalam, C., & Akinboade, O. (2003). A Review of Corporate Governance in Africa: Literature, Issues and Challenges. *Global Corporate Governance Forum Paper.*

Ondera, K. (2013). Strategic Management Practices in Mbagathi District Hospital, Nairobi, Kenya: *Unpublished MBA thesis: University of Nairobi*.

Orito, M. O. (2021). Investigating Strategic Leadership and Performance of State Corporations and Departments in the Ministry of Transport, Infrastructure, Housing, Urban Development, and Public Works-Kenya (Master's Thesis), University of Nairobi, Kenya. http://erepository.uon bi.ac.ke/h andle/112 95 /155722.

Orodho, J.A. (2003). Essentials of Educational and Social Science Research Methods. *Mazola Publishers, Nairobi.*

Orodho, J.A. (2005). Elements of Education and Social Science Research Methods. *Nairobi: Kanezja Publishers.*

Oscar, T. (2007). Panel Data Analysis Fixed and Random Effects Using Stata (V. 4.2). *Princeton University: Data and Statistical Services.*

Osuga, P.O. (2016). The Effects of Strategic Innovation on the Performance of SMEs in Nairobi

Otieno, M. (2013). Strategic Issue Management Practices by Small and Medium Enterprises in Mombasa County, Kenya. *MBA Project: University of Nairobi.*

Palladan, A., & Adamu, A. (2018). An Overview of Strategic Management Practices. *Austin Journal of Business Administration and Management. 2. 1033.*https ://www.rese archgate.net/publication/325736717.

Parmenter, D. (2012). A Table without any legs: A critique of the Balanced Scorecard Methodology. In implementing the winning KPIs whitepaper. [Online] Available:

https://blog.davidparmenter.com/table-legs-critique-balanced-scorecard-methodology/

Paul, K., & Jane O. (2015). The Influence of Strategic Management Practices on Performance of Private Construction Firms in Kenya. *International Journal of Scientific and Research Publications.* Vol. *5* (issue 6).

Pearce, A. & Robinson, B. (2007). Strategic Management.*London: McGraw-Hill.*

Pearce, A. & Robinson, B. (2007). Strategic management: formulation, implementation, and control. *Chicago, IL: Richard D. Irwin, Inc.*

Pearce, J.A. & Robinson, R. B. (2011). Strategic Management: Strategy Formulation and Implementation. *USA: Richard D. Irwin Inc.*

Pearce J. A., & Robinson R. B. (2010*).* The Tenuous link between formal strategic planningand financial performance. *Academy of Management Review 12.*

Pederzini, G. A. (2016). Strategic Management Cultures: Historical Connections with Science. *Journal of Management History. 22. 214-235. 10.1108/JMH-12-2015-0212.*

Peng, M. W. (2004). Outside Directors and Firm Performance during Institutional Transitions. *Strategic Management Journal, 25(5), 453–471*. http://www.j stor.org/ stable/20142135

Penrose, E.T. (1959). The Theory of the Growth of the Firm. *John Wiley & Sons, New York.*

Peters, T., Waterman, R. (1982). In Search of Excellence: Lessons from America's Best-Run Companies, *New York, London: Harper & Row*

Pfeffer, J. (1976). Beyond Management and the worker: The Institutionalfunction of Management. *Academy of Management Review, 1: 36-46.*

Pfeffer, J., & Salancik, G. R. (1978). The External Control of Organizations: A Resource Dependence Perspective. *New York: Harper & Row*

Piercy N., Phillips W., & Lewis M. (2013*).* Change management in the public sector: the use of cross-functional teams. Production Planning & Control, vol. 24, no. 10- 11, pp. 976-987.

Plant, T. (2009). "Holistic Strategic Planning in the Public Sector." Performance Improvement 48(2):38–43.

Poister, T. H. (2010). The Future of Strategic Planning in the Public Sector: Linking Strategic Management and Performance. *Public Administration Review 70(1):246– 254.*

Poister, T.H., Pitts, D.W., & Hamilton, E.L. (2010). Strategic Management Research in the Public Sector: A Review, Synthesis, and Future Directions.*The American Review of Public Administration*, 40(5), 522–545. https://doi.org/1 0.1177/0 75074010370617.

Pollitt, C., & Dan, S. (2011). The Impacts of the New Public Management in Europe: A meta-analysis. *COCOPS Work Package 1.*

Pyun, H., & Gamassou, C. (2018). Looking for public administration theories? *Public Organization Review, 18(2), 245–61.*

Pradhan, S., & Pradhan, R.K. (2015). An Empirical Investigation of the Relationship among Process and Member Performance. *Southern Business Review,* 25, 1-13.

Rahman, N., Othman, M., Yajid, M., Rahman, S., Yaakob, A., Masri, R., Ramli, S. & Ibrahim, Z. (2018). Impact of Strategic Leadership on Organizational Performance, Strategic and Operational Strategy. *Management Science Letters, 8(12), 1387-1398.*

Robson, C. (2011). Real World Research: A Resource for Users of Social Research Methods in Applied Settings, *(2nd Ed.). Sussex, A. John Wiley and Sons Ltd.*

Rubinfield, D. L. (2010). Reference Manual on Scientific Evidence: Third Edition (2011). *National Academies Press, 500 Fifth Street, 20001, Washington, DC.*

National Academies of Sciences, Engineering, and Medicine. 2011. Reference Manual on Scientific Evidence: Third Edition. Washington, DC: The National Academies Press. https://doi.org/10.17226/13163.

Rumelt, R.P. (1974). Strategy, Structure, and Economic Performance. *Harvard University Press, Cambridge.*

Ryan, C., & Ng, C. (2000). Public Sector Corporate Governance Disclosures: An Examination of Annual Reporting Practices in Queensland, *Australian Journal of Public Administration, 59(2):11.*

Sadikoglu, E., & Olcay, H. (2014). The Effects of Total Quality Management Practices on Performance and the Reasons for and the Barriers to TQM Practices in Turkey. *Advances in Decision Sciences*. 2014. 1-17. 10.1155/2014/537605.

Safi, A. J. & Mahmood, S. (2022). Strategic Management Practices in the Public Sector: A Literature Review – Descriptive. *9. 88-104. 10.22192/ijamr.2022.09.02.008.*

Sanchez, A., Lago, A., Ferras, X., & Ribera, J. (2011). Innovation management practices, strategic adaptation, and business results: Evidence from the electronics industry. *Journal of Technology Management & Innovation, 6(2), 14-38.*

Santhidran S., Chandran V.G.R., & Borromeo, J. (2013). Enabling organizational change– leadership, commitment to change, and the mediating role of change readiness. *Journal of Business Economics and Management,* vol. 14, no. 2, pp. 348-363.

Sasaka, P.S., Namusonge,G.S.,& Sakwa, M.M. (2015). Effect of Strategic Management Practices on the Performance of the Corporate Social Responsibility of Parastatals in Kenya. *International Journal of Arts and Commerce Vol. 4 No. 9, December 2015.*

Saunders, M., Lewis, P. and Thornhill, A. (2009) Research Methods for Business Students. *Pearson, New York.*

Saunders, M.N., Saunders, M., Lewis, P. and Thornhill, A. (2011). Research Methods for Business Students. *5th Edition, Pearson Education, Essex.*

Saunders, M., Lewis, P., & Thornhill, A. (2003). Research Methods for Business Students (3rd ed.). *England: Prentice Hall*.

Saunders, M., Lewis, P. and Thornhill, A. (2012) Research Methods for Business Students. *Pearson Education Ltd., Harlow.*

Saunders, M., Lewis, P. and Thornhill, A. (2014) Research Methods for Business Students. *Pearson Education Limited, London.*

Schmenner, W. (1995). Service operations management. *New York: Prentice-Hall, Englewood Cliffs.*

Schute, N., & Meyer, M. E. (2004). Strategic Management in the South African Police Service:An Examination of Management Preparedness.

Scrimgeour,F.,& Duppati, G. (2014). Corporate Governance in the Public Sector: Dimensions,Guidelines and Practice In India and New Zealand. *Corporate Ownership and Control. 11. 364-377. 10.22495/cocv11i2c4p2.*

Sekaran, U. and Bougie, R. (2009) Research Methods for Business: A Skill-Building Approach. 5th Edition, *John Wiley and Sons, Inc., Hoboken.*

Shafiq, M., Lasrado, F., & Hafeez, K. (2017). The effect of TQM on organisational performance: empirical evidence from the textile sector of a developing country using SEM. *Total Quality Management & Business Excellence. 30. 1-22. 10.1080/14783363.2017.1283211*.

Shen, W. (2003). The dynamics of the CEO-board relationship: An evolutionary perspective. *Academy of Management Review, 28(3), 466-476.*

Shompa, A.K. (2018). Effects of strategic innovations on organizational performance of Public Corporations in Kenya: a case of National Hospital Insurance Fund. *Retrieved from* http://repository.*anu.ac.ke/handle/123456789/466*

Simester D.I., Hauser J.R., Wernerfelt B., & Rust R.T. (2000). Implementing Quality Improvement Programs Designed to Enhance Customer Satisfaction: Quasi Experiments in the United States and Spain. *Journal of Marketing Research*, 37 (February), 102–112.

Simon, M. (2011). Validity and Reliability in Qualitative Research. Curationis, 16, 35-38.

Simon, Marilyn & Goes, J. (2012). Dissertation and scholarly research: Recipes for success. 10.13140/RG.2.1.5089.0960.

Sorooshian, S., Norzima, Z., Yusuf, I. & Rosnah, Y. (2010). Effects analysis on strategy implementation drivers. *World Applied Sciences Journal*. 11(10) 1255-1261.

Tahir H.K., & Ibrahim, M. (2020). The Moderating Effect of Corporate Governance on the Relationship Between Corporate Social Responsibility and Financial Performance of Listed Non-Financial Services Companies In Nigeria. International Journal of Contemporary Accounting Issues-IJCAI (formerly International Journal of Accounting & Finance IJAF), *The Institute of Chartered Accountants of Nigeria (ICAN), Vol. 9(1), pages 69-89, March.*

Tamimi, S.A.A., Khalil, S., & Abdullah, H.H. (2018). Applications of Strategic Management Practices in the Public Sector: Cases fromsome Middle East Countries. *Advances in Social Sciences Research Journal, Vol 5(Issue 9) 36-51.*

Teece, D.J., Pisano, G. & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal, 18, 509-533.* http://dx.doi.org/10.100 2/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z

UNFPA. (2023). World Population Dashboard Kenya. https://www.unfpa.org/data/world-population/KE

Van der Voet J., Kuipers B.S., & Groeneveld S., (2016). Implementing Change in Public Organizations: The relationship between leadership and affective commitment to change in a public sector context. *Public Management Review*, vol. 18, no. 6, pp. 842-865.

Vera, D., Crossan, M., & Apaydin, M. (2011). A Framework for Integrating Organizational Learning, Knowledge, Capabilities, and Absorptive Capacity. *Handbook of Organizational Learning and Knowledge Management, 2, 153–180.*

Walker, R. M., & Rhys, A. (2015). Local Government Management and Performance: A Review of Evidence. *Journal of Public Administration Research and Theory 25(1): 101–33.*

Wamalwa E. (2003). Factors influencing investment decisions in the parastatals in Kenya.

Wambui, S.K., Kahuthia, J., & Gakenia, J. (2018). Innovation Strategies and Organizational Performance: A Case Study of Telkom Kenya Limited. The *Strategic Journal of Business and Change Management. Volume 3, Issue 2. ISSN 2312-9492.*

Wan, J., Wang, L., Saade, R., Guan, H., & Liu, H. (2022). Empirical Analysis of Strategic Management in Inter-Governmental Organizations. Administrative Sciences, 12(3), 83. MDPI AG. Retrieved from http://dx.d oi.org/10.3 390/adm sci12030083

Wang, C.L., & Ahmed, P.K. (2007). Dynamic Capabilities: A Review and Research Agenda. *International Journal of Management Reviews, 9, 31-51. https://doi. org/10.1111/j.1468-2370.2007.00201.x*

Wang, G. & Sun, J. (2012). Change Management. 10.1002/9781118364741.ch17.

Wanyama, E.W. (2020). Moderating Influence of Corporate Governance on Organizational Resources and Performance: Evidence from Regional Development Authorities in Kenya. *The Strategic Journal of Business & Change Management, 7(3), 29 – 45.*

Wanyama, M.B., & Aila, F. (2022). Strategic Management Practices and Performance of Parastatals in Kenya. *European Journal of Management Issues*, *30*(2), 116-122. https://doi.org/10.15421/192211

Waterman, R.H., Peters, T.J., & Phillips, J.R. (1980). Structure is not Organization. *Business Horizons,* 23(3), 14-26

Weiss, J. (2016). Trust as a Key for Strategic Management? The Relevance of Council-Administration Relations for NPM-Related Reforms in German Local Governments. *Public Management Review, 19(10), 1–16.*

Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal, 5, 171-180.* https://doi.org/10.1002/smj.4250050207

Wheelen, T. L., & Hunger, J. D. (2012). Strategic Management and Business Policy: Toward Global Sustainability. *13th ed.*

Whelan-Berry, K.S. & Somerville, K.A. (2010). Linking change drivers and the organizational change process: A review and synthesis. *Journal of Change Management*, vol. 10, no. 2, pp. 175-193.

Williams, W., & Lewis, D. (2008). Strategic management tools and public sector management. *Public Management Review* 10(5): 653–671.

Wimmer, R.D. & Dominick, J.R. (2014). Mass Media Research: An Introduction. 10th Edition, *Wadsworth, Cengage Learning, Boston*.

Yihua, Y. (2010). Determinants of Variations in State per Capita Personal Income: A Panel Data Approach. *Applied Economics Journal, 1(1),* 1466-4291.

Yuhang, D. & Rui, H. (2023). Research on the Public Sector's Strategic Management Process based on Dynamic Capabilities. *International Journal of Science and Research Archive. 10. 469-477. 10.30574/ijsra.2023.10.1.0769.*

Yusoff, M.R., Songip, A.R., Baroto, M.B., & Ariffin, A.S. (2015). Strategic fit – The missing link between strategy formulation and strategy execution. Retrieved from: https://www.semanticscholar.org/paper/Strategic-fit-the-missing-link-between-strategy-and-Yusoff-Songip/eb47ec56921dd716e91fa701e14375cbf57c6ce1 *on 13th March 2023.*

Zikmund, G.W., Babin, B.J., Carr, C.J. & Griffin, M. (2010). Business Research Methods 8th Ed. *South-Western, Cengage Learning.*

Zohrabi, M. (2013). Mixed Method Research: Instruments, Validity, Reliability, and Reporting Findings. Theory and Practice in Language Studies, *3 (2): 254-262*

## APPENDICES

**Appendix I:** Introduction Letter

Geoffrey Kipyegon Koech

Kabarak University

P.O Box 20157-20100

NAKURU

Dear Respondent,

**Re: Request For Data Collection**

I am a doctoral candidateat Kabarak University pursuing a Doctor of Philosophy in Business Administration (Strategic Management). In partial fulfillment of the requirements for the award of the Doctorate, I am conducting academic researchtitled"***Moderating Effect of Corporate Governance on the Relationship between Strategic Management Practices and Operational Performance of Commercial State Corporations in Kenya.***"The purpose of writing to you, therefore, is to request your assistance in filling out the questionnaireattached herein as truthfully as possible, taking note of all the questions provided. Your thoroughness and honesty in completing the questionnaire will significantly enhance the accuracy of the findings. The same will also be beneficial for this study, your organization, and the government at large.

Please further note that any information received from your end will be treated with strict confidentiality and used purely for academic purposes. Your responses will therefore help provide insights into the study's key variables. Should you have any questions, concerns, or need clarification, please do not hesitate to ask.

I really appreciate any help you can provide.

Yours Sincerely,

Geoffrey Kipyegon Koech

**Appendix II:** Questionnaire

This questionnaire seeks to collect data on the various aspects of the study. Kindly respond to all the questions, comprehensively, honestly, and to the best of your knowledge and ability by putting a tick **(√)** in the appropriate box that closely matches your view or opinion.

| **No** | **Demographic Information** | | **Response** |
|---|---|---|---|
| 1. | Please indicate your gender. | i. | Male ☐ ii. Female ☐ |
| 2. | What is your age bracket? | i. | 18-28 years ii. 29-38 years ☐ |
| | | iii. | 39-48 years ☐ iv. 49-58 years ☐ |
| | | v. | Above 58 years ☐ |
| 3. | What is your level of education? | i. | Secondary ii. Diploma ☐ |
| | | iii. | Undergraduate ☐ iv. Masters ☐ |
| | | v. | Other (Specify)…….. |
| 4. | Please specify your department. | | …… |
| 5. | What is the duration of service in your current position? | i. | Below one year |
| | | ii. | Between 1 and 5 years |
| | | iii. | Between 6 and 10 years |
| | | iv. | Between 10 and 15 years |
| | | v. | Over 15 years |
| 6. | Where do you belong at the management level? | i. | Top management ☐ ☐ |
| | | ii. | Middle management |

**Section B: Strategic Planning**

Please indicate the extent to which you agree or disagree with the following statements relating to implementing strategic planning practice in your organization by ticking the appropriate box. Please use the rating scale provided hereunder appropriatelyusing SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree, and SA – Strongly Agree.

| No | Statements (Mission, Vision, and Objectives, Strategies, and budgets) | SD | D | N | A | SA |
|---|---|---|---|---|---|---|
| i. | The organization has a clear vision and mission statement. | | | | | |
| ii. | The organization has precise, specific, and measurable objectives. | | | | | |
| iii. | The organization has a strategic plan that guides the achievement of its vision, mission, and objectives. | | | | | |
| iv. | All staff sign individual performance contracts cascaded from the organization's vision, mission, and strategic objectives. | | | | | |
| v. | Established policies and practices guide the performance goals and objectives. | | | | | |
| vi. | The organization has a budgetary allocation for strategic planning and its periodic review to align with government development plans. | | | | | |
| vii. | The mission, vision, and objectives guide decision-making and operational planning. | | | | | |
| viii. | All stakeholders are involved in strategic plan development, implementation, and review | | | | | |
| ix. | The departments and units have operational plans and objectives aligned with the organization's strategic plan. | | | | | |
| x. | The organization is focused on improving service delivery and has budgeted resources for planned service | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | improvements. | | | | | |
| xi. | The organization's corporate governance mechanisms have improved because of a clear mission, vision, objectives, and plans. | | | | | |
| xii. | The implementation of approved strategic plans has improved operational performance. | | | | | |

**Section C: Strategic Leadership**

Please indicate the extent to which you agree or disagree with the following statements about implementing strategic leadership practice in your organization by ticking the appropriate box. Please use the rating scale provided hereunder appropriately using SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree, and SA – Strongly Agree.

| **No** | **Statements (Leadership, Communication, Decision-making, Responsibility, Transparency, and Accountability)** | **SD** | **D** | **N** | **A** | **SA** |
|---|---|---|---|---|---|---|
| i. | The organization has a clear management structure for top, middle, and lower-level management. | | | | | |
| ii. | The leadership team develops a clear vision and inspires employees to work toward its achievement. | | | | | |
| iii. | Responsibility rests with top management. | | | | | |
| iv. | There is a two-way communication (upward and downward) | | | | | |
| v. | There is centralized decision-making in the organization. | | | | | |
| vi. | There is a delegation of authority and responsibility. | | | | | |
| vii. | Decisions by top management are made in consultation with employees at all levels of the organisation. | | | | | |
| viii. | There is transparency and accountability in the organization. | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| ix. | Planning and decision-making are guided by the organization's mission, vision, objectives, and strategies. | | | | | |
| x. | There is clear strategic thinking and execution of the organization's plans, policies, and goals. | | | | | |
| xi. | Employees are motivated to carry out tasks assigned. | | | | | |
| xii. | Leadership teams inspire and motivate employees for performance through teamwork and team building. | | | | | |
| xiii. | Employees have the freedom to make decisions regarding their day-to-day operational work performance. | | | | | |
| xiv. | The leadership style has created a conducive work environment for all and enhanced organizational corporate governance mechanisms. | | | | | |
| xv. | The organization's strategic leadership has improved operational performance. | | | | | |

**Section D: Strategic Innovation**

Please indicate the extent to which you agree or disagree with the following statements relating to implementing strategic innovation practice in your organization by ticking the appropriate box. Please use the rating scale provided hereunder appropriately using SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree, and SA – Strongly Agree.

| **No** | **Parameters (Innovation Expenditures, Operational Improvements, Better Technology, and Innovative Products/Services)** | **SD** | **D** | **N** | **A** | **SA** |
|---|---|---|---|---|---|---|
| i. | The organization has an annual innovation budget and expenditures, including provision for Research and Development. | | | | | |
| ii. | The organization has used technology to improve operational efficiency in the provision of its products and services. | | | | | |
| iii. | The organization has invested in a more robust Enterprise | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Resource Planning system for day-to-day use in product and service delivery. | | | | | |
| iv. | All employees are periodically trained in the use of Information and Communication (ICT) technologies. | | | | | |
| v. | There are Key Performance Indicators (KPIs) on technology and its utilization at the workplace in our performance contract. | | | | | |
| vi. | The organization offers new, innovative products and services. | | | | | |
| vii. | All daily operational work and reporting are conducted using the organization's core technology. | | | | | |
| viii. | Employees are empowered and encouraged to propose innovative ways of delivering services or products. | | | | | |
| ix. | The adopted internal technologies have improved management and corporate governance within the organization. | | | | | |
| x. | The utilization of innovations has improved operational performance in the organization. | | | | | |

**Section E: Strategic Quality Management**

Please indicate the extent to which you agree or disagree with the following statements relating to the implementation of strategic quality management practices in your organization by ticking the appropriate box. Please use the rating scale provided hereunder appropriately using SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree, and SA – Strongly Agree.

| No | Statements (Quality improvement plans, Customer/Employee Focus, Quality certification, and Data-driven management) | SD | D | N | A | SA |
|---|---|---|---|---|---|---|
| i. | The organization is focused on delivering high-quality products and services. | | | | | |
| ii. | There is a quality management department in my organization. | | | | | |
| iii. | The organization has precise, specific, and measurable objectives for continuous product/service improvement. | | | | | |
| iv. | The organization has objectives and strategies focusing on employee and customer satisfaction. | | | | | |
| v. | The displayed Citizen Service Delivery Charter (CSDC) clearly defines the services, charges, delivery time, and other quality parameters. | | | | | |
| vi. | The organization has plans and policies for continuous process and operational improvements. | | | | | |
| vii. | The entire team is always focused on the quality dimensions of products and services within the organization. | | | | | |
| viii. | There is a commitment of top management to quality management systems and good corporate governance. | | | | | |
| ix. | The organization has ISO (International Standards Organization) 9000:2015 certification. | | | | | |
| x. | The adoption of strategic quality management systems has improved the organization's operational performance. | | | | | |

**Section F: Corporate Governance**

The following statements describe the corporate governance practice in your organization and how it influences the performance of your entity. Using the Likert Scale below, please indicate your level of agreement with the statements by ticking the appropriate box **(√).** Please use the rating scale provided hereunder appropriately using SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree, and SA – Strongly Agree.

| No | Statements (Board diversity and structure, Sustainability reporting) | SD | D | N | A | SA |
|---|---|---|---|---|---|---|
| i. | There is a legal and institutional framework that guides the organization's management. | | | | | |
| ii. | The organization, together with the Board of Directors, has clear governance structures. | | | | | |
| iii. | The Board of Directors has diversity, including gender, Persons with Disability, the community, age, etc. | | | | | |
| iv. | The Board is independent in decision-making. | | | | | |
| v. | The organization has precise monitoring and reporting systems. | | | | | |
| vi. | There is transparency and accountability in all operations of the organization. | | | | | |
| vii. | The organization submits its monthly, quarterly, and annual financial reports to all statutory bodies for audit purposes. | | | | | |
| viii. | The organization submits annual sustainability reports (Environmental, Social, and Governance Reporting) | | | | | |
| ix. | There are sufficient government oversight mechanisms and controls in the organization. | | | | | |
| x. | The adoption of board diversity, structures, and sustainability reporting has contributed to improved operational performance. | | | | | |

**Section G: Operational Performance**

The following statements describe the operational performance of your entity over the last few years. Using the Likert Scale below, please indicate your level of agreement with the statements by ticking the appropriate box **(√).** Please use the rating scale provided hereunder appropriately using SD – Strongly Disagree, D – Disagree, N – Neutral, A – Agree, and SA – Strongly Agree.

| **No** | **Parameters (Annual Performance Evaluation Score, Service delivery)** | **SD** | **D** | **N** | **A** | **SA** |
|---|---|---|---|---|---|---|
| i. | The organization's annual performance contract score reported by the National Treasury has improved over the last few years due to strategic management practices. | | | | | |
| ii. | The organization's existing corporate governance mechanisms have affected operational performance. | | | | | |
| iii. | The organization has managed its costs and increased revenue over the period through strategic decisions. | | | | | |
| iv. | Product and service delivery have improved due to strategic decisions. | | | | | |
| v. | The adoption of strategic management practices has led to improvements in the organization's operational performance. | | | | | |

***"Thank You For Taking Your Time"***

**Appendix III:** Commercial and Manufacturing State Corporations in Kenya

| No | Name of Commercial State Corporation |
|---|---|
| 1. | Agro-Chemicals and Food Company |
| 2. | Chemelil Sugar Company |
| 3. | East African Portland Cement Company |
| 4. | Geothermal Development Corporation |
| 5. | Jomo Kenyatta Foundation |
| 6. | Kenya Airports Authority |
| 7. | Kenya Broadcasting Corporation |
| 8. | Kenya Civil Aviation Authority |
| 9. | Kenya Electricity Generating Company |
| 10. | Kenya Electricity Transmission Company |
| 11. | Kenya Literature Bureau |
| 12. | Kenya Meat Commission |
| 13. | Kenya National Shipping Line |
| 14. | Kenya National Trading Corporation |
| 15. | Kenya Nuclear Electricity Board |
| 16. | Kenya Ordinance Factories Corporation |
| 17. | Kenya Pipeline Company |
| 18. | Kenya Ports Authority |
| 19. | Kenya Power and Lighting Company |
| 20. | Kenya Railways Corporation |
| 21. | Kenya Seed Company Limited |
| 22. | Kenya Wine Agencies |
| 23. | Kenyatta International Convention Centre |
| 24. | Konza Technopolis Authority |
| 25. | Muhoroni Sugar Company |
| 26. | National Cereals and Produce Board |
| 27. | National Housing Corporation |
| 28. | National Oil Corporation of Kenya |
| 29. | New Kenya Co-operative Creameries Ltd |
| 30. | Numerical Machining Complex |
| 31. | Nzoia Sugar Company |
| 32. | Postal Corporation of Kenya |
| 33. | Pyrethrum Board of Kenya |
| 34. | School Equipment Production Unit |
| 35. | South Nyanza Sugar Company |
| 36. | University of Nairobi Enterprises and Services Limited |

**Appendix IV:** Adult Informed Consent Form

**KABARAK UNIVERSITY RESEARCH ETHICS COMMITTEE**

ADULT INFORMED CONSENT FORM (TEMPLATE)

*(The form is written in English language but can be translated to Kiswahili or any other appropriate language)*

**STUDY TITLE**_____

PI_____ Affiliated Institution_____

Co-investigator(s)_____ Affiliated Institution(s)

_____

**INTRODUCTION**

You are invited to participate in this research study being undertaken by the above listed investigators. This form will help you gather information about the study so that you can voluntarily decide whether you want to participate or not. You are encouraged to ask any question regarding the research process as well as any benefit or risk that you may accrue by participating. After you have adequately been informed about the study, you will be requested to either agree or decline to participate. Upon agreeing to participate in the study, you will be further requested to affirm that by appending your signature/thumbprint on this form. Accepting or declining to participate in this study does not in any way waive the following rights which you're entitled to:

a) Voluntary participation in the study;
b) Withdrawing from the study at any time without the obligation of having to give an explanation and;
c) Access to services which you're entitled to

A copy of this form will be provided to you for your own records

Should I continue YES/NO _____

This study has been reviewed and approved by Kabarak University Research Ethics Committee (KUREC)

**What is the Purpose of the Study?**

The main reason(s) for conducting this study is to answer the following questions:

1……..

2……..

3……..

*(In order to answer these research questions, you are requested to voluntarily answer question(s) and/or accept some procedures performed on you)*

**Who can Take Part in the Study?**

*Outline the inclusion and exclusion criteria*

*Specify the sample size*

**In Case You Agree to Participate in the Study, What Will Happen?**

This is what is going to happen once you have agreed to participate in the study:

- *First, include a statement about the time commitments of the research for the participant including both the duration of the research and follow-up, if relevant.*

  _____
  _____
  _____

- *Second, a qualified and well-trained interviewer will ask you questions in a private place where you will feel comfortable. In case there is any question you feel uncomfortable responding to, you will not be coerced to respond. The questions will be on the following areas: (list the areas below)*

  _____
  _____
  _____
  _____

- *Third, after the interview, the following procedures will be done {detailed information on any procedures to be undertaken by the investigator(s)}*

  _____
  _____
  _____

- *Last, you are requested to provide your contact details (phone number or any other reliable form of contact). This will help reach you in case new information regarding the study emerges. Other reason(s) for requesting your contact details is (are)*

_____
_____
_____

- *The contact details you will provide shall remain confidential to the lead researcher (PI).*

**What Potential Risks are Associated with Participation in this Study?**

Any research involving human subjects has the potential of imposing a number of risks/harms or discomfort including psychological, physical, emotional, environmental, cultural etc.
{*The risks depend upon the nature and type of study and the interventions. State and explain the risk to the participant. Explain to the participant how this risk will be mitigated*}

_____
_____
_____
_____

**Privacy & Confidentiality**

Privacy is the right of an individual to have some control over how his or her personal information/data is collected, used, and/or disclosed. Confidentiality is the duty to ensure information (data) is kept secret only to the extent possible/reasonable. {*Explain to the participants how privacy and confidentiality will be upheld. Explain to the participant any extra precautions, you will take to ensure safety and anonymity. How well data will be handled and after how long will the data be discarded and how the data will be discarded*}

_____
_____
_____
_____

*In case you aren't comfortable answering any of the questions during the interview because of feeling embarrassed or uncomfortable, it will be within your rights to decline. Otherwise every measure has been taken to ensure that the interview is conducted in a private area with minimal to no interference so that you feel comfortable.*

*In case of clinical procedures:* You may experience some discomfort/pain after {*State the procedure*} _____. This may even cause some {*state the effects of the procedure*}

If at all you suffer any injury, illness or complication(s) by participating in this study, kindly contact us immediately using the contact details provided at the bottom of this form. you will be attended to by the study clinician and if there is need for further assessment or treatment you will be referred accordingly

**What Benefits are you Going to Accrue by Participating in the Study**

*{Benefits may be divided into benefits to the individual, benefits to the community in which the individual resides, and benefits to society as a whole as a result of finding an answer to the research question. Mention those that will be actual benefits not entitlements}*

*{Highlight the significance of the study}*

_____
_____
_____
_____

**What Will it Cost You to Participate in the Study?**

*{Will the participant incur any cost in order to participate in the study? Explain it clearly to the participant}*

_____
_____
_____

**Will Any Expenditure that You Incur by Participating in the Study be Refunded? Or will you be Paid for Participating in the Study?** *{Explain clearly to the participant whether or not they will be reimbursed}*

_____
_____
_____
_____

**In Case I Have any Further Questions/ Concerns in Future Whom Should I Contact?**

In the event that you need further clarification or questions regarding your continued participation in the study feel free to contact the PI *{Provide the contacts of the PI}*. In case of concerns regarding your rights and/or obligations as a research participant do not hesitate to contact the secretary, KUREC on *{KUREC contact}*

**What Alternative Options are Available to Me?**

*The decision on whether to participate or not is absolutely voluntary. You will be free to withdraw from the study at any point during the study without providing any explanation.*

**How Will the Findings of this Study be Communicated or Shared?**

*{Provide a detailed plan of how feedback of the study findings will be given}*

_____
_____
_____
_____

**Statement of Consent**

I have comprehensively read the consent form or/the information has been comprehensively read to me by the researcher. I have understood what the study is about and all the questions and concerns that I had have been responded to in a clear and concise. The study benefits and foreseeable risks have been explained to me. I totally understand that my decision to participate in this study is voluntary and I have the right to withdraw at any point during the study.

**I freely consent to participate in this study**

Signing this form does not in any way imply that I have given up the rights am entitled to as a participant

I agree to participate in this research YES_____ NO_____

I agree to provide my contact details for follow-up YES_____ NO _____

Participant's Name _____

Participant's Signature/Thumb print_____ Date _____

**Appendix IV:** Study Area Map

**Appendix V:** Ethical Clearance Letter

KABARAK UNIVERSITY RESEARCH ETHICS COMMITTEE

**Private Bag - 20157**
**KABARAK, KENYA**
**Email:** kurec@kabarak.ac.ke

**Tel: 254-51-343234/5**
**Fax: 254-051-343529**
www.kabarak.ac.ke

**OUR REF: KABU01/KUREC/001/03/11/24**

**Date: 4th Nov, 2024**

Geoffrey Kipyegon Koech
Reg No: GDB/N/2469/05/18
Kabarak University,

Dear Geoffrey,

**RE: MODERATING EFFECT OF CORPORATE GOVERNANCE ON THE RELATIONSHIP BETWEEN STRATEGIC MANAGEMENT PRACTICES AND OPERATIONAL PERFORMANCE OF COMMERCIAL STATE CORPORATIONS IN KENYA**

This is to inform you that ***KUREC*** has reviewed and approved your above research proposal. Your application approval number is ***KUREC-031124.*** The approval period is ***4/11/2024 – 4/11/ 2025.***

This approval is subject to compliance with the following requirements:

i. All researchers shall obtain an introduction letter to NACOSTI from the relevant head of institutions (Institute of postgraduate, School dean or Directorate of research)
ii. The researcher shall further obtain a RESEARCH PERMIT from NACOSTI before commencement of data collection & submit a copy of the permit to **KUREC.**
iii. Only approved documents including (informed consents, study instruments, MTA Material Transfer Agreement) will be used
iv. All changes including (amendments, deviations, and violations) are submitted for review and approval by ***KUREC***:
v. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to ***KUREC*** within 72 hours of notification;
vi. Any changes, anticipated or otherwise that may increase the risk(s) or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to ***KUREC*** within 72 hours;
vii. Clearance for export of biological specimens must be obtained from relevant institutions and submit a copy of the permit to KUREC;
viii. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal and;
ix. Submission of an executive summary report within 90 days upon completion of the study to ***KUREC***

Sincerely,

**Prof. Jackson Kitetu PhD.**
KUREC-Chairman

KABARAK UNIVERSITY
INSTITUTIONAL RESEARCH ETHICS COMMITTEE
APPROVED
P. O. PRIVATE BAG - 20157, KABARAK

Cc Vice Chancellor
DVC-Academic & Research
Registrar-Academic & Research
Director-Research Innovation & Outreach
Institute of Post Graduate Studies

**Appendix VI:** NACOSTI Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **349933**

Date of Issue: **13/November/2024**

## RESEARCH LICENSE

**This is to Certify that Mr.. Geoffrey Kipyegon Koech of Kabarak University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Bungoma, Kisumu, Machakos, Makueni, Migori, Mombasa, Nairobi, Nakuru, Transnzoia,**

**Uasin-Gishu on the topic: MODERATING EFFECT OF CORPORATE GOVERNANCE ON THE RELATIONSHIP BETWEEN STRATEGIC MANAGEMENT PRACTICES AND OPERATIONAL PERFORMANCE OF COMMERCIAL STATE CORPORATIONS IN KENYA for the period ending : 13/November/2025.**

License No: **NACOSTI/P/24/42118**

**349933**

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

**See overleaf for conditions**

**Appendix VII:** Evidence of Conference Participation

Session ID: STIE09-EIS-016

# CERTIFICATE

## OF PARTICIPATION

THIS CERTIFICATE IS PROUDLY PRESENTED TO

Geoffrey Koech , Prof. Simon Kipchumba and Dr. Symon Kiprop

For the Paper Titled

Moderating Effect of Corporate Governance on the Relationship Between Strategic Management Practices and Operational Performance of Commercial State Corporations in Kenya

During the 9TH DeKUT International Conference on Science, Technology, Innovation and Entrepreneurship held on 5th – 7th November 2025 at DeKUT, MAIN CAMPUS, NYERI.

Prof. Eng. Peter N. Muchiri
Vice Chancellor

DSAIL MORIMATSU CeFoNa KONZA

**Appendix VIII:** List of Publications


Journal of Business and Entrepreneurship

[ISSN 2958-1125]
Volume: 04 Issue: 01 | November-2025

JBE


# Revisiting Link between Strategic Management Practices and Operational Performance: The Moderating Role of Corporate Governance in Kenya's Commercial State Corporations


**Authors**

**Geoffrey Kipyegon [1]; Simon K. Kipchumba [2]; Symon K. Kiprop [3]**

**Main Author's Email: koechg@kabarak.ac.ke**

**(1.2) Kabarak University, Kenya; (3) Egerton University, Kenya**



**Cite this article in APA**

Koech, G. K., Kipchumba, S. K., & Kiprop, S. K. (2025). Revisiting link between strategic management practices and operational performance: The moderating role of corporate governance in Kenya's commercial state corporations. *Journal of business and entrepreneurship*, 4(1) 52-71. https://doi.org/10.51317/jbe.v4i1.873

OPEN ACCESS

A publication of Editon Consortium Publishing (online)

**Article history**

Received: 2025-09-27
Accepted: 2025-10-28
Published: 2025-11-28

**Scan this QR to read the paper online**





**Abstract**

This study sought to determine the moderating effect of corporate governance on the relationship between Strategic Management Practices and the operational performance of commercial State Corporations in Kenya. The target population of the study consisted of 317 respondents in top and middle-level management within the five key departments. Our sample size was 177 respondents selected using the Yamane sampling technique and distributed to the various management strata using the Neyman allocation formula to ensure proportionality. Quantitative data were collected using a five-point Likert-scale structured questionnaire. Both descriptive and inferential statistical tools were applied to analyse the data. Statistics revealed that while the direct effects of strategic management ($\beta$ = -0.670, p = 0.062) and corporate governance ($\beta$ = -0.439, p = 0.042) became negative, the interaction term was significantly positive(Unstandardised $\beta$=0.328, p= 0.002, stadardized $\beta$ = 1.203, p = 0.002 <0.05), confirming the moderating role of corporate governance on the strategy-performance nexus. These findings provide new insights into why organisations with similar strategic initiatives may realise varied performance results, revealing that this could be due to the quality of their governance structures and reaffirming the importance of an integrated approach to strategic management and corporate governance. It has also provided invaluable insights expected to inform the revitalisation of public strategy, realignment of corporate governance, and enhancement of performance.



**Key terms:** Corporate governance, operational performance, state corporations, strategic management practices.

Editon Consortium Journal of Business and Management Studies [ISSN: 2664 - 9470]

**Issue no:** 1 | **Vol no:** 7 | November 2025: 104-124

# Reassessing the Link between Strategic Planning Practices and Operational Performance in Kenya's Commercial State Corporations

**Geoffrey Kipyegon Koech** [1]
**Simon K. Kipchumba** [2]
**Symon K. Kiprop** [3]

(1.2.3) Kabarak University, Kenya
Main Author's Email: koechg@kabarak.ac.ke

**Article History**
Received: 2025-09-26
Accepted: 2025-10-27
Published: 2025-11-27

**Cite this article in APA**
Koech, G. K., Kipchumba, S. K., & Kiprop, S. K. (2025). Reassessing the link between strategic planning practices and operational performance in Kenya's commercial state corporations. *Editon consortium journal of business and management studies, 7*(1), 104-124. https://doi.org/10.51317/ecjbms.v7i1.655

**Abstract**
This study sought to examine the effect of strategic planning practice on the operational performance of commercial State Corporations in Kenya. The study was grounded on four key theories: Resource-Based View Theory, Dynamic Capabilities Theory, Stewardship Theory, and Resource Dependency Theory. The target population consisted of 317 respondents in top and middle-level management within the five key departments. The study sampled 177 respondents using the Yamane sampling technique and distributed them to various management strata using the Neyman allocation formula to ensure proportionality. Quantitative data were collected using a five-point Likert-scale structured questionnaire. Both descriptive and inferential statistical tools were applied for data analysis. Under Inferential statistics, the regression coefficients of variables showed statistically significant positive effects on operational performance, including strategic planning ($\beta1 = 0.513$, $p=0.000 < 0.05$). The unstandardised beta coefficient ($\beta1 = 0.513$) indicates that a one-unit increase in strategic planning implementation is associated with a 0.513-unit increase in operational performance, holding other factors constant. This positive coefficient suggests that enhancing strategic planning practices leads to improved operational performance in the sampled SCs. These findings provide new insights into why organisations with similar strategic initiatives may realise varied performance results, revealing that this could be due to the quality of their governance structures and reaffirming the importance of an integrated approach to strategic management and corporate governance. It has also provided invaluable insights expected to inform the revitalisation of public strategy, realignment of corporate governance, and enhancement of performance. Future research work should investigate the moderation of corporate governance across different categories of State Corporations and varied dimensions of performance.

**Key words**: Operational performance, state corporations, strategic management practices, strategic planning practice.