Purpose: The purpose of the study is to help firms use strategy as an important tool helping both management and employees in control and evaluation of whether or not the institution's objectives are met.

Design/Method/Approach: The researcher used an exploratory study design, and the data was collected through organised interviews via telephone to gather everything that is relevant for the study. Qualitative data collected was thereafter analysed by finding out similarities and differences among the responses collected from different institutions and conclusions made.

Findings: The findings indicate that strategic management practices are useful predictor variables of performance. The composite $R^2$ value of .714 which indicates that 71.4% variation of performance in parastatals in Kenya is as a result of strategic management practices. Of these practices, strategy implementation had the highest impact on performance. The least was strategy evaluation.

Theoretical Implications: Strategic fit theory was used to analyse the performance of each parastatal. The researcher then presented the data using a descriptive approach by the use of illustrative quotes.

Practical Implications: The performance of parastatals is good with both employees and consumers reporting high levels of satisfaction.

Originality/Value: To achieve any organizational goals, a parastatal needs to plan, formulate and implement. The document is to encourage top management in parastatals to practice strategic management as it will have a positive impact on performance in parastatals in Kenya.

Research Limitations/Future Research: Like many research studies, a small group of 14 parastatals was examined, and conclusions were made basing on the findings from this sample. This brought about a generalization that was applied to all other subjects in the field. This generalization appeared somewhat unfair judgement about other parastatals from where participants were not selected because different institutions may have different cultures and levels of professionalism, practice and performance when it comes to matters of strategic management.

Paper type: Empirical

Keywords: Strategic Management, Management practice, Parastatal, Performance.
Мета роботи: Мета дослідження полягає в тому, щоб допомогти фірмам використовувати стратегію як важливий інструмент, що допомагає керівництву та працівникам контролювати та оцінювати, чи досягаються цілі установ.

Дизайн / Метод / Підхід дослідження: Дослідники використовували пошукові методи дослідження, дані зібрані шляхом організованих інтерв'ю по телефону для максимального охоплення тематики дослідження. Зібрані дані були проаналізовані шляхом виявлення подібності та відмінностей між відповідями, зібраними від різних установ, і відповідних висновків.

Результати дослідження: Результати показують, що методи стратегічного управління є корисними прогностичними змінними ефективності. Зведене значення R2 становить 0,714, яке вказує на те, що 71,4% варіації ефективності напівдержавних підприємств у Кенії є результатом практики стратегічного управління. З цих практик впровадження стратегії мало найбільший вплив на ефективність.

Теоретична цінність дослідження: Для аналізу результатів діяльності кожного напівдержавного підприємства було використано теорію стратегічної відповідності. Результати було представлено через описовий підхід з використанням ілюстративних цитат.

Практична цінність дослідження: Показники діяльності напівдержавних органів хороши, як співробітники, так і користувачі повідомляють про високий рівень задоволеності.

Оригінальність / Цінність дослідження: Для досягнення будь-яких цілей організації напівдержавного органу їх необхідно планувати, формувати та реалізовувати. Цей документ призначення стимулювало вище керівництво напівдержавними організаціями до практики стратегічного управління, оскільки це показує позитивний вплив на ефективність роботи напівдержавних організацій у Кенії.

Обмеження дослідження / Майбутні дослідження: Як і в багатьох інших дослідженнях, було виявлено невелику групу з 14 напівдержавних установ, і на основі результатів цього вибору було сформульовано висновки. Це привело до узагальнення, яке було застосовано до всіх інших суб'єктів у цій області. Це узагальнення виявилося кількома несправедливими судженнями про інші напівдержавні організації, з яких не були відображенося, осікі на різні установи можуть мати різну культуру та рівень професіоналізму, практики та ефективності, якщо говориться про стратегічне управління.

Тип статті: Емпірічний

Ключові слова: стратегічний менеджмент, праця управління, напівдержавні установи, продуктивність.
1. Introduction

Strategic management is a concept that concerns making decisions and taking corrective actions to achieve long-term targets and goals of an organization (Gure, & Karugu, 2018). Strategic management practice consists of four basic elements: strategic planning, implementation, evaluation and control (Makhangwa, 2017). It is within these four elements that strategic management practices are manifested and are also described as a strategic management process. Strategic leadership is a component of strategic management practice that involves provision of direction and leadership toward implementation of a planned strategy.

Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats considering corporate strengths and weaknesses. Strategy must not regard competitiveness of a parastatal to be limited to specific and known forces of the market in which the parastatal operates, but competitive forces should be looked into in relation to competitive strategies the parastatal uses such as cost leadership, differentiation or focus strategies (Kumar, 2021; Pulladan & Adamu, 2018).

2. Theoretical Review

His study is premised on Strategic Fit theory. This theory proposes that like a line of best fit, businesses have to analyze their available opportunities, examine their own strengths and thereby find out what works for them in terms of planning for their future engagements. This must also be related to the environment in which the business exists and operates. There are two types of business environments: internal and external (Rahman & Rahman, 2019). Internal environment includes all factors within the business entity that directly impact its success. The other major characteristic of this type of environment is that the business has control over it. For example, the number of employees the business should have, the types of equipment used, the departments that should be established and types of partners to work with. External environment, on the other hand, entails factors outside the business that affect its operations, but the business does not have direct control over them. For these factors, the business has to change its way of operations for it to succeed. The examples of these factors are legal or political matters, competition, and demographic characteristics of customers to be served (Moses, & Ekwutosi, 2014).

A strategy formulation process, to a great extent, matches the three major components of the theory. These components are matching, establishing a fit, and integration. Environmental scanning helps to identify relevant internal and external factors that affect business performance. Formulation establishes a fit, and implementation achieves the integration of all the ideas in a way that benefits the business. According to Katie (2021), advantages of using this ideology are that you end up with a strategy before beginning a business year. Those businesses that are keen on strategies will end up having a sense of direction, probably making wise investment decisions, having measurable success, and achieving a level of satisfaction for the company and for its partners, customers and employees.

Strategic management is a term coined from two words that are already rich in themselves when it comes to meaning and usage. Strategy is, in other words, a plan that is drawn after carefully forecasting the aims of a company, organization, group or individual; by drawing ways how to get there. Management is, on the other hand, a way of controlling people or activities in a way to get things done through them. Therefore, combining the two words brings the compound meaning of having a well-controlled plan to attain an organization's objectives for existence. Hunger and Wheelien (2022) define it as a ‘set of managerial decisions and actions that determines the long-run performance of a corporation’. This definition is careful to include the important aspects of decision making which is a day-to-day function of management.

2.1. Process of Strategic Management

Everything that is as effective as strategic management evolves over time and ends up having clear-cut processes that can be studied and applied by anyone interested in it. The process involved here as described by Juneja (2015) is a way of clearly defining an organization's plan of actions for a specified period in future. It is a continuous process that involves environmental scanning, strategy formulation, strategy implementation and strategy evaluation.

2.2. Environmental Scanning

His is an organization’s way of observing its own activities and identifying current trends that the business has in its internal and external environments. By doing so, the business ends up identifying ways to alter its current operations to ensure better success in the coming days. Sulmus and Lozano (2019) found out that data collected have to be addressed in good time. This is in helping to identify changes in the external environment especially competitors and consequently in clearly defining potential business threats or opportunities that can be harnessed to benefit the organization. Some tools used to carry out these scans include SWOT analysis which is an acronym for strengths, weaknesses, opportunities, and threats. Another common tool is PESTEL analysis which stands for political, economic, social, technological, legal and environment.

2.3. Strategy Formulation

This is the tactical formation and documentation of intended actions for the coming specified period of time. In the recent past, most businesses have focused on external factors relating to competition in the industry but have had little or no focus on internal environment factors when laying down strategies. Guinot, Monfort and Chiva, (2021) in their study established that if employees actively participate in decision making, their job satisfaction is influenced positively because they perceive that they are trusted. Köseoglu, Altn, Chan and Aladag, (2020) also found out that one key factor that contributes to successful strategy formulation and implementation is active employee involvement.

2.4. Strategy Implementation

Most strategic plans often come with new ideas, methods and ways of doing things. If success must be realized, the following aspects have been seen to play an enhancing role: commitment to the vision, willingness to adopt the changes, ability to quantify or measure progress and setting priorities right (Köseoglu et al., 2020). Availability of resources is a key to fulfill new plans. A human resource as well as money as the main resource needed to purchase goods and services must be available when needed. Constraints on availability of equipment following a breakdown of existing tools and the need to have improved technological devices have to be addressed in good time. In most cases, parastatals often need to have long lasting machines which sometimes serve for a long time and become outdated or are too slow to keep up with the rising number of individuals who need the particular services (Makara, 2017). For countries in Africa, the main source of income for parastatals is the government (Buldo, 2021).

2.5. Strategy Evaluation

Judging how plans have worked out in terms of numbers or quality of outcomes is a key element of deciding which actions to keep, and which ones to let go. In any company, individual evaluation of performance in terms of appraisal helps to identify the people who need help replacement or encouragement to keep working. It may also identify areas of
need of training among employees. The same applies to every strategy that is formulated; there must be an established measurement of performance criteria that will give indicators of success or failure (Punt et al., 2016). It is easy to calculate, for instance, how many products were sold in a certain period in comparison with a similar period in a previous year. From here, it is known whether there is a positive or negative progress.

3. Problem of the Statement

Parastatals in Kenya are facing a rapidly changing market. The competitive business environment has forced organizations to engage in complex business decisions which require competitive strategies. The very well-known challenge for public organizations in Kenya is past and currently is successful formulation and implementation of strategy (Nyagaki, Munga & Munga, 2021). Studies indicate that 70% of strategic initiatives fail to be implemented, they assert that the failure is due to understanding the reason for the plan-unable to predict reactions from the environment, failure in coordination, resource competence overestimation, time requirement underestimation, lack of employee commitment, not following the plan and failure to obtain senior management commitment (Auka & Lungat, 2016; Muriuki, Cheruiyot & Komen, 2017; Mohammed & Rugami, 2019; Nduati, Kariuki & Wanjohi, 2021). Majority of studies done have focussed on other areas, SMEs (Gar & Karuga, 2018; Maldenyia, Chathuranga & Marasinghe, 2022), Fintechs (Kimuni, 2018), Saccos (Daudi & Mbugua, 2018; Sikyoya & Muteshi, 2020), Counties (Nyakundi, 2018; Mohammed & Rugami, 2019; Mutuku, 2019), Banks (Njambi, 2017; Mwakai, 2018; Gabow, 2019). Those done have not addressed strategic management practices and performance in a government sector. The few studies done in the public sector, NTSA (Karanja & Juma, 2020) sustainability in state corporations (Muriuki, Thomas & Joyce, 2017), Kenya Power (Nyongesa, Makokha & Namusonge, 2017), Corporate Social Responsibility (Sasaka, 2017). The aim of the study was to investigate the influence of strategic management practices and performance in parastatals in Kenya.

4. Data and Methods

4.1. Research Design

The study utilized an exploratory design since it sought to establish the relationships among the key study variables, namely strategic management practices, knowledge and performance of parastatals. This study design was seen to be the most relevant because of the scarcity of data on this subject. It helped identify the actual issues encountered by parastatals that will form baseline data for future studies (Dunne, 2018). Organized telephone interviews were conducted to collect data from 14 parastatals. The information was analysed and presented in this document.

4.2. Study area

The study took place in Kenya, East Africa. The data was collected from individuals working in 50 parastatals distributed across the country.

4.3. Sampling method

A simple random sampling method was used where subjects that were available at the time of collecting data were picked to participate in the study after informed consent had been sorted.

4.4. Data collection tools and instruments

The data was collected on subjects from whom proper consent had been sorted. A structured questionnaire was preferred because it was easy to use, time saving and provided organized data for easier analysis (Jones, Baxter & Khanduja, 2015). It included relevant demographic and qualitative data. The participants were first called, requested to participate, and then the questionnaires were mailed to them. On receiving the questionnaire, sustained communication was established between the researcher and respondents to assist them in completing it successfully. Completed questionnaires were then mailed back to the researcher who kept them.

4.5. Data Collection

Quantitative data that was collected through structured questionnaires was analysed, and the conclusions about the patterns seen among the parastatals in similarities and differences were drawn. A total of 75 questionnaires were distributed to senior managers, supervisors and the general staff in 14 parastatals to get their responses about the items under study. Out of the 75 questionnaires distributed, 50 questionnaires were duly filled. This represented 66.7% response rate of the total questionnaires given out. According to Mugenda and Mugenda (2003), 50% response rate is adequate for descriptive surveys, while 60% is good and above 70% is very good. Based on such contention, the response rate for the study was rated as good. The collected data was edited carefully for purposes of correcting and adjusting any omissions, inconsistencies, irrelevant answers, and wrong computations from the study. After editing, the data obtained was arranged and classified according to common characteristics possessed by the distinct items in the questionnaire. Finally, the obtained data was arranged in columns and rows for absolute clarity in the data presented.

5. Results and Discussion

Strategic fit theory describes the degree to which an organization matches its resources and capabilities with the opportunities in the external environment (Teece, Pisano and Shuen, 1997). This means that each business could fit in certain environments much easier and do well but find it difficult to thrive in another environment. This study focused on parastatals in Kenya, and the findings are herein.

5.1. Reliability

The reliability of the data can be defined as the degree to which the instruments of data collection give results that are consistent after repeated trials (Mugenda and Mugenda, 2003). According to Creswell and Poth (2016), a reliability coefficient estimates consistency by determining whether each item of the test relates to all other items to ensure internal consistency of the data. Thus, the higher the coefficient is, the more reliable the test is (Nunnely, 1978). To determine the reliability (internal consistency) of the data collected, Cronbach’s Alpha (a) coefficient was used. That is, the constructs of strategic management practices and performance of parastatals were tested for reliability using Cronbach’s alpha test which gave the results as shown in Tab. 1.

<table>
<thead>
<tr>
<th>Composite Variable</th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Scanning</td>
<td>.795</td>
<td>5</td>
<td>50</td>
</tr>
<tr>
<td>Strategy Formulation</td>
<td>.871</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Strategy Implementation</td>
<td>.812</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
<td>.703</td>
<td>6</td>
<td>50</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>.894</td>
<td>6</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Research results, 2021

Therefore, based on Cronbach’s alpha coefficients for all the composite variables in the study, it was found that the research instrument used was reliable enough and that the data collected was equally reliable. This is because all the variable items gave a composite Cronbach alpha of .795 for Environmental Scanning, Strategy formulation, Strategy Implementation and Strategy Evaluation, all of which were above the acceptable .70 alpha coefficient value.
5.2. Correlation Analysis

Correlation analysis was conducted to determine the existence, strength and direction of a linear relationship between strategic management practices and performance. The correlation analysis was carried out using Pearson’s correlation coefficient technique. The study sought to investigate the influence of strategic management practices and performance (Environmental Scanning, Strategy formulation, Strategy implementation and Strategy Evaluation) on the dependent variable (Performance). The results obtained were presented in Tab. 2.

<table>
<thead>
<tr>
<th>Table 2: Correlation Matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>Environmental Scanning</td>
</tr>
<tr>
<td>Strategy Formulation</td>
</tr>
<tr>
<td>Strategy Implementation</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
</tr>
<tr>
<td>Performance</td>
</tr>
</tbody>
</table>

** Correlation is significant at 0.01 level (2-tailed).
* Correlation is significant at 0.05 level (2-tailed)

Source: Research results, 2021

5.3. Regression Analysis

This study further carried out a regression analysis by fitting linear regression models for the data. The regression analysis was conducted for each of the predictor variables and employee retention. This was purposely done to investigate the level of influence that each predictor variable had on the dependent variable. It helped the study to establish the nature of the relationship between strategic management practices and performance variable. The results obtained were presented in Tab. 3. The amount of variation obtained on the composite predicted variable (performance) as explained by the composite independent variables (Environmental Scanning, Strategy formulation, Strategy implementation, Strategy Evaluation). The multiple regression analysis carried out yielded a coefficient R value of .845 and the R² of .714, which means that 71.4% of the corresponding variation in performance can be explained by strategic management practices. Furthermore, the adjusted R square (.709) attempts to give a more honest value that tends to estimate the R square for the entire population at 70.9%.

Similarly, the ANOVA test gave the F value of (134.105, p < .001) which was large enough to support the goodness of fit of the model in explaining the variation in the composite predicted variable (performance) by strategic management practices. It also shows that with a p-value of less than 0.001, there is less than 1 in 1000 chances that the influence of strategic management practices on performance could be described by a flat line. Thus, this corroborates the view that strategic management practices are useful predictor variables of performance. Therefore, this model was found to be significant and fit, and expressed further in the regression coefficients as shown in Tab. 4.

<table>
<thead>
<tr>
<th>Table 3: Strategic management practices on Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model Summary</td>
</tr>
<tr>
<td>R</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

Change Statistics

<table>
<thead>
<tr>
<th>R Square Change</th>
<th>F Change</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>134.105</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>


Source: Research results, 2021

<table>
<thead>
<tr>
<th>Table 4: Coefficients for Strategic Management practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>Unstandardized Coefficients</td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Environmental Scanning</td>
</tr>
<tr>
<td>Strategy Formulation</td>
</tr>
<tr>
<td>Strategy Implementation</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
</tr>
<tr>
<td>a. Dependent Variable: Performance</td>
</tr>
</tbody>
</table>

Source: Research results, 2021

The results obtained in Tab. 4 show the unstandardized regression coefficients β values of the computed (composite index) scores of strategic management practices as .243 (Environmental scanning), .459 (Career management), .742 (Strategy formulation), .001 (Environmental scanning) and .002 (Strategy implementation). These coefficients show the fitted model with the inclusion of the constant (beta zero). Hence, the raw regression equation model given was as shown:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon \]

and thus, the estimated model was given by:

Performance (predicted) = -1.807 + 0.243* Environmental Scanning + 0.742*Strategy Formulation + 0.001*Environmental Scanning - 0.002*Strategy Implementation

In the establishment of how useful the predictor variables could be, Cohen, West, and Aiken (2011) recommended that the t-values should be less than -1.96 or greater than +1.96 at 95% confidence level. Therefore, the results obtained in Tab. 4 present the t-values of strategy implementation (t=4.379), strategy formulation (t=8.133), strategy evaluation (.031) and environmental scanning (.022). This shows that the t-values of strategy implementation, strategy formulation and strategy evaluation were within the
range and hence, the variables were found to be significant predictors of employee retention in the multiple regression since all the three had p-values of less than 0.01. Thus, having achieved the set objective, the study rejected the null hypothesis that: 

H: Strategic Management practices have no significant influence on performance in Parastatals in Kenya.

6. Conclusion and Recommendations

The public sector is bound to be affected by the uncertainty in the environment that may affect the performance of an organization. High competition and many other negative aspects in the external environment, which become threats to parastatals; to develop their business that need to be handled carefully through strategic management approach. The implementation of strategic management practices in parastatals can help them to enhance their performance through improved effectiveness, efficiency and flexibility.

To improve the performance, the implementation of strategic management must be conducted properly. There is need to analyse the external environment to obtain information in term of threats and opportunities and carry out the internal environment assessment to evaluate a firm’s strengths and weaknesses in order to cope with threats and opportunities.

In view of the findings, the study recommends that management of parastatals should show more commitment to firms. Managers need to spend more of their time planning and implementing strategy, the management of available resources and need to allocate more resources and provide training to the staff and seek employee input during the process of strategy formulation and implementation.

7. Funding

His study received no specific financial support.

8. Competing interests

The authors declare that they have no competing interests.

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