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Effect of Organization Resources on Strategic Plan Implementation in State Corporation in Kenya: Case of Postal Corporation of Kenya

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Abstract:

Implementation of a strategy involves operationalization or putting into action the plans that the team has come up with for the sole purpose of driving the operations of an organization to a desired future position in terms of set goals. The attainment of predetermined position is important in the attainment business sustainability. Strategy implementation is basically administrative; therefore, it requires that the strategy is supported by appropriate organization resources that play a leading role in the implementation process. This study set to establish the effect of Organization Resources on strategic plan implementation in State Corporation in Kenya (Case of Postal Corporation of Kenya). Specifically, the study set to establish: the effect of organizational resource son strategic plan implementation at PCK, Headquarters, Nairobi. The study was anchored on the Resource Based View Theory. It utilized the descriptive research design and target population 742 Postal Corporation of Kenya (PCK) drawn from all cadres in the organization. Stratified sampling technique was applied to ensure that all cadres were incorporated for all-inclusive data. A sample size of 260 staff was selected using Yamane (1967) formulae to obtain sample size. A questionnaire made up of structured and unstructured questions was adopted in collection of primary data. Validity and reliability of the instruments was assessed by conducting a pilot study that involved 26 respondents that were drawn from PCK headquarters, Nairobi. A Statistical Package for Social Sciences (SPSS) Version 25 software helped ease the data analysis. The study showed that organization resources ($\beta=0.583$, $p<0.05$ & $M=3.65$) this means that organization resource have significant effect on strategic plan implementation. In conclusion, organizational factors have a positive and significant relationship and effect on strategic plan implementation. Finance Managers of PCK should formulate effective policies that facilitate effective and efficient utilization of the available financial resources for strategic plan implementation. The HR managers should provide training of all managerial staff on effective and efficient strategic plan implementation in the corporation. The present study was limited to effect of Organization Resources on strategic plan implementation in State Corporation in Kenya (Case of Postal Corporation of Kenya). Further studies should consider replicating this study in other Postal Corporation of Kenya in other counties and regions so as to enhance the generalization of findings.

Keywords: Organization resources, strategic plan implementation, postal corporation, Kenya

1. Background of the Study

Strategic plan implementation is the summations of all action in which implementing agents apply various resources to achieve predetermined objectives on a given future date. For any strategy to impact an organization's success, the developed strategic plan must be put into action through implementation. Pearce, *et al.*, (2002) noted that in order to successfully implement plans that have been formulated in an organization, the plans need to possess some key characteristics in terms of being able to be measured with a clear scale, be specific, be time bound, attainable and realistic. Implementation process of a strategic plan requires a step back and ensuring all stakeholders understand the formulated strategies and how they intend to benefit the organization. This can only be achieved through thorough review which helps in highlighting key elements of the plan that are likely to be challenging, identify any sections of the developed plan that may not be realistic, or require more than available resources to implement. Identifying these challenging and taking note of them needs to be the first thing so as necessary actions may be taken to ensure that the operationalization of the strategy is successful Dullo, NambuswaMakokha & Namusonge,(2018). It is important that a vision is formulated to assist in the strategy implementation process. This may comprise of a series of goals that are to be delivered over time broken down in a step by step action plan that may need to be executed (Daft, 2013).

1.1. Organization Resources

Resources have been defined differently by different scholars. For instance, Mbaka&Mugambi, (2014) defined resources as including both materials and the people aspects need in process of bringing the strategies into action. Hunger *et al.*, (2003) extended this definition by noting that a resource includes both material and human resources available to an organization to be used in the implementation of a strategy. Courtney (2002) on the other hand noted that departments and strategic business units dealing with implementation of strategy need to have adequate resources for the smooth implementation. Barney and Clark (2007) pointed out that staff play an important role in strategy implementation, As such, they need to possess the right skills which need to be improved from time to time through staff development programs Chepkosgei&Atambo, (2018). Resources are limited which calls on organizations to optimally utilize the resources at their disposal to gain competitive advantage. Some of these resources include availability of capital, limited production capacity, restricting structure among others Wangui (2018).

1.2. Statement of the Problem

Strategy implementation is the second stage in strategic management process that involves operationalization of the strategic plan into work activities that leads to the realization of the organization goals and objectives Nzioki, Ntale & Ngui, (2018). Although eighty percent of firms possess the right strategies, just 14 percent execute them legally. According to Burdin (2012), on the survey of strategy implementation in Chinese Corporations only 17 percent felt there was a steady strategy implementation process while 83 percent of the surveyed organizations fail to effectively execute strategy. In Morocco Semmar (2012) concluded that structural reforms, modernization and liberation had positive bearing on financial performance of Moroccan State Corporation. Limitation of the study was that it was carried out in different Country. A study by Kimeli (2008)acknowledged existence of challenges in strategy implementation by noting that incompatibility in the structure and inefficiencies in communication negatively affected strategy implementation at Kenya Revenue Authority. Other key challenges included inconsistent policies which made it difficult to create a consistent culture. The Authority also lacked employee involvement as the employees suffered from limited motivation as they were not involved in formulation of the strategies they were to implement. In another study, Kimani (2009), that PCK adopted different strategies with the aim of gaining competitive advantage because of increased competition in the Postal services in the country. From the results, PCK adopted various strategies like rebranding to improve on performance. They also had changes in leadership as one of the ways of improving efficiency. However, further results indicated that many strategic plans developed by PCK did not drive the organization the desired future position. This resulted in PCK being unable to achieve core strategic objectives as outlined in the said strategic plans Korir & Moronge, (2016). This implies that studies conducted elsewhere may not provide accurate answers regarding factors that affect strategic plan implementation in State Corporations. Therefore, this study sought to assess effect of Organization Resource on strategic plan implementation in State Corporation in Kenya (Case of Postal Corporation of Kenya).

1.3. Objective

The study aims to establish the effect of Organization Resources on strategic plan implementation in State Corporation in Kenya (Case of Postal Corporation of Kenya).

2. Resource Based View Theory (RBV)

RBV has emerged as a common competitive advantage theory. The concept was originally coined by Wernerfelt (1984) and the importance of this contribution is evident in its 1994 award for being 'truly seminal' and 'early statement of an important trend in the field' to the strategic management journal Best Paper Prize. Wernerfelt (1984) argued that the RBV's key contribution has been as a result of the theory of competitive advantage. Its fundamental logic is relatively simple. It starts with the assumption that an appropriate competitive advantage is the desired outcome of managerial effort within the firm Fahy (2000). Achieving an appropriate competitive advantage allows the company to earn economic rents or more than the average returns. This, in turn, focuses attention on how companies achieve and sustain advantages Chepkoech & Waiganjo, (2015).

2.1. Empirical Literature Review

This section presents previous studies on organizational factors that affect strategic plan implementation process. This section examined these studies.

2.2. Organization Resources and Strategic Plan Implementation

According to David (2008), the factors that can be used in achieving organizational desired goals and objectives include; human, financial, technological and physical resources. Resource shortages can be a real obstacle when it comes to the process of implementing organizational strategies. Thompson & Martin, (2010) suggest that the elements of human resources play a very important role in designing and implementing strategic plans. Resource availability in terms of time, staff, finance and knowledge are an important consideration in implementing organizational strategy Miller(2005). Generally, resources are a good representation of organizational strengths that can be used in the process of conception and strategy implementation. Effective resource allocation is therefore considered to be a key factor in organizational success and survival Kamiri(2018).

2.3. Conceptual Framework

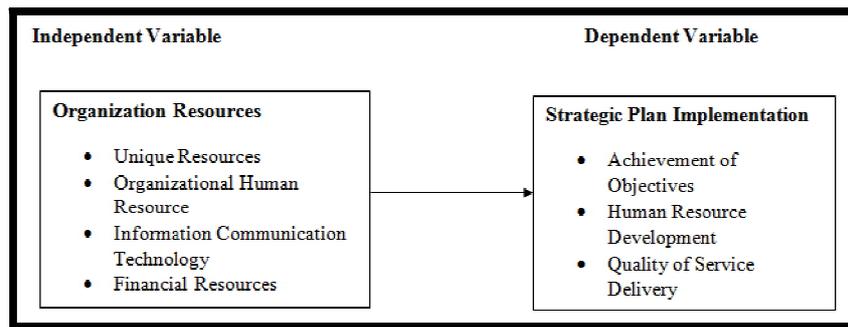


Figure 1: Conceptual Framework
Source: Author (2020)

3. Research Design

A research design refers to the adopted structure in connection to the investigations aimed at finding answers to the study objectives Atenya&Nzulwa, (2018). Descriptive survey is a design where the researcher collects information with the aim of building a profile on the subject being studied. It basically concentrates on aspects related to where, whom, when, and how. It is suited in collection of data related to people's attitudes, habits, opinion among other social issues Kangangi&Kamure, (2014). The major objectives of this research design is to provide a valid and accurate information that would help build a profile on the phenomenon being studied in terms of research questions and objectives Creswell(2014). This study employed descriptive research design because it is effective in collection of data from a wide range of study subjects. It also has the advantage of providing the scholar with an opportunity to explore the exact factors that affect strategy implementation at the PCK. This design has been previous applied successfully by Mbaka&Mugambi, (2014) together with Muthiora& Moronge, (2018) in examination of strategy implementation and firm performance.

3.1. Target Population

According to Malhotra, Sharma, Garg, Bishnoi, Kothari & Pujara, (2014) population is all the individuals and organizations that make up the universe of the research study. On the other hand, target population describes elements or items including individuals that the researcher wishes to generalize study findings on Waititu(2016). The target population of interest was 742 employees at PCK headquarters, Nairobi. The study targeted these staff because they are directly involved in implementation of formulated strategies at PCK and thus they were better placed to provide an informed opinion regarding organizational factors affecting implementation of developed plans in this Corporation. Table 1 presents a breakdown of staff at PCK headquarters Nairobi by Cadres. The employees include Lower, Middle and Top-Level Management.

	Frequency	Percent
Lower Level Management	285	38
Middle Level Management	428	58
Top Level Management	29	4
Total	742	100.0

Table 1: Target Population
Source: (PCK, 2020)

3.2. Sample Size

A representative number of subjects selected by a researcher to represent the entire population is determined by the targets of a scholar, the reasons behind undertaking a research, importance of the study, desired level of credibility and what the scholar can do with the available resources in terms of money and time Sang, Kindiki, Sang, Rotich & Kipruto, (2015). Sample size is actual number of subjects or subset of the population chosen as a representative sample of the target population in a given study. It is a basic unit within a population that can be used to represent the whole population. In this study, the sample size was Lower level management, Middle level management and Top-Level Management at PCK headquarters, Nairobi. The researcher used Yamane (1967) formulae to obtain the sample size as follows.

$$n = N / (1 + Ne^2)$$

n = is the desired sample size

N = is the target population

e = is the acceptable margin of error estimated at 0.05 (at 95% confidence interval)

Therefore, sample size (n) = $742 \div (1 + 742 (0.0025))$

$$= 742 \div (1 + 1.855)$$

$$= 742 \div 2.855$$

$$n = 260 \text{ respondents}$$

Total sample size for all categories is shown in Table 2.

	Frequency	Sample Proportion (%)	Sample Size
Lower Level Management	285	38.5	100
Middle Level Management	428	57.7	150
Top Level Management	29	3.8	10
Total	742	100.0	260

Table 2: Sample Size Distribution
Source: (PCK, 2020)

4. Data Analysis and Discussion

4.1. Descriptive Analysis

The organizational resources and the results of Mean and Standard Deviation are summarized in Table 3.

	Mean	Std. Dev
Management has unique resources required for strategic plan implementation at PCK.	3.77	.734
Management has the required organizational human resource to enhance strategic plan implementation at PCK	3.64	1.025
Management has the required Information Communication Technology (ICT) to enhance strategic plan implementation at PCK.	3.55	1.184
Management has the required financial resources to enhance strategic plan implementation at PCK	3.85	.973
Management has put in place measures on Human resource aspects to enhance strategic plan implementation at PCK	3.56	1.104
Management has put in place measures to enhance effective Resources allocation for strategic plan implementation at PCK	3.52	1.020
Overall Mean & Std. Dev	3.65	1.007

Table 3: Organization Resources
Source: Field Data (2020)

From Table 3, the overall Mean on organizational resources was 3.65 with the value of standard deviation being 1.007. The implication of this overall mean score is that respondents generally agreed on the fact that there were organization resources in their corporation. This finding is also supported by qualitative data collected. Respondents shared that there is adequate manpower in the corporation for strategic plan implementation. The management has also invested heavily in Technology. Respondents further shared that there were financial challenges that constrained strategic plan implementation in the corporation. According to Thompson *et al.*, (2010) further shared that failure to avail adequate resources can hinder smooth implementation of strategic plans. It is therefore important that management teams and those spearheading strategy implementations to allocate adequate resources both financial and manpower for smooth strategy implementation.

There existed variations in the organizational resources that the studied organization had in place. This assertion is supported by an overall standard deviation on organizational resources which is relatively high. This variation in the organizational resources could be attributed to the RBV where Barney (1991) identified firm resources to be important in giving an organization an upper hand over its competitors. To get an upper hand, the resources need to possess certain features like being rare, not easily imitated, valuable and not easily substitutable.

The statement on financial resources had the highest Mean of 3.85 with the value of standard deviation being 0.973. This Mean indicates that on average, the respondents agreed to a greatest extent that management has the required financial resources to enhance strategic plan implementation. According to Lemarleni, Ochieng, Gakobo & Mwaura, (2017) also established that many strategy implementation problems arise from limited financial resource allocations.

The specific elements of organizational resources that were highly practiced in the studied organization included unique resources with a mean of 3.77 and human resources with a mean being 3.64. The study findings were in agreement with the findings of Helfat & Peteraf, (2003) who argued that organizational resources have been postulated to be primary source of organizational performance. The variety of resources range from availability of capital equipment, existence of skilled and experienced staff, protection of ideas through patents, unique firm attributes volume of information and knowledge possessed. If well utilized, they can give rise to efficiency and effectiveness Igamba&Karanja, (2018).

4.1.1. Correlation Analysis

Correlation analysis was used to establish the cause effect relationship between organizational factors and strategic plan implementation. Consider Table 4.

		Strategic Plan Implementation	Organization Resources	Leadership Style	Organizational Structure	Organization Culture
Strategic Plan Implementation	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	189				
Organization Resources	Pearson Correlation	.477**	1			
	Sig. (2-tailed)	.000				
	N	189	189			

Table 4: Correlation Analysis
Source: Field Data (2020)

As shown in Table 4, organizational resources had a positive Pearson correlation coefficient ($r=0.477$) with a p-value less than 0.05. This implies that organizational resources are positively correlated with the implementation of strategic plan. The study noted that leadership style had a Pearson correlation coefficient ($r=0.302$) with its p-value being less than 0.05.

4.1.2. Regression Results

Regression analysis was conducted to establish the effect of organizational factors on strategic plan implementation. The results of the model summary of the study are indicated in Table 5.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 ^a	.601	.576	3.04250

Table 5: Model Summary
a. Predictors: (Constant), Organization Culture, Organization Resources, Leadership Style, Organizational Structure
Source: Field Data (2020)

As indicated in Table 5, the value of coefficient of correlation (R) is 0.776. The implication drawn from this value is that organizational factors have a far-reaching effect on implementation of strategic plan in the organization. Resources make organizations to run effectively, and allocating these resources to an organization should be done carefully and that some example of organizational resources is technology, people, and finances. Murithi(2008) stated that resources are needed for the successful implementation of strategic plan and strategies. It is very difficult to implement a strategy when resources are not available. The researcher conducted an Analysis of Variance at 5% level of significance and the results are shown in Table 6.

	Sum of Squares	df	Mean Square	F	Sig.
Regression	866.197	4	216.549	69.426	.000 ^b
Residual	573.922	184	3.119		
Total	1440.119	188			

Table 6: Analysis of Variance
a. Dependent Variable: Strategic Plan Implementation
b. Predictors: (Constant), Organization Culture, Organization Resources, Leadership Style, Organizational Structure
Source: Field Data (2020)

From the findings in Table 6, the value of F calculated is 23.394 with $p=0.000$ which is lower than 0.05. This means that the overall regression model of the study was significant. The results of the regression beta coefficients and the p-values showing significance are indicated in Table 7.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.51	1.621		2.782	.019
Organization Resources	.583	.105	.079	5.552	.031

Table 7: Regression Beta Coefficients and Significance
Source: Field Data (2020)

The results in Table 7 results into the following equation:

$$Y=4.51+.583X_1+ \text{Error term}$$

At 5%, it can be noted that organizational resources (0.583) have a p-value as 0.031 which is less than 0.05. This means that organizational resources have significant effect on strategic plan implementation.

5. Summary, Conclusion and Recommendations

5.1. Effect of Organization Resource on Strategic Plan Implementation at PCK

The findings on organization resources on strategic plan implementation indicated an overall mean of 3.65 with the value of standard deviation being 1.007. This shows that the studied organization had in place organization resources. The specific elements of organizational resources that were highly practiced in the studied organization included financial resources with a mean of 3.85, unique resources with a mean of 3.77 and human resources with a mean being 3.64. From correlation analysis, it was shown that organization resources had a positive Pearson correlation coefficient ($r=0.477$) with a p-value less than 0.05. This implies that organizational resources are positively correlated with the implementation of strategic plan. From regression results, it was shown that organization resources had a p-value as 0.031 which is less than 0.05. This means that organization resources have significant effect on strategic plan implementation.

5.2. Conclusions

5.2.1. Effect of Organization Resource on Strategic Plan Implementation at PCK

The study sought to determine the effect of organization resources on strategic plan implementation at Postal Corporation of Kenya. From correlation results, the Pearson correlation coefficient of organization resources was positive. Bases on this finding, the study conclude that organization resources have a positive relationship with strategic plan implementation at PCK. From regression analysis, organizational resources were found to have a p-value less than 0.05. Based on this finding, the study concludes that organizational resources have significant effect on strategic plan implementation at PCK.

5.3. Recommendations of the Study

5.3.1. Effect of Organization Resource on Strategic Plan Implementation at PCK

Organization resources had a regression beta ($\beta=0.583$) with an overall mean score ($M=3.65$). Hence, this study recommends that the Finance Managers of PCK should formulate effective policies that facilitate transparent utilization of the available financial resources while sealing all possible loopholes for misuse of these financial resources. The accountants of PCK should be persons of high level of integrity and honesty as they handle the finances of the institution. This will enhance effective and efficient strategic plan implementation in the corporation.

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