Strategy Implementation Practices on Performance of Huduma Centres in Nairobi City County, Kenya

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ABSTRACT

With the influence of internal and external factors, Huduma (Service) Centres operating in Kenya have continued to experience deteriorating performance due to issues of strategy implementation. Formulation of good strategies is not a reflection that implementation will take place. Effective implementations of strategy give organizations a competitive edge in the local and global business environments. Successful strategy implementation has been correlated with organizational performance. The aim of this study was to determine strategy implementation practices on the performance of Huduma (Service) Centres in Kenya. The objectives of the study were to: establish the effect of employee training, leadership and communication on performance of Huduma (Service) Centres in Kenya. The study adopted descriptive research design to determine the influence of strategy implementation practices on the performance of Huduma (Service) Centres in Nairobi County, Kenya. Theories that were adopted to inform the study include; Resource Based-View Theory, Human Capital Theory and Ricky Griffins Theory. The study adopted a census approach during data collection where information was collected from all (130) employees working in 5 Huduma Centres operating in Nairobi City County, Kenya which included; GPO Huduma Centre, Makadara Huduma Centre, Kibera Huduma Centre, Eastleigh Huduma Centre and City Square Huduma Centre. Primary data was collected using questionnaires. The data collected was analysed using Statistical Package of Social Sciences (SPSS Version 21). Descriptive statistics such as means, standard deviations and percentages and inferential statistics such as correlation and regression analysis method were used to find out the statistical relationship between variables of the study. Regression analysis was conducted at 95% confidence level and 5% significance level. Before conducting regression analysis diagnostic tests which include normality, linearity, homogeneity and multicollinearity were conducted. The analysed and presented in the form of tables. The study revealed that all the significance values of the three variables of the study were less than 0.05 indicating that there was a significant positive relationship between employee training, leadership and communication and performance of Huduma Centres. The study concludes that unless Huduma Centres top management review employee training policies, engage leaders with relevant knowledge and experience and embrace best practices of communication by adopting decentralized structures, achieving performance would be an uphill task. The study recommends that top management of Huduma Centres should seek to equip their employee with relevant training on strategy implementation, enhance a culture that promotes employees to leadership positions based on performance and replace centralized structures with decentralized structures to facilitate communication among all stakeholders during strategy implementation.

Key Words: Strategy Implementation Practices, Strategic Management, Performance of Huduma Centres, Nairobi City County, Kenya
1. INTRODUCTION

Today’s important things for organizations are the amount of their goal achievement and how they should consider all aspects for reaching the desired ends (Abdalkrim, 2013). The problem of today’s managers is competition and dynamism of environment and unknowns of the outside and inside of the organization each affecting the implementation of plans especially strategic ones. Aldehayyat and Khattab (2013) suggest that effective strategy implementation has a positive correlation with organization performance. Rajasekar (2014) affirms that firms that adopt appropriate internal practices are likely to have a competitive edge against their competitors in the dynamic business environment. Transforming strategic intentions into actions is the only approach firms can realize their short and long term goals. Organizations without a clear strategy in the changing business environment are likely to perform poorly due to lack of a strategic roadmap (Onyango, 2012). Lakein (2005) assert that failing to plan is planning to fail. Organizations that do not reflect the past, the present and the future are always are likely to fail in the competitive business environment (Mbaka & Mugambi, 2014).

The concept of strategy implementation has continued to evolve in competitive organization (Daft, 2010). A number of factors that have been pointed out by acknowledged scholars like Thompson, Gamble and Strickland (2012) which determine strategy implementation in an organization are employee development, leadership and structure. Development of employee skills and knowledge through trainings can promote creativity and the flexibility of implementation new policies or plans formulated. Delegation and job appraisal among workers can enable the organization identify key competencies among workers that can lead to strategy implementation thus firm performance (Efendioglu & Karabulut, 2010). Hrebiniak (2005) argues that leadership and strategy implementation are directly correlated in organization context. Visionary leaders are always keen on creating a platform that will promote team spirit in an organization thus strategy implementation (Konzi, 2012). The ability of leaders to formulate policies that will promote synergy among workers and drive them to work towards organization goals is the fundamental aspect of any successful organization. In addition, organizations that continuously review their operational structures are more likely to enhance efficiency and effectiveness in service delivery. Organizations with organic structures and more likely to implement strategies more effectively compared to organizations with mechanistic structures (Kinyanjui & Juma, 2014).

Obonyo and Arasa (2012) ascertain that strategic organizations should embrace futuristic thinking philosophy for competitive advantage. Top leadership in any organization should ensure that the vision and mission of the organization is aligned to organizational objectives (Odhiambo, 2006). Despite internal and external challenges of implementing strategies, it is necessary for organizations to scan the environment in which they operate before formulating objectives and strategies (Odongo & Owuor, 2015). Huduma Kenya is a programme by the Government of Kenya that was established in 2013. The major objective of establishing the centers was to transform Public Service Delivery by providing citizens’ access to various Public Services and information from One Stop Shop citizen service centres called Huduma Centres and through integrated technology platforms. Huduma Centres Kenya provides Efficient Government Services at the Convenience of the citizen.
This means that Kenyans will be able to get birth certificates, national identity cards, passports, registration of business names, and applications for marriage certificates, drivers’ licences, police abstracts and many other services in one place. Others are introduction of m-Huduma platform to offer M-Government services to citizens from their mobile phones and a Huduma call centre to provide customer service using a single dialing prefix (GoK, 2016). Through the Huduma Kenya platform, the government aims at enabling citizens to access integrated public services via their phones, computers and personal digital assistants (PDA). The new portal is also expected to enhance service delivery and eradicate graft loopholes. Tenders and vacancies in the public service will also be accessible on the platform. Users will also be able to directly post their comments and complaints regarding government services (GoK, 2016). Both local and foreign investments have been hindered or slowed down by the cumbersome bureaucratic requirements from different government agencies before licences or approvals were obtained. To many Kenyans, obtaining even some of the most basic and simple services such as national identification card or a trading license for a small business had become impossible and often led to frustrations (GoK, 2015). However, implementation of initiatives spelt out in the strategic plan of Huduma Centres has remained an uphill task due to challenges from internal and external business environment, despite the efforts of the Government to implement the initiatives.

2. STATEMENT OF THE PROBLEM

In the world of stiff competition, change of regulations and changing consumer needs and wants, performance of the majority of the organizations has become an issue of concern from various stakeholders such as shareholders, investors and organization managers (Aldehayyat & Khattab, 2013). Despite the fact that many organizations in developed and developing countries and more specifically in Kenya are striving to perform, it is noted that issues of strategy implementation have continued to be uncertain in the Kenyan public sector. A survey conducted by KPMG (2016) on performance of State Corporations in Kenya revealed that majority (79%) of the State owned Corporation were experiencing challenges of deteriorating performance due to issues of strategy implementation. Extensive studies which have been conducted internationally and locally reveals that there is a correlation between strategy implementation practices and performance of organization (Abdalkrim, 2013; Efendioglu & Karabulut, 2010; Jehad, Aldehayyat & Naseem, 2012 & Konzi, 2012). Similarly, local studies conducted by (Mbaka & Mugambi, 2014; Odhiambo, 2006; Omboi & Mucai, 2011; Odongo, Owuor 2015 & Onyango (2012) also acknowledge that despite benefits associated to effective strategy implementation such as increased profits, customer satisfaction, diversification, employee morale, efficiency and effectiveness in service delivery, many organization public and private organizations are underperforming due to issues of strategy implementation practices.

Even though numerous studies have conducted locally concerning the effect of strategy implementation practices and organization performance, it is noted that little attention has been paid by previous researchers in this area thus inconclusive findings resulting to conceptual and contextual gaps. For instance, a study by Abdalkrim (2013) was confined to strategic planning activities on private sector organizations performance in Sudan. A study by Efendioglu & Karabulut (2010) was limited to financial performance of companies in Turkey. A study by Konzi, 2012) sought to examine strategic plan implementation and performance of manufacturing firms in Tanzania. Further, Mbaka and Mugambi (2014) examined factors affecting successful strategy implementation in the water sector in Kenya. Similarly, Odhiambo (2006) examined challenges of strategy implementation of non-governmental organizations
observed that internal factors were the major hindrances of strategy implementation and Onyango (2012) studied factors influencing the implementation of the Kenya sugar industry strategic plan (2010-2014). However, it is noted that there is discrepancies in the findings of previous empirical studies with regard to strategy implementation and performance of organizations. Some studies examined variables of this study in partially or in isolation. Further, constraints of operationalization and contextualization of constructs of the theories are uncertain from context to context. Therefore, it is on this premise this study sought to investigate strategy implementation practices on the performance of Huduma (Service) Centres in Nairobi County, Kenya.

3. OBJECTIVES OF THE STUDY

The general objective of the study was to establish strategy implementation practices on the performance of Huduma (Service) Centres in Nairobi County, Kenya.

The specific research objectives of this study were:

i. To determine the influence of employee training and development on performance of Huduma Centres in Nairobi County.

ii. To established the influence of leadership on performance of Huduma Centres Nairobi County.

iii. To establish the influence of communication on performance of Huduma Centres Nairobi County.

4. THEORETICAL REVIEW

The study was anchored on Resource Based-View Theory and supported by Human Capital Theory and Ricky Griffins theories.

4.1 Resource Based-View Theory

Resource Based View theory was established by Barney (1991). Resource Based View theory of the firm is one of the concepts applied by modern competitive firms in the dynamic business environment when formulating, implementing and monitoring strategies. According to (Šukle & Stojan, 2012). View is a method of analyzing and identifying a firm’s strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. Sustainability of organizational competitiveness is based on unique resources of the organization that range from employee skills, technology, customer development and new product development (Rajasekar, 2014). Rahimnia, Polychronakis and Sharp (2009) argue that a firms have a sustained competitive advantage when they have a relative advantage over another firm and when this advantage is not being implemented by any competitor and competitors are unable to duplicate the benefits of this strategy. While resources are the source of a firm’s capabilities, capabilities are the main source of its competitive advantage. This theory underpins this study based on the notion that employees of service centres in Kenya are strategic resources that would contribute to implementation of strategic plan initiatives. Ability of employees to adopt new technologies will enhance efficiency and effectiveness of the service centres. Training employees and investing in modern technologies are unique capabilities that will give service centres a competitive edge in the changing business environment.
4.1 Human Capital Theory

Human Capital Theory founded by Becker’s (1993) noted that the most valuable of all capital is that of investment in human being. The theory distinguishes firm-specific human capitals from general-purpose human capital. Examples of firm-specific human capital include expertise obtained through education and training in management information systems, accounting procedures, or other expertise specific to a particular firm. General-purpose human capital is knowledge gained through education and training in areas of value to a variety of firms such as generic skills in human resource development (Onyango, 2012). Baron and Armstrong (2007) suggest that human capital arises out of any activity able to raise individual worker productivity. In practice full-time education is, too readily, taken as the principal example. For workers, investment in human capital involves both direct costs, and costs in foregone earnings (Odongo, Owuor, 2015). Okumus and Roper (1999) affirm that workers making the investment decisions compare the attractiveness of alternative future income and consumption streams, some of which offer enhanced future income, in exchange for higher present training costs and deferred consumption. Returns on societal investment in human capital may in principle be calculated in an analogous way (Njau, 2000).

Mwangu (2006) argues that human capital is ‘generally understood to consist of the individual’s capabilities, knowledge, skills and experience of the company’s employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills, and experience through individual learning. Despite the important role of human capital in modern societies, there are still many unknowns about the process of educational production as well as individual and collective decisions concerning how much and what kind of education to obtain (Mweni, 2008). The theory applicable in this study on the premise that employee skills and knowledge will lead to quality decisions formulation and implementation to promote organizational performance. Organizations should invest in employee trainings in order implement strategies formulated without difficult. Employee training will minimize change resistance and enhance strategic planning process.

4.2 Ricky Griffin’s Model

The model was established by Ricky Griffin’s (2007). The model proposes that organizational performance is determined by effective strategy implementation. Lewa, Mutuku and Mutuku (2009) contend that organizational performance is attributed to effective organizational leadership styles of management, technology integration in the system, information control and shared culture. Konzi (2012) asserts that strategic leadership is the fundamental perspective of successful strategy implementation among organizations operating in the turbulent business environment. Organizations that fail to analyze that business environment are likely experience challenges during strategy implementation. Sailing through organizational politics and implementing strategies successfully is dependent on leadership (Hrebiniak, 2005). Organization structure is another factor proposed by the model (Kaplan & Norton, 2006). Organic structure that are decentralized enhance change implementation while mechanical structures that are centralized hinder effective change implementation of competitive firms. Decentralized structures enhance communication, transparence and accountability among leaders and employees in any organization. Organization objectives are achieved by dedicated team of employees who are influenced by leadership qualities (Rajasekar, 2014).
Kinyanjui and Juma (2014) acknowledge that organizations with automated systems are likely to improve customer service delivery and minimize costs of operation. Technology enhances job design, control system which includes financial budgeting, procedures that influence organization strategy implementation. Recruitment of qualified personnel, promoting employees based on performance and job enrichment will enhance organization performance (Konzi, 2012). Jehad Aldehayyat and Naseem (2012) argue that organizations are likely to realize increased profitability, improved customer satisfaction, reduced costs of operation though automated systems of production, distribution, and marketing and human resource management. If organizations are intending to perform effectively in the dynamic business environment, leadership, structures, technology, information control and human resource systems should be aligned appropriately in the organizational context (Pearce & Robinson, 2013). The theory is applicable in this study as it sheds more light on how top leadership will influence strategy implementation thus enhanced performance of Huduma Centres. Visionary leaders with unique skills and knowledge will influence employee behaviours to perform effectively. Timely feedback provided by leaders will enhance strategy actualization in the long run in any competitive organization. Leaders without a vision and ability to anticipate the future are likely to fail during strategy implementation process thus poor organizational performance.

Figure 1: Ricky Griffin's Model (2007)
5. CONCEPTUAL FRAMEWORK

The assumption of conceptual frameworks in this study describes the relationship between employee training, leadership and communication on performance of Huduma Centres in Kenya.

![Conceptual Framework]

Independent Variables

**Employee Training**
- Employee Skills
- Mentorship
- Creativity

**Leadership**
- Vision Articulation
- Employee motivation

**Communication**
- Interpersonal relations
- Decision making process
- Coordination of activities

Dependent Variable

**Performance of Huduma (Service) Centres in Nairobi County, Kenya**
- Efficiency and effectiveness
- Customer Satisfaction

*Figure 2: Conceptual Framework*

Employee training facets such as information sharing, knowledge and creativity of individual workers influences performance of Huduma (Service) Centres in Kenya. Similarly, antecedents of leadership such as employee empowerment, planning and management influences performance and structural aspects that facilitates organizational performance are communication, teamwork and delegation. Further, it was revealed that performance of Huduma Centres was measured in terms of efficiency and effectiveness of service delivery, customer satisfaction and corporate image.

6. RESEARCH METHODOLOGY

The study adopted a descriptive research design to establish implementation practices on performance of 5 Huduma (Service) Centres operating in Nairobi County, Kenya (GPO Huduma Centre, Makadara Huduma Centre, Kibera Huduma Centre, Eastleigh Huduma Centre and City Square Huduma Centre). A descriptive study method was appropriate because it explores and describes the relationship between variables in their natural setting without manipulating them. The study targeted all employees of Huduma Centres operating in Nairobi City County such as GPO Huduma Centre, Makadara Huduma Centre, Kibera Huduma Centre, Eastleigh Huduma Centre and City Square Huduma Centre. A total of 151 constituted that target population of the study. Out of the total population of 151 respondents selected from 5 Huduma Centres, a sample size of 72 was arrived which constituted of 48% of the total population. Sample representative of 48% was justifiable in the study because Guest (2010) recommends that any sample more than 40% of the total population is appropriate to make conclusions about a study. Stratified sampling technique is appropriate based on the fact that it provides an opportunity to select respondents of the study systematically without discriminating participants of the study.
Primary data was collected using structured questionnaires with open and closed ended questions. In this study, questionnaires were administered to employees working in 5 Huduma Centres in Nairobi City County during working hours of the day. Drop and pick later method was adopted to ensure respondents are given adequate time to respond appropriated for objectivity of the research findings. As suggested by Guest (2010), questionnaires were preferred because they provided the opportunity of capturing respondent information in a structured manner. Statistical Package for Social Sciences, (SPSS version 21) software was used. Was used to analyze data quantitatively. The data collected was edited, coded, classified on the basis of similarity and then tabulated. Descriptive, correlation and multiple regression methods were used to analyze data and explain the findings. Multiple regression was conducted at 95% confidence level and 5% significance level.

7. RESEARCH FINDINGS

Pearson’s product moment correlation analysis was conducted at 95% confidence interval and 5% confidence level 2-tailed to assess the statistical relationship between the each independent variable on performance of Huduma Centres in Kenya as shown in Table 1.

<table>
<thead>
<tr>
<th>Employee Training</th>
<th>Leadership</th>
<th>Communication</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Training</td>
<td>.710</td>
<td>.693</td>
<td>.579</td>
</tr>
<tr>
<td>Leadership</td>
<td>.0012</td>
<td>.027</td>
<td>.799</td>
</tr>
<tr>
<td>Communication</td>
<td>.0017</td>
<td>.762</td>
<td>.560</td>
</tr>
<tr>
<td>Performance</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**p< 0.05**

There was statistical correlation between the employee training (0.710), leadership (0.693), and communication (0.579). The positive relationship indicates that there was a correlation between the three variables of the study on Performance of Huduma Centres Kenya. The Significance values of the three independent variables were less than 5% (0.0012, 0.0017, 0.0023 and 0.0027) which indicated that a unit increase of employee development, leadership and communication resulted to a unit increase in performance of Huduma Centres in Kenya. To determine the predictive power of the each independent variable on performance of Huduma Centres in Kenya, multiple regression analysis was conducted to find out the linear relationship between all the independent variables and the dependent variable as shown in Table 2.
Table 2: Regression Results Analysis

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variables</th>
<th>Beta Value</th>
<th>T Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance of Huduma Centres</td>
<td>Employee Training</td>
<td>0.456</td>
<td>3.277</td>
<td>0.002</td>
</tr>
<tr>
<td>Performance of Huduma Centres</td>
<td>Leadership</td>
<td>0.244</td>
<td>3.217</td>
<td>0.000</td>
</tr>
<tr>
<td>Performance of Huduma Centres</td>
<td>Communication</td>
<td>0.354</td>
<td>3.446</td>
<td>0.001</td>
</tr>
</tbody>
</table>

The multiple regression analysis indicated that there was a positive significant relationship between employee training, leadership and communication and Performance of Huduma Centres in Kenya. The significance values of the three independent variables were; employee training and development ($\beta=0.295$, $p < 0.05$), leadership ($\beta=-0.244$, $p < 0.05$) and communication ($\beta=0.354$, $p < 0.05$). These results correspond with the view of Mutuku (2009); Mweni (2008); Mbaka & Mugambi (2014); who revealed that organization performance was dependent on employee training, strategic leadership and effective communication policies.

Table 3: Correlation Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.139</td>
<td>1.2235</td>
<td>0.930</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee Training</td>
<td>0.787</td>
<td>0.3132</td>
<td>0.152</td>
<td>2.512</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.752</td>
<td>0.3425</td>
<td>0.154</td>
<td>2.195</td>
</tr>
<tr>
<td>Communication</td>
<td>0.645</td>
<td>0.2178</td>
<td>0.116</td>
<td>2.961</td>
</tr>
</tbody>
</table>

Multiple regression analysis was conducted to determine the relationship between the consolidated variables of strategy implementation practices and the performance of Huduma Centres in Kenya. As per the SPSS generated Table (4.11) above, the equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$) became: $Y= 1.139+ 0.787X_1+ 0.752X_2+ 0.645X_3$. Taking all factors into account (employee training, leadership and communication) constant at zero, firm performance will be 0.0139. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in employee training and development, leadership and communication will increase performance of Huduma Centres by a magnitude of 2.512, 2.195 and 2.961. At 5% level of significance and 95% level of confidence, the significance values of all the three variables was less than the critical value of 0.05, indicating that a significant positive relationship between independent variables (employee training, leadership and communication) and dependent variable (Performance of Huduma Centres in Kenya). These findings concurs with that of Abdalkrim (2013) & Hrebiniak (2006); Kinyanjui & Juma (2014) who retaliates that strategy implementation practices such as training, leadership, technology, communication, policies and resource allocation not only enhance organizational performance but also enhance competitiveness of firms in the changing business environment.
8. CONCLUSION

The findings of the study indicated that employee training was a key driver of organizational performance and the study concludes that employee skill development, mentorship, delegation and motivation should be embraced for enhanced performance. Further, the study revealed that leadership was a practice that contributed to organization performance. However, the study concludes that for effective organization performance, organizations should embrace initiatives that promote participatory leadership, open communication and information sharing. Finally the study indicated that communication was directly correlated to organization performance. However, the study concludes that organizations should always seek to adopt organic structures which promote information sharing, teamwork and coordination of activities to enhance their performance.

9. RECOMMENDATION

The study revealed that despite the fact that employee training influence organization performance, little emphasize was put on delegation and equipping employees with relevant skills to implement strategies formulated. Therefore, the study recommends that the Government of Kenya should partner with training consultancy organizations such as universities to equip employees with relevant skills by conducting periodical needs assessment. The study established that leadership was attributed to organization performance even though to a larger extent some leadership practices were not embraced. Therefore, this study recommends that the Government of Kenya through the public service commission should ensure that leaders appointed to top leadership positions are recruited on the basis of experience, knowledge and skills to drive the institutions to realize the long term goals as stipulated by the constitution of Kenya. Top leaders should ensure they embrace best leadership practices such as participatory leadership and accountability. The study found out that even though communication influenced organization performance, to a larger extent structures adopted discouraged two way communication. Therefore, this study recommends that the government of Kenya through the public service commission should review the organization structure and adopt a more efficient and effective structures that encourage two-way communication approach for effective strategy implementation and organization performance.

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