INFLUENCE OF MANAGEMENT FUNCTIONS ON THE PERFORMANCE OF AGRICULTURAL STATE-OWNED CORPORATIONS IN KENYA

FELISTUS CHEPCHIRCHIR KABIRU

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DECLARATION

This thesis is my original work and to my knowledge has not been presented in any university/institution for a degree or for consideration of any certification.

Signature……………………………………… Date.…………………………….

Felistus Chepchirchir Kabiru
B311-03-0017/2012

Supervisors' approval

This research thesis has been submitted with our approval as University Supervisors.

Prof. Matthew M. Theuri., PhD.
School of Business Management and Economics
Dedan Kimathi University of Technology

Signature……………………………………… Date...................................

Dr. Asborn Juma Misiko
Institute of Tourism and Hospitality
Dedan Kimathi University of Technology

Signature………………………………………Date...................................

DEDICATION

I dedicate this research thesis to my family who encouraged me to reach the highest point in life with God's guidance.

To my colleagues and friends who tirelessly encouraged me when the going became rough.

To all, I give my sincere thanks.

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ABBREVIATIONS AND ACRONYMS

BSC	Balanced Score Card
CBK	Coffee Board of Kenya
CEO	Chief Operating Officer
CRS	Coffee Research Foundation
DPM	Directorate of Personnel Management
EACC	Ethics and Anti-Corruption Commission
ERS	Economic Recovery Strategy
GDP	Gross Domestic Product
GOK	Government of Kenya
HCDA	Horticultural Crops Directorate Authority
IPO	Initial Public Offer
KAA	Kenya Airports Authority
KARI	Kenya Agricultural Research Institute
KBC	Kenya Broadcasting Cooperation
KDB	Kenya Dairy Board

KEMRI	Kenya Medical Research Institute
KenGen	Kenya Generating Company
KIE	Kenya Institute of Education
KMA	Kenya Maritime Authority
KMC	Kenya Meat Commission
MTEF	Medium Term Expenditure Framework
NARC	National Rainbow Coalition
NCPB	National Cereals and Produce Board
OECD	Organisation for Economic Co-operation and Development
PBK	Pyrethrum Board of Kenya
PRS	Public Sector Reforms
ROM	Results Oriented Management
SOCs	State-Owned Corporations
SOE's	State Owned Enterprises

ABSTRACT

The origin of agricutlural State Owned Corporations (SOCs) in Kenya can be traced back to the colonial period. Management functions have impacted on the performance of SOCs. This study explored influence of management functions (planning, organizing, controlling, leading and directing) on the organizational performance with a focus on SOCs in the agricultural sector. To achieve this, the study set: to explore the effects of planning as a management function on organizational performance; to scrutinize the effects of organizing as a management function on organizational performance; to evaluate the effects of leading as a management function on organizational performance; to assess the effects of controlling as a management function on organizational performance and to develop a road map for state owned organizations performance in Kenya. A descriptive research design was used. The target population consisted of 150 state-owned corporations. A random sampling technique was used to select a sample of 30 corporations out of the 150 State-owned Corporations in Kenya. Data was collected through administration of a questionnaire which was administered through the 'drop and pick later method'. The questionnaire was divided into six sections to cover the objectives of the study thoroughly and consisted of structured questions. Secondary data from journals and information from the state-owned corporations' websites was also collected. Data was coded and analyzed using descriptive statistics of frequency, percentage, mean and standard deviation which was achieved by use of Statistical Package for the Social Sciences and Microsoft Excel 2007. Findings were presented in graphs charts, pie charts and tables. Findings indicated that all the management functions examined in the study (planning, organizing, leading and controlling) have a bearing on organizational performance of state corporations. It was inferred that, taking into account the Balanced Score Card Model, each function influences different dimensions of the organization performance perspectives (financial perspective, customers' perspective, and learning and growth perspective, internal processes perspective) differently. That is, some exert a strong influence on a particular perspective and a weak influence on a different perspective. The study further established that organizing had the greatest impact, followed by leading, controlling and lastly planning had the least impact. A sectoral analysis showed that organizing had the greatest impact. Overall, the study concludes that controlling exerts the most positive influence on performance of state corporations, though the influence is minimal. It is inferred that management in these corporations do not perform the key management functions especially planning and leading with the requisite professionalism and due diligence. Their actions in executing the planning and leading function adversely affect the performance of the corporations, while their actions in organizing and controlling function only improves performance to a small margin. The study recommends among other measures the government to ensure that management appraisals are done regularly in every state corporation with a focus on evaluating the management's performance in the key functions of planning, organizing, leading and controlling.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the conceptual and contextual discussion of the study. It specifically discusses the interaction of study concepts with parastatal context so as to bring out the context of the study and the study concepts. It further highlights the statements of the problem, research objectives in terms of general and specific, questions driving the study, significance, delimitations, assumptions, definition of key terms and chapter summary.

1.1. Background of the Study

In economic systems of developing and developed nations, state corporations are a common (Mathenge, 2013). In most nations, state corporations are established to enhance development in the social and economic wellbeing of the general citizens in a country (Pletzer *et* al., 2015). They are mainly established with the aim of making available goods and services that would otherwise prove economically unviable or too expensive for the private sector to provide. Among the challenges that have encouraged establishment of state-owned corporations include barriers to new entrants in an industry, inadequate incentives especially in private sector for performance of certain activities and capital market failure. Most frontier and emerging markets are leveraging on SOEs for enhancing industrialization, creation of opportunities and provision of major products besides other numerous objectives (OECD, 2013).

For instance, Nigeria uses parastatals to deliver a package of services (inputs, extension, marketing, credit) in the Northern States, while Ghana set up huge state farms under N'krumah (which were a well-publicized fiasco) to directly improve food security and in 1978 established a highly autonomous parastatal--URADEP--to implement an integrated program of rural development in Northern Ghana (Ayee, 2013). According to Makokha (2014), the origin of state-owned corporations in Kenya can be traced from the colonial rule when the colonial Government established corporations mainly in transport, communication and agriculture to facilitate the exploitation in the colonized territory.

In the past decades, growth in SOEs functions is a reflection of discouragement with free reign systems on one hand, and a breakthrough of some economies like China or Singapore in leveraging on SOEs as an engine of developing the capital and financial markets, infrastructure and reduction in poverty rates. However, their laissez-faire requirement makes it too complicated for some of the SOEs to implement the sustainability and profit-making objectives that the countries adopted. This is more complicated in the case of Kenya and other developing countries where SOEs are compelled to assist in development agendas and poverty reduction undertakings that might require them to inject capital into the undertakings.

State-owned corporations were established in Kenya during the colonial period (Mugambi, 2015) provide monopoly services, redistribute regional revenue and income besides Africanization of the sector. More specifically, national wishes and desires of accelerating social and economic development, reduction in imbalances between regions, increased participation of locals in the economy and promotion of entrepreneurial skills.

Joint ventures are also used to promote foreign investments which majorly propel establishment of state corporations in Kenya (Sicily & Gladys, (2013). Inadequate entrepreneurs with sufficient skills and capital at independence encouraged direct involvement of the government in the economy instead of depending on foreign aid (Mathenge, 2013). An example of an agricultural SOC which was established in the colonial period is the Coffee Board of Kenya (CBK). It was established in 1931, the CBK was intended to bring stability in the local industries after a sharply reduction in coffee production was witnesses during periods of Great Depressions (Kaboyo, 2013). The roles of agricultural SOCs in development of the country can be assessed in view of the development state concept, through which aggregate value addition on products is encouraged among countries through the process of industrialization (Crisan & McKenzie, 2013).

According to Wanjiru (2014), a significant role has been played by parastatals by providing public products besides social services like health centers and learning institutions in the society of establishment. Indeed, over ten 10% of GDP, 20% of investments and close to 5% of formal employment opportunities are accounted for by SOCs in Kenya (Simba, 2015).

According to Kipruto, Omwenga and Iravo (2016), parastatals help in promotion or acceleration of economic development and growth besides establishment of technical capacity of the nation to enhance economic development. Many of the corporations were concentrated in the agricultural sector because the economy of the country is mainly agricultural (Presidential Task Force on Parastatal Reforms, 2013).

Juma (2013) states that, the agricultural sector alone has 30 state-owned corporations. There are many SOCs in Kenya. Linyiru (2015) estimated the number of SOCs in Kenya to be 187 even though an inventory of SOCs compiled by government in 2013 showed that there were 262 SOCs out of which 42 SOCs belonged in the agriculture, livestock and fisheries cluster (Republic of Kenya, 2013). Many of the agricultural SOCs are mandated to regulate various sectors. For example, among the mandates of the Kenya Dairy Board include regulation, development and promotion of dairy sector in Kenya. It is also charged with regulatory roles and responsibilities for example issuing licenses, giving certificates milk that is locally marketed, imported and exported besides surveillance, inspection and safeguarding the standards of milk (Rademaker *et* al., 2016).

According to Juma (2013), Kenya's immediate post-independence period, witnessed the formulation of an overall Economic Policy which placed a lot of emphasis self-determination and rapid economic growth for greater welfare for all citizens. The government felt that this would be achieved by placing focus on ensuring that Kenya's economic growth was placed on agricultural sector. Thus, much of the funds meant for agriculture were channeled through agricultural SOCs.

Given the importance of state-owned corporations in spurring growth in the agricultural sector, Mathenge (2013) has decried the need to improve administrative and management functions of these public enterprises. According to Obudo and Wario (2015), there is increased pressure on SOCs to strengthen and improve their service delivery, efficiency and effectiveness.

This needs competent management team able to handle market dynamics, rapidly changing forces of technology besides management styles. Practically, this demands definition of desired outcomes, appointment of competent and well-trained professionals to help in guiding SOCs and monitoring the operations and management, rewarding hardworking and well performing staff and ensuring accountability and transparency of resources. Therefore, there is an urgent need to put in place a dedicated and qualified management team in view of the poor state of performance of most parastatals in Kenya.

According to Mbuga and Okech (2015), poor performance of SOCs is associated with labor rigidities in the market, sloppy management of the enterprises, government interference, overreliance on government funding, increased fiscal and foreign debt occasioned by huge wage bill, wastages and continuous bailout by the respective government. Thus, mismanagement, bureaucracy, waste, pilferage incompetence irresponsible employees and directors are the major challenges that have interfered with achievement of objectives of most SOEs.

State owned corporations are organizations which are established to pursue a set of goals and objectives. Management functions that include adequate controlling, planning, directing and organizing are important in aiding an organization to achieve its goals and objectives. Management needs to be effective in the way it handles employees in the organization (Ongeti, 2014). One of the prime functions of managers is to come up with a strategy or strategies which will lead to the attainment of the goals and objectives of an organization.

In addition, the management arm of an organization is expected to display its ability to transform and implement strategy into actionable organization tasks which will be performed by employees in order to achieve desired business outcomes (Schraeder *et al.*, 2015).

Strategizing and strategy implementation are not enough. It is also the responsibility of the management to organize other resources in the organization towards achievement of set objectives. The early work of Fayol (1949) identified planning, organizing, staffing, directing and controlling as the key management functions in organizational performance. Fayol (1960) theorized that management functions were universal and that every manager performed these actions in their daily work. Employees' ability to apply their skills, knowledge and work effectively together as a team is enhanced and improved over time through proper application of the management functions (Plunkett, Allen & Attner, 2012).

Achievements realized in organizations are as a result of the management skills of managers who coordinate other resources in the organization effectively so as to achieve the set objectives (Claessins & Yurtoghul, 2013). The relationship between planning, organizing, commanding coordinating and controlling has been found to have a major impact on employee performance (Tricker, 2015). In addition, if employee performance is high, enhanced customer service and satisfaction is an implicit outcome. On the contrary, in cases where there exists poor management, there is always cases of employee disengagement and a lack of commitment whose outcome is poor overall organizational performance (Bin, 2015).

Many state-owned corporations are grappling with management problems which have led to their poor performance. The poor performance of state-owned corporations has been blamed on low employee performance, negative employee workplace behavior, job dissatisfaction and employees' turnover due the search for greener pastures and better work environment (Republic of Kenya, 2017). Most of the causes of poor performance of state-owned corporations can be remedied by improvements in the management functions. Managers can remedy the problem of departure of knowledgeable, experienced and skilled workers from their organizations yet this is not usually the case. Departure of skilled and experienced workers from organizations has many costs which include disruption of the work process, recruitment and training of new employees and low productivity of new employees during the training period (Keraro & Gakure, 2013). Proper implementation of management functions could however turn this around and result to a good working environment for employees.

While most of the state-owned corporations in Kenya have performed poorly, we have a few which have performed better. The success as well as the failure of state-owned corporations in Kenya's agricultural sector has been blamed on managers. The success of Kenya Tea Development Authority (KTDA) for example has been attributed to the success of its managers. In particular, the exemplary good performance of KTDA has been attributed to Charles Karanja when he was at the helm of its management (Leonard, 1991).

While, many state-owned corporations in Kenya's agricultural sector have lacked autonomy, Charles Karanja was able to secure autonomy for KTDA.

This autonomy was neither inherited nor granted but was earned by its management (Leonard, 1991). Its good performance made it to rely less on government funding. Reliance on government funding by many SOCs makes it possible for government to interfere in their management. The success of KTDA under the managership of Charles Karanja has been attributed to, effectively and consciously established organizational autonomy, control of activities and resources crucial to organizational performance, involuntary and effective accountability besides incentives for those involved in tea production (Leonard, 1991).

It was due to the poor performance of state-owned corporations that the government of Kenya introduced performance contracts. In their study, Albrecht, Bakker, Gruman, Macey and Saks (2015) analyzed the factors which influence implementation of performance contracts in state corporations. From the study findings, it was discovered that familiarity on matters concerning strategic planning, work plans development and capability to monitor works among staff was an important input to the success of organizational functions. The management was able to deliver on predetermined goals which were cascaded down in the form of Key Performance Indicators (KPI). Similarly, a research by Kamau (2015) on the factors influencing employee commitment and its impact on organizational performance among Kenya Airports Authority staff noted that proper management practices result to employee loyalty and commitment that reflects in good organizational performance. This study attempts to establish the influence of management functions on the performance of agricultural state-owned corporations in Kenya.

1.1.1. Performance in State-Owned Corporations in Kenya

State-owned corporations (SOCs) also known as parastatals, or state enterprises, are legal entities that undertake commercial activities on behalf of the government. According to Nhema (2015), parastatals refer to all commercial and industrial companies, utilities and mines that fall under the control of government. A significant portion of revenues of parastatals is established from selling of products.

According to Irefin and Mechanic (2014), parastatal institutions have mandates to support agricultural development in a range of different ways, though many have been affected by under-investment in terms of both money and expertise, and are not working effectively. Some of the state-owned corporations in Kenya's agricultural sector include: Tea Board of Kenya (formerly Kenya Tea Development Authority), Kenya Agricultural Research Institute (KARI), Cereals and Sugar finance Corporation, Coffee Development Fund, Cotton Development Authority, Kenya Coconut Development Authority, Pyrethrum Regulatory Authority (formerly Pyrethrum Board of Kenya), Sisal Board of Kenya, Coffee Board of Kenya, Kenya Sugar Board, Canning crops Board, Kenya seed Company, National cereals and Produce Board, Coffee research Foundation, Tea Research Foundation, Agricultural Development Corporation and Kenya Dairy Board (KDB), among others. According to the Government of Kenya, there are 42 SOCs in the sector of agriculture, livestock and fisheries out of a total of 262 SOCs (Republic of Kenya, 2013).

Intially, State Owned Corporations were created in Kenya by colonisers in providing white settlers farmers with essential services (Republic of Kenya, 2017).

Participation of Indengenious Africans in actvities like commercial farming was limited legal means and controls like production quotas, standards of grading and fixed rates of tax. According to Budiman, Lin and Singham, (2009), this was meant to increase social and economic growth and development besides redressing economic imbalances on a regional basis.

The Sessional Paper Number 10 of the year 1965 on how Socialism of Africa could help Kenya to plan resulted into state power for controlling use of resources (GoK, 1991, 45). The paper came up with ways of achieving goals that are crucial for economic development. These goals of economic growth and development include a fast general rate of economic growth, equal distribution of resources and increasing local participation in the economy. The government thus expanded and strengthened SOCs as the vehicle of development in the first decade of independence, and thus the economy grew from 4.4% in 1996, but later dropped to 1.5% between 1997 and 2000 but picked up again to 6.8% in 2006 (CIA Main Fact Book, 2013).

According to Mathenge (2013), today's administrative and management environment, within state owned corporations as well as in any other public bodies, demands competent professionals to handle dynamics in the market, rapidly changing technologies and methods of governance. This in practice indicates making desired outcomes clear, recruiting competent and qualified staff and giving out incentives to hardworking and best performing staffs. The necessity of improving the performance of SOCs in Kenya is more urgent given the fact that these public bodies play an important role in the economy of the country; particularly with Vision 2030 in place.

As observed by Mathenge (2013) SOCs can either be a boost or a burden to the Kenyan economy. When things go well, they can provide a solid base for economic and social development, contribute significantly to state budgets, and be an important tool to achieve government policies as stipulated in Kenyan Constitution (Mathenge, 2013).

According to Letting' (2015), leadership is lacking in the management of SOCS in Kenya because those who are appointed to take up management boards of these public enterprises have been described by Letting (2015) as retired (and tired) CEOs, politicians and professionals. After being appointed to the management boards these CEOs promote unprofessional management practices because their tenure in office depends more on their loyalty to the appointing authority rather than on their performance. When in office, these managers, who are mostly male, calls for meetings in which rigid agenda is pursued and in most cases, information is provided by management in standard, predictable formats. Management boards usually call for stage-managed annual general meetings where shareholders rubber stamp decisions of their boards (Letting', 2015).

If anything, management boards of SOCs like the Kenya Meat Commission have been found to pursue their vested selfish interests rather than the interests of the public for which state enterprises are formed. The managers of the Kenya Meat Commission have been accused by the Public Accounts Committee for transferring the Commission's money to their private bank accounts procedurally and illegally (Republic of Kenya, 2015). In some parastatals such as the Horticultural Crops Development Authority (HCDA) have been accused for selling the Authority's assets (equipment's) and land to individuals and private developers (Republic of Kenya, 2015).

Kenya is not alone when it comes to financial mismanagement of SOCs. The same case scenario has been reported in Zimbabwe. Zimbabwe's Parastatals have become synonymous with not only looting but corruption by corrupt ministers and other senior government officials (Rusvingo, 2014). In Zimbabwe, like in Kenya, the struggling state – owned enterprises have become feeding troughs for these corrupt government officials who turn to them whenever they are broke and are in need of money (Rusvingo, 2014).

While expected to graduate away from full government funding, many SOCs have continued to rely heavily upon government funding. To make things worse, many of them such as the Kenya Meat Commission have made huge losses to the point of closure of their business. Even after being bailed out of their debt crisis, such corporations have continued to make losses rather than profits (Republic of Kenya, 2015). All that the managers are concerned with is enriching them. Many of the members of management boards have been in the habit of raising their sitting allowances and buying themselves luxurious cars without the approval from relevant bodies (Republic of Kenya, 2015).

In order to strengthen effectiveness and efficiency in public management, the government of Kenya had response to challenges facing formulation and implementation of Public Sector Reforms (PSR) in the year 1993.According to Gitundu, Kisaka, Kiprop and Kibet (2016), several policies show that as one of government policies, privatization was adopted so as to solve inefficiencies in operation and governance systems in parastatals.

In view of the Government Seasonal Paper number 1 of the years; 1994, 1992 and 1986, the government overemphasized on reforms in civil service to fast track the implementation pace.

This was to result into improved service delivery, cost reduction in terms of wages and salaries and this is likely to contribute to economic growth and development. Under each program of reform, the specific policy issues include reduction of staff through natural attrition and retrenchment, result based systems of performance, service orientation and capacity building initiatives (KALRO, 2017).

Although these retrenchment strategies resulted into a decrease in core civil services of about 30 percent, however, it was established performance and productivity in public sector was not up to the expectations (Wagaki, 2013). Moreover, it required initiatives of reform to target improved management and performance of services in public sector. This resulted into establishment of Economic Recovery policy direction that guided reforms in public sector (Sasaka, Namusonge & Sakwa, 2016). In the year 2001, the Strategy for Performance Improvement in Public Service was put in place. The purpose of this strategy was to improve service delivery and increase productivity. The strategy gave an outline of necessary actions to change service delivery systems and mechanisms in public sector.

In addition to this strategy was the Results Oriented Management (ROM) approach. Under this approach, operations were adjusted in response to already set results, goals, objectives and outputs. In adopting this strategy, a paradigm shift was required in government from bureaucratic and passive to resulted oriented and pro-active one that seeks value for money and customer satisfaction.

Ultimately, ministries and their respective state departments were required to come up with strategic plans reflecting on their goals and objectives in view of the, Millennium Development Goals, Poverty Reduction Strategy Paper, 9th National Development Plan and Medium Term Expenditure Framework (MTEF), among others. Currently, a 13th circle based on balanced scorecard is being undertaken. The role out is on and is yet to be gauged.

1.1.2. Regime change and Performance Priorities

Kenya has experienced different political regimes since independence. These regimes have impacted on the performance of SOCs. This is bearing in mind that appointment of management boards of state-owned corporations is done by politicians who, in most cases, nurse political interests when making such appointment. We can divide political regimes in Kenya into five distinct groups namely: the colonial period, the Kenyatta (Harambee regime), the Moi (Nyayo regime), the Kibaki regime and the Uhuru regime. Nhema (2015), has observed that the colonial regime founded agricultural marketing boards with the aim of safeguarding the interests of white farmers against those of smallholder African farmers. When Kenyatta became the president of Kenya, he encouraged the expansion of agricultural state-owned corporations with the aim of promoting the interests of African farmers. As Leonard (1991) has observed, the president was impressed with the manager of the Kenya Tea Development Authority because the Authority performed well during the tenure of Charles Karanja. When president Moi took over, he replaced heads of parastatals who had been appointed by Kenyatta. One of them was Charles Karanja who served during the Kenyatta regime.

In practice, state owned corporations are meant to operate without political interference. However, this is not the case in practice. Ncube and Maunganidze (2014:132) commented that even though SOCs are established outside the Central Government and requiring a large degree of autonomy and freedom from bureaucratic interference, this is not the case. Thus, the degree to which a political regime interferes in the performance of SOCs differs from regime to another and this accounts for the differences in performances for a particular SOC under various regimes.

Nhema (2015) has observed that power is the main motivator of the management of most parastatals in Kenya. The political goals of managers of parastatals are achieved through alliances with bureaucrats and other politicians. This indicates that commercial goals of an organization re sacrificed at the expense of private goals of gaining power. The management of most SOCs is affected by political interference especially through political appointments. Although several reasons have been suggested in explaining low efficiency in parastatals, the most influencing factor is top management of parastatals are appointed by politicians. The other factors that account for inefficiency in public sector include inadequate competition, political interference and type of ownership (Nhema, 2015).

In view of the type and nature of ownership, boards of directors in parastatals have no shares in organization they manage. As such, they might have low interest in success of the business. Generally, it is assumed that greater interests' shareholders have in an organization enhance performance (Nhema, 2015).

In view of public sector organizations, no relationship exists between the personal loss of the management team and financial performance of an enterprise. This assumption has a significant influence on effectiveness and efficiency of parastatals. Non-profit maximization behavior among private firms could easily result into insolvency and bankruptcy. With this, the management of private sector is motivated to pursue profit maximization objectives. This has been the case based on reports of the Public Accounts Committee (Republic of Kenya, 2015). Moreover, most of the directors in parastatals are appointed politically. As such, these directors are likely not to be dynamic with full knowledge of competition at the market place (Nhema, 2015).

State owned corporations performed so poorly during the Moi regime due to the general poor performance of the economy. It was during the period of Moi's presidency that a lot of parastatals underwent structural adjustments (privatization reforms) including the water sector (Okumu, 2006). Privatization of state-owned corporations was aimed at revamping them into profit making enterprises under well thought out management systems. Privatization was not fully supported by the Moi regime as was the case with the Kibaki regime. It was during the Kibaki regime that legislative and policy reforms were initiated with the aim of revamping the performance of SOCS.

Since then, several reforms in public services were initiated to ensure that customer satisfaction is placed at the center of service delivery and policy formulation (GOK, 2007). Under the Economic Recovery Strategy, several efforts were conducted to improve delivery of service to the public. Some of these efforts included strengthening relationship between ability to plan, budget, implement and improved performance.

Through its pursuit for realizing the country's development agenda as established in Vision 2030 and the First Medium Term Plan between 2008 and 2012 (Republic of kenya, 2013), the government of Kenya realized that the major foundation pillars of this is having well trained, motivated and efficient public service staff (Republic of Kenya, 2013). Efforts have been made by the government to change the attitude of people in regard to public services. Among these efforts include orientations to service delivery, adoption of technology in processes especially computers, staff training and development programs and performance management (Republic of Kenya, 2013).

Today, the agriculture function has been devolved in Kenya but still remains a key sector of development (as captured in The Economic Recovery Strategy, 2005). The nation's blue print, Vision 2030 proposes to chnage and modify agricultural sector into a modern, innovative and competitive sector so as to reduce poverty while at the same time result into food security (Republic of Kenya, 2013). This sector is increasingly controlled by parastatals. Moreover, the improved performance of this sector has significant effect on the economy due to its macro-economic effects.Proper management function of SOCs is very essential for achievement of goals, optimum use of resources, reduction of unwanted costs and establishing a sound organization.

1.1.3. Current Challenges in State Owned Corporations' Performance

The few available studies suggest that challenges in management are directly linked to poor performance. Ongeti, (2014) identified that poor planning, poor management strategies and inadequate involvement as some of the factors that are attributed to poor performance.

Similarly, Atieno PTPR (2013) stated that management selection and poor management practices are some of the problems facing Kenyan parastatals. These views are reinforced by the study on the effective delivery of public services in Africa (Republic of Kenya, 2017) which brought out the challenges as; lack of well-formulated and clear goals and objectives on strategic plans.

This makes hard to assess the performance of individuals and the organization as a whole; non-involvement of stakeholders in developing strategic plans. This results into inadequate ownership and ultimately complicating the achievement of strategic challenges and objectives (Letting', 2015; Mathenge, 2013; Nhema 2015). This study therefore sought to assess the management factors that influence the performance in the SOCs in Kenya. The field of management of SOCs has been evolving globally due to the application of good corporate governance practices necessary for viability and realization of organization goals.

1.1.4 Kenyan State-Owned Corporations

Odoyo *et* al. (2014) state owned Corporations in Kenya as state owned entities established under the State Corporations Act, chapter 446 of the laws of Kenya. These public entities were formed to provide strategic and essential services to the Kenyans such as electricity, railway transport and port services. Included here also are statutory bodies formed for the purpose of regulating various sectors within the agricultural sector (Odoyo *et* al, 2014). SOCs in Kenya are partially or fully government owned or controlled entities.

The State Corporations Advisory Board is charged with the mandate of providing advice on the appointment of management boards of state corporations, removal or transfer of officers of state corporations, the secondment of public officers to the state corporations and setting the terms and conditions of any appointment, removal, transfer or secondment (Odoyo *et* al, 2014). The State Corporations Advisory Board also carries out other oversight duties in relation to the State-owned corporations (GoK, 2013)

Kenya has a long history of State-owned corporations. Agricultural state-owned corporations have their origin in the colonial period (Poulton & Kanyinga, 2013). Many of the SOCs which were established during the colonial had their main focus on development of infrastructure and improved farming. However, some SOCs were tailored towards the manufacturing sector. The period between the 1920s and 1930s marked the emergence of state-owned corporations which acted mainly as agricultural marketing boards (Aldehayyat & Khattab, 2011).

When Kenya attained her independence in 1963, the government continued with the expansion of the public sector. This time, attempts were made to mainstream SOCs towards serving Africans who had been mainly forgotten during the colonial years. The independence government decided to participate directly in the sectors of agricultural production, finance and commerce. The government also encouraged nationalism, which further led to creation of more State-Owned Enterprises (Kabiru & Misiko, 2018).

By the end of 1970's, the government held equity in about 250 commercially oriented firms engaged in production of goods and services (DePree, 2011). This was the trend during the Kenyatta and Moi presidency between 1963 and 1990.

During the same period, government shareholding in SOCs stood at about 50 percent. Whereas the government pumped a lot of financial resources in these public bodies, the same bodies contributed some 17 percent of the Gross Domestic Product (GDP) by the early 1980's (Waweru *et* al., 2013). This contribution was below the expected level. Most of the state corporations suffered from a myriad of performance problems. According to Pennequin (2008) SOCs performed poorly because of poor management. People who were chosen to manage SOCs did not deserve as most of them were political appointees who lacked the requisite skills, knowledge and management training.

More importantly, those who were appointed to manage SOCs lacked requisite professionalism in the management of money (Khan & Khalique, 2014). In fact, there was a clear evidence of prolonged inefficiency, financial mismanagement and malpractices in many parastatals as various reports of the parliamentary Public Accounts Committee show. Another factor that contributed to the poor performance of the public sector was nature of relationship among enterprises themselves. In many cases they were interlinked together through input output relations.

Inefficiencies of one spread to the rest in that manner. In the tea production sector, for example, the Tea Board of Kenya is interlinked with the Kenya Agricultural Research Institute (Republic of Kenya, 2013). Under the flexible pricing regime, firms were generally free to sell their products at the prevailing global markets. This system was common in agricultural and marketing parastatals dealing with the key exports like Tea, Coffee and Pyrethrum (Korir & Moronge, 2016).

Farmers' operations were served with the principle of no profit, loss or break even making. Often, prices were above or below the market clearing prices. This resulted into shortages or surpluses and therefore inefficiencies especially in banks. Most public enterprises were under government red tapes and other regulation in 1980s. Most of these organizations faced greater challenges of leverage due to low liquidity and undercapitalization (Kabiru & Misiko, 2018).

Financial problems bedeviled agricultural state-owned corporations. As a result, many of the SOCs have become a burden on tax payers. For instance, some sugar producing firms started their operations on the basis of borrowed capital. On the other hand, the National Cereals and Produce Board (NCPB) and the Kenya Tea Development Authority (KTDA) operated on a deficit working capital. Significant losses were reported among most parastatals around 1980s to 1990s. The growth of the sector had surpassed its ability to finance resources (Korir *et* al., 2016). There were large losses in Kenya Meat Commission, Nzioa Sugar Company, South Nyanza Sugar Company (SONY) among other agriculturally based state enterprises (Olumuyiwa *et* al., 2012).

The Government of Kenya, the World Bank and other stakeholders had a number of objectives, which they hoped would be achieved through privatization (Aldehayyat *et* al. 2011). The government undertook privatization. The government was prompted to privatize these companies mainly due to their poor performance. Among the objectives of privatization were improvements of the company's profitability. Although many companies were listed for privatization, the government has not fully privatized them all.

The public sector consists of government ministries, departments and agencies that carry out activities on behalf of the Kenyan government for the benefit of the public. The public sector organizations are established to correct market failures (GoK, 2013). This is where the service they give cannot be profitably provided by private investors. In some other instances public sector organizations meet explicit social, political and regulatory objectives. These include education, health or even redistributing income and develop marginal areas (Republic of Kenya, 2013). State owned enterprises (SOEs) employ approximately 200,000 people and at one time, controlled nearly 30% by value of the GDP in Kenya.

Most of the SOEs have performed poorly since inception and problems, largely attributable to poor corporate governance have been identified to be the main contributor to poor performance. While remarkable economic success has been achieved through State Corporations, their full potential has not been realized due to a combination of factors notably mismanagement, undercapitalization and lack of clarity in objectives. By the mid-1980s, it was clearly evident that the sector was not delivering the desired results of promoting economic growth and development. As a result, the Government undertook a number of reform measures to ensure that the sector remained relevant.

The basis of establishing most state-owned enterprise was to achieve social rather than profit objective. However, increased stakeholder expectations have required governments in many states to come up with reforms especially the systems of corporate governance of state-owned enterprises. This has been done to improve operations for national and economic development (Koech & Namusonge, 2012).

Kenya attained political independence from 1963 all through to 1979 when an undertaking to comprehensively review State Corporation's subsector was put in place. There was a rapid growth of government involvement in commercial services and activities and this resulted into creation of monopolies in numerous commercial activities and services. The national desire to accelerate social and economic development, enhance indigenous entrepreneurial skills and foreign investment drove the establishment of parastatals. This desire was expressed in the Sessional Paper No. 10 of 1965 on *African Socialism and its application to planning in Kenya*.

In the Sessional Paper, the theory of democratic African Socialism to Planning in Kenya was widely discussed on. The discussion came up with strategies which when applied would lead to Africanization without affecting the economy. The paper suggested establishment of state corporations for acceleration of social and economic development, address regional economic imbalance and facilitate Kenyanization of the economy among other objectives (Republic of Kenya, 2013).

The Policy envisaged that the nationalized operations would operate efficiently, cover costs and earn profits. This marked the beginning of government investments in manufacturing, agriculture and other sectors that came to be referred to as state corporations (Muriu & Biwott, 2013). They were charged with the control of key sectors such as agricultural export, transport and communications, and agricultural trade. With time, more state corporations have been created to cater for more sectors such as tourism, research, agricultural financing, water and irrigation, health, education, information and technology, and energy.

The defining characteristic of state-owned corporations is that they have a distinct legal form and they are established to operate in commercial affairs. While they may have public policy objectives, state-owned commercial corporations are different from other forms of government agencies or state entities established to pursue purely non-financial objectives. Given that they engage in various commercial activities in different industries, it is difficult to generalize the state-owned corporations and their commercial projects or activities. Most of these corporations are in the industries that deal with essential commodities and services such as energy, telecommunication, health and transport among others. Apart from ensuring the provision of the said services, the state-owned corporations also make commercial gain and contribute to the funding of the exchequer.

1.2. Statement Problem

State owned corporations in Kenya have performed poorly due to poor management practices (Kabiru & Misiko, 2018). In particular, the World Bank has been preoccupied with the need to implement structural Adjustments policies aimed at improving corporate governance and management of state corporations. Management of state corporations has displayed laxity in oversight, management and fiduciary control procedures. Parliamentary reports of the Public Investment Committee have put state owned corporations on the spot for misappropriating public funds.

Since the 1990s, the government of Kenya has been implementing reforms within state owned corporations following noted issues with management in relation to planning, organization, leading and controlling majorly due to political influence in the recruitment of managers.

They face a variety of management-based issues that hinder productivity and performance of their employees and the organization as a whole. These issues include undefined goals and strategies, fraudulent transactions by directors, conflict of interest, lack of good leadership qualities and techniques. Other management-based issues include lack of commitment, poor management styles, unaccountability, poor interaction and communication with junior employees, incompetency, ambiguity in action plans, slow and poor judgment that impacts resource allocation. All these management-based issues translate in low productivity and organizational under performance.

Several studies have been carried out in relation to management function and organizational performance. The studies include one carried out by Verhezen (2013) who revealed that there are a number of governance principles that one would expect to be reflected in the governance arrangements of any organization. Similarly, Adams (2012) stated that bad governance is contributed by poor accountability in the management of public affairs and this affects service delivery to the people. Kaboyo (2013) argued that in Kenya at the county level, the level of accountability in the management of public affairs has consistently declined since the implementation of the new constitution 2010 and thus it affects the performance of state corporation in Kenya. Various studies have been conducted in Kenya on State corporations in Kenya.

Sicily and Gladys (2013) researched on the influence of corporate leadership on the performance of state corporations. Mugambi (2015) researched on influence of corporate entrepreneurship on performance of state corporations in Kenya.

Koech and Namusonge (2012), conducted a study on effect of leadership styles on organizational performance at State Corporations in Kenya. However, these studies failed to focus on the influence of management functions on the performance of state-owned corporations. This study will fill the gap on influence of management functions on the performance of agricultural state-owned corporations in Kenya

1.3 Objectives

This section presents the general and specific objectives.

1.3.1 General Objective

The general objective of this study was to establish the influence of management functions on the organizational performance of State-Owned Corporations in Kenya

1.3.2 Specific Objectives

The specific objectives of this study were to: -

i) Explore the effects of planning as a management function on organizational performance
ii) Scrutinize the effects of organizing as a management function on organizational performance
iii) Evaluate the effects of leading as a management function on organizational performance
iv) Assess the effects of controlling as a management function on organizational performance and;

v) Propose a management functions road map for state owned organizations performance in Kenya.

vi) To determine the moderating effect of corporate regulations on the influence of management functions and the performance of agricultural state-owned corporations in Kenya.

1.4 Research Questions

i) How does planning as a management function affect organization performance?

ii) How does organizing as a management function affect organization performance?

iii) How does leading as a management function affect organizational performance?

iv) How does controlling as a management function affect organizational performance?

v) How can state corporations in Kenya be better managed?

1.5 Significance of the study

The study is significant to the government which owns corporations as it would provide valuable insights on management practices and how they influence organization performance. Knowledge of the effects of management functions retrieved from this study can be used by the government and leaders of the organizations to improve organizational performance. Policy makers in human resource departments in the state-owned corporations and other sectors of the economy can also benefit from the study findings since they would enact appropriate policies or make amendments that will enhance the management practices for the betterment of organizational performance.

This study would grow the existing body of knowledge on management functions and performance and provide useful information for academicians and researchers since they can use this study to get information on their various research topics relating to this one.

1.6 Delimitations of the study

The population of the study consisted of 150 state-owned corporations based in Nairobi and recognized by the Ministry of Industry, Investment and Trade. The research was carried out in the month of June, 2016 and the respondents included senior managers, middle level managers and junior staff working at the state-owned corporations. The study focused on the effect of planning, organizing, leading and controlling as management functions on the performance of state-owned corporations and therefore other factors that influence performance will not be part of the study

The researcher anticipated that the respondents were too busy to fill the research instrument - the questionnaire. The researcher adopted a ‘drop and pick later’ method whereby questionnaires were dropped at the study location and the respondents given time to fill them at their own time and then they were collected at a specified date.

There was likelihood of limited participation in the research participants due to the worry of lack of confidentiality. This was countered by giving respondents the assurance that the information was confidential and also by acquiring permission to carry out the study beforehand.

Several factors influenced organization performance and not just the management functions. It was therefore difficult to separate these other factors from the management functions while carrying out the study.

1.7 Assumptions of the study

The study assumed that the respondents would be willing to participate and freely provide information on the study topic and that any information provided by the respondents was true and not at all falsified or altered.

The study also assumed that the participants were able to read and understand the concepts.

1.8Operation Definition of Terms

Controlling: Determining the actual and planned or expected performance to identify discrepancies so as to seek corrective measures (Koontz & O'Donnell, 2011)

Directing: Harmonizing individual objectives with group objectives by use of authority and clear lines of communication (Koontz & O'Donnell, 2011)

Leading: Motivating and influencing of employees to achieve multi-dimensional goals (Howell & Costley, 2006)

Management: Being aware of expectations and making sure that these expectations are realized in a best manner possible (Taylor, 1911)

Organizational performance: Non-financial and financial measures that indicate how an organization has attained its objectives (Lebans & Euske, 2006)

Organizing: Identification and classification of related tasks and activities to be performed, delegation of authority and responsibility and availing sufficient resources with clearly established relationships for accomplishment of the set objectives (Allen, 2013)

Planning: Pre-determination of the alternative cause of action (Koontz & O'donnell, 2011)

1.9 Chapter Summary

This chapter has presented the background of the study by providing the conceptual and contextual background to help provide understanding of the study. It specifically gave the statement of the problem, research objectives followed by research question to help focus the proceeding chapters. The chapter also highlighted the significance and scope including the delimitations. It has also given assumptions and definition of key terms.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

This chapter sought to examine in detail the available literature and studies that have been conducted and are directly related to the topic under study. The chapter presents the relationship between the individual management functions and organizational performance and concludes with a summary of literature review. The chapter covers theoretical framework, empirical literature, and conceptual framework.

2.1. Theoretical Framework

This section presents the theories on which the study was anchored. Three theories were employed to guide this study namely: the stewardship theory, the agency theory and the contingency theory. These theories are discussed in details below:

2.1.1. Stewardship Theory

This theory promotes the view that a manager or managers of an organization are the stewards (Donaldson 1990a, 1990b). According to this theory, the executive manager, apart from becoming and opportunistic shriker, primarily needs to effectively steer the corporate assets. The theory thus maintains the view that no inherent, general problem exists concerning executive motivation (Barney, 1991).

Alack of local motivational issues among managers is responsible for the rise of the question as to how far the executives are able to accomplish the desired performance they claim to strive for (Conyon & He, 2012). Thus, stewardship theory holds the view that performance variations arise based on the structural situation in which the executive finds it. Thus, the question that begs answers is whether or not the organization structure helps the executive to formulate and implement plans for high corporate performance (Donaldson, 1985). Structures which facilitate the attainment of organizational goals and objectives depend on the extent to which they provide clear, consistent role expectations and authorize and empower senior management.

By contrast to the agency theory, stewardship theory provides a couple of opposing hypotheses concerning CEO governance. It suggests that the duality of CEO governance helps to generate more returns to the stakeholders and the advantages of the phenomenon are not a result of the spurious impact from long-term compensation. The stewardship theory maintains focus on philosophies of leadership that managers of firms choose. This focus is based on Donaldson and Davis (1991) original work created as a model where senior managers steer the firm according to the interests of the shareholders.

According to Gitongu, Kingi and Uzel (2016), top management needs to offer support to other staff in order increase the stakes of the organization’s performance. These support services step-ups the capability of a firm to involve in habits that encourage effective achievement of activities that contribute to staff performance. The staffs need to be catered for by having the desirable encouragement and support such as providing appropriate resources, approval, relationships so as to support good performance.

Leadership style can be gauged on the basis of both direct and indirect outcome of directing on staffs' performance.

The theory assumes that the leader consults for collective options and makes decisions in the best interests of a firm. The individual is motivated by focusing on what is appropriate for their firm since they believe that they will reap benefits alongside the firm's thriving. The steward therefore, raises the firm's performance operating under the assumption that the managers and the principal shareholders gain from a strong firm (Mullins, 2007).

Stewardship theory stands in direct opposition to the agency theory. Guided by the steward theory, this study examined the impact of management boards on the performance of state-owned corporations in Kenya's agricultural sector. This is important bearing in mind that management boards are expected to perform the monitoring role of the performance of SOCs in the interests of shareholders against the self-interest of executive managers. The study was intended to determine whether the boards of SOCs had a negative or positive impact on performance of these public bodies.

2.1.2. Agency Theory

The Agency theory maintains that in the current corporate world where there is a wide holding of share ownership, leadership activity is lost from the people with the responsibility to ensure highest possible shareholder returns (Pratt & Zeckhauser, 1985). According to agency theory, owners or shareholders are taken to be principals and the managers are agents.

This theory posits that agency loss occurs when returns/profits/dividend to the residual claimants or owners fall below what they would because the principals or owners of shares do not exercise direct control of the corporate business (Jensen & Meckling, 1976). This being the case, agency theory reveals the strategies to limit (Eisenhardt, 1989). To maximize profits of an organization the theory encourages incentive schemes for leaders that reward them for maximizing shareholder interests. The schemes basically entail strategies where the top-level managers gain shares, for example, at a subsidized fee in order to align financial interests of managers and shareholders. According to Jensen and Meckling (1976), they typically include plans whereby senior executives obtain shares, perhaps at a reduced price, thus aligning financial interests of executives with those of shareholders.

The schemes tie top level compensation as well as a variety of gains to shareholders returns to make a section of top-level compensation deferred in order to gain long-run value maximization of the firm and halt short-term top-level activity that negatively affects corporate value. Such schemes endeavor to install an opportunistic habit among managers that include shirking and engaging in extreme perquisites while disregarding shareholder interests (Geletkanycz &Boyd, 2011).

A primary design detail to utilize the opportunism is the board of directors which is the body that monitors functions of managers' activity according to the interests of shareholders. It is most efficient when the chairperson of the board of directors acts independently without due interference from the executive management and also where the CEOchairs the board of directors (Dalton*et* al., 2007).

The theory implies that when there is sustenance in CEO duality, it is possible to protect the interests of shareholders by streamlining the interests of the CEO to those of shareholders via an appropriate incentive scheme such as through a design of future compensation bonuses (O'Reilly and Main, 2010). An increase in shareholder returns identified among CEO duality can be explained as occurring from spurious results of incentives unlike the stewardship theory which maintains that a major increase is a natural occurrence (Nyberg, *et al*. 2010).

This argument has been convincingly challenged by (Kholeif & Mudie, 2009) who identified the lack of connection between limited financial rendering of agency theory and significant limitation of targets of firms. Kholeif and Mudie (2009) proceeded to explain that it only takes into consideration a single relationship occurring between corporate owners and leadership which is a vital association yet there are many existing relationships in an organization. This contentment with the interests of the owners bears significant negative effects of applying this theory. According to Perrow (1986), focusing on shareholder interests to provide solutions provides the paradigm vulnerability.

Corporate manages harmonize the interests of stakeholders as well as the CEO (Mainardes, Alves & Raposo, 2011). This study endeavored to establish the extent to which managers of SOCs have put the interests of shareholders in line and harmony with their own. Do managers of SOCs pursue the objectives of their organizations with a view to maximizing benefits to the citizens who are in this case taken to be the shareholders or do they put their self-interests above collective interests of shareholders?

Also based on this theory, the study endeavored to interrogate the question as to whether the failure of state corporations to deliver results from a lack of incentives for the managerial staff.

2.1.3. Contingency Theory of leadership

Vroom and Jago (1988) have advanced the decision participation contingency theory also called the normative decision theory which asserts that the success of decisions rely on the vitality of its quality and acceptability and the level of appropriate data acquired by the manager and staff. The probability of the subordinates will acknowledge the authoritative decision or accept instructions in the effort of accomplishment of appropriate decisions to involve everyone.

Organizational theory holds the view that there is no single best universal manner which can be applied to for better management of all organizations (Wren, 1994). The contingency theory of leadership posits that the success of a leader is a function of various contingencies (Lawrence & Lorsch, 1967). The effectiveness of a given pattern of leadership behavior is contingent upon the demands imposed by the situation. The contingency theory comprises of several theories including the Fielder's contingency theory, the contingency of decision making and the contingency of rules theory (Olumuyiwa, Adelaja & Chukwuemeka, 2012). These theories stress the need to use different styles of leadership which are appropriate to the needs created by different organizational situations. Fielder's contingency theory asserts that group performance is contingent on the leader’s psychological orientation and on three contextual variables: group atmosphere, task structure, and leader’s power position (Vroom & Jago, 1988).

The contingency theory guided this study bearing in mind that SOCs in Kenya's agricultural sector have performed differently in delivering on their mandates. There are SOCs which have failed and those which have succeeded in delivering on their mandates and these differences in performance call for the examination of the variations in management styles. Thus, this study found it prudent to interrogate how variations in management functions in various SOCs impact on their performance.

2.2. Management Functions

Management as a function has been defined differently by different scholars since the time of Fayol. For instance, Folkman (2010) defines it as an art of getting things done through people. It involves proper understanding of what needs to be done in order to meet a given set of organizational objectives (Olumuyiwa *et* al., 2012).

Planning involves deciding in advance what is to be done, when it is to done and how it will be done (Huselid, Jackson & Schuler, 1997). It bridges the gap between the present status and the desired future status in the organization. It involves selecting missions and objectives and the actions to achieve those (Leung & Kleiner, 2004). Developing a good plan of action has been established to be the hardest of the five management functions as it calls for active participation of the entire organization (Lebans & Euske, 2006). The plans have to be developed against implementation timelines and must be linked to a set of organizational objectives and coordinated at different levels. It is the duty of the managers to periodically review the progress of organizational plans so as to take corrective action when need arises (Koontz & O'Donnell, 2011).

Planning takes a firm's resources and dynamism of the workers into considerations since it helps enable consistency. Effective and focused planning leads to positive change in firm performance (Awino, Muturia & Oeba, 2012). Planning is the cornerstone of every organization without which the organization will never know where it is going or whether it will ever get there. Organizing is another equally important management function. A firm can only function successfully only when it is well structured (Awino*et* al., 2012). This implies that first, there has to be sufficient funds, workers, and resources to enable the firm to only run smoothly but also build a good working structure. The primary role of the managers is catering for the attainment of organizational objectives in the face of changing environments. Organizing is the specification and division of labor and tasks that identify and give roles as well as authority and relationships to help individuals work efficiently in achieving the common targets (Allen, 2013).

According to Leung and Kleiner (2004), the organizing function of management comprises a variety of tasks either directly or indirectly associated to dividing available resources in methods that help the accomplishment of targets and strategies created in planning function. Provisions have to be made for building organization flexibility since this can lead to adequate space for the organization to fulfill its purpose. Organization is a vital function among the five functions of management and therefore, an organization that has an appropriate firm structure with desired functions and duties raises the chances of an organization to meet its set goals and objectives. Where the list of functions rise, the firm expands both horizontally and vertically calling for a restructuring of the organizations' leadership (Koontz & O'Donnell, 2011).

Successful managers display integrity, have good and clear communication and rely on regular audits to make decisions. Efficient managers therefore, rely on the rate to which peoples' objectives are synchronized with the entire group objectives. For example, whenever instructions are clear, workers understand exactly whatever is expected of them (Leung & Kleiner, 2004). Returns from all workers get optimized when employees are given clear and basic orders with respect to the activities they must carry out. A clearer line of authority from the ultimate management authority to every subordinate position translates into more effective decision making and communication at various levels in the organization set up (Koontz & O'Donnell, 2011). The manager, while directing organizational functions, assigns roles and responsibilities, sets standards, and defines expectations. He is then supposed to oversee the performance of the employees to ensure the workers achieve predetermined organization goals (Mullin, 2007).

In circumstances where firm activities are integrated, the company functioning improves. Influencing workers is crucial in shaping their behavior. Leadership hence focuses on creating an environment that is inspiring and with high standards of discipline among the groups (Costa & Bijlsma-Frankema, 2007). According to Schraeder, *et* al. (2015), leading involves delegation and requires clear communication. No senior member of the management cadre can escape responsibility for the activities of the subordinate staff through delegation, for it is the senior managers who delegate authority and assign duties. This, therefore, requires clear communication and good leadership.

Howell and Costley (2006) explain that leadership comprises a multi-dimensional process which includes motivation and influence of workers and that a section of the process of motivation and influence, exceptional leaders are also typically expected to be skilled communicators. Leaders should promote positive employee behaviors since it only through positive employee behavior management that intended organizational objectives can be achieved (Samaitan, 2014). The task of control, as a management function involves assuring the stakeholders on the ability of an organization to address any issues patterning to any form of deviations from the pre-determined plans in good time so that appropriate action can be taken in good time (Karamat, 2013). Monitoring and controlling any deviations enable an organization check on the way things unfold in comparison with the planned outcomes and activities and how well they conform to the organizational objectives. This is because the function and actions of control are only relevant if the deviations from pre-determined plans are addressed in good time through timely planning, leading, organizing and directing of other resources (Samaitan, 2014).

Controlling entails managerial efforts directed towards following up on firm and workers' performance and the process of achieving the targets (Costa & Bijlsma-Frankema, 2007). Managers employ and utilize a variety of strategies or methods which enable them to achieve the management function of control. The control methods may vary from overt, highly restrictive, and assertive forms of control to more implicit, decentralized, indirect forms of control. Whichever the mode, controlling activities can be designed in methods that control staff development and help raise consistent advancement (Allen, 2013).

2.3 Organizational Performance

Performance is a summary measure of the quantity and quality of work done, with resource utilization taken into account. It can be measured at the individual, group, or organizations' level. Organizational performance is said to be success if it is expressed in terms organizational productivity, effectiveness and efficiency (Olumuyiwa *et*al. 2012). In defining the concept of performance, it is necessary to quantify the results (Lebans & Euske, 2006). Organizational performance also takes into consideration how well the assignments of workers are executed.

In all organizational settings, there is always target performance whereby managers set target objectives to be achieved. This could be expressed in terms of turnover revenue and profitability margins, among others (Wachira, 2013). These measures constitute performance as they give an indication of how well the management of the organization has utilized resources brought by shareholders in the creation of further wealth. Organization performance is measured in different ways depending on the purpose of measurement. For instance, the Balanced Scorecard (BSC) proposes four measures broadly grouped into financial terms and non-financial terms (Kaplan and Norton, 2004). Organizational performance entails a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results. Most organizations view their performance in terms of "effectiveness" in achieving their mission, purpose or goals (Harvard Business Review, 2013). Organizational performance concerns both effectiveness and efficiency; the quality and quantity of work (Olumuyiwa *et* al., 2012).

2.4. Empirical Literature

This section covers the various studies conducted by previous scholars and researchers relevant to the study variables. It is organized in key thematic areas as per the study objectives:

2.4.1 Management Functions

According to Koontz and O'donnell (2006) management involves a process of structuring and sustaining circumstances where people working in groups successfully achieve the targets. Effective management focuses on the relationship between personnel and its superiors.

Management is critical in the day to day operations of organizations regardless of their size because it affects individual employee performance (Folkman, 2010). Management functions basically encompass planning, staffing, organizing, leading, and controlling. According to Korir and Moronge (2016) strategic management provides overall direction to the organization. Ariel (2007) states that there is strategic consistency when actions of an organization are consistent with the expectations of management.

2.4.2. Organizational Performance

According to Gavrea, Ilies and Stegerean (2011), organizational performance is defined in terms of the extent that organizations fulfill their objectives. Turner (2014), defined it as basically the attainment of ultimate objectives of the organization as set out in the strategic plan.

Daft (2010), defined organizational performance as the ability of an organization to utilize its resources which include knowledge, people, and raw materials to achieve organizational goals in effective and efficient way. Cummings and Worley (2014) further explain that performance is the achievement of organizational goals in pursuit of business strategies that leads to sustainable competitive advantage.

Continuous performance is the focus determinant of organizations' success. Gavrea *et*al. (2011) studied the main aspects of organizational performance over the years and found out that in the mid-20th Century organizational performance was identified by the rate of achievement of objectives in a social system. In the couple decades that followed, firms shifted to identify improved ways to assess their performance by defining firm's ability to utilize the surrounding circumstances for using the available resources. After 1980s and into the 1990s, recognizing firm objectives became increasingly complex forcing managers to acknowledge firms as successful in accordance to goal accomplishment (effectiveness) using the minimal resources (efficiency).

Lebans and Euske (2006) later illustrated the concept of organizational performance as a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results. They also stated that performance was a changing phenomenon that needed judgment and constant interpretation where it may be portrayed using a casual model that focuses on how current actions affect future results. The people involved in the assessment determine the understanding of general firm performance by quantifying the results (Arslan & Staub, 2013).

Organizational performance is the outcome that indicates or reflects the organization efficiencies or inefficiencies and it is affected by corporate image, competencies and financial performance (Khandekar & Sharma, 2006). To define the concept of performance it is necessary to know the elements characteristic to each area of responsibility that contributing to it. The factors that actively contribute to organizational performance include leadership, co-ordination strategies, management and finance, decision making processes, planning activities, organizational structures, managerial direction, exercising controls and accountability among many more. Organizational performance generally involves the actual output or results of an organization measured against its intended outputs, goals and objectives (Yusoff & Aihaji, 2011).

Lebans and Euske (2006) argue that, organizational performance can be measured using four major buckets; effectiveness (whether an organization can achieve its objective), efficiency (ability of an organization to use its resources properly), relevance (degree to which the organization's stakeholders perceive the organizations activity as being relevant to their needs) and finally financial viability (how viable the organization is in short term and long term and also how long the organization has remained profitable). Measurement of an organization performance may vary depending on the nature of organization. Some of the important aspects of organizational performance include: revenue generated, motivated workforce, organizational culture and organizational systems and processes.

Motivation is considered the advancement of the desire within the staff to accomplish tasks in their best of abilities based on that individual's initiative (Yusoff & Aihaji, 2011). Motivation leads a firm to trust their workers will accomplish their duties better than the common standards and that they will be comfortably do it. While this is important for the organization, motivation can also have other benefits. Khandekar and Sharma (2006) believe a motivated workforce is crucial because ultimate involvemet of the workers help to drive the profitability of the firm. Successful organizations are characterised by motivated workforce. Managers and leaders influence this largely by the way they run the organizations (Yusoff & Aihaji, 2011).

2.4.3. Planning and Organizational Performance

According to Munive-Hernandez, Dewhurst, Pritchard and Barber (2004), planning involves the pattern or plan of action that integrates an organization's major goals, policies and action sequences into a cohesive whole. Aldehayyat and Khattab (2011) noted that planning techniques enable managers to transform data into valuable decisions and suitable actions. According to Daft and Marcic (2016) planning is effective to organizational performance in various aspects. The first one involves its contribution to objectives. A plan must have the aspect of effectiveness. Proper plans deliver the required output. Sorel and Pennequin (2008) advocates for planning to involve developing objectives or the organizational strategic plans and looking for resources that would best be suited in achieving the organizational goals as outlined in strategic plans. Each goal should have financial and human resource projections associated with its completion so that it is successful. Planning process also creates timelines for achieving the plans.

According to Ballou (2007), planning also involves developing the tracking and assessment method that will be used to monitor the project process. Daft and Marcic (2016) involves the primacy of planning among the manager's task such that planning naturally comes before executing of the rest of the managerial functions. Awino *etal.* (2012) identifies that the more emphasis there is on planning, the greater the positive change in firm Performance. Planning is logically where the firm’s target is depends on different actions such as the creation of goals to define the decision-making process (Schraeder *etal.* 2015).

Daft and Marcic (2016) also identified the third effect of planning on organizational performance as its pervasiveness. Every leader beginning with the top-level supervisor to the CEOs of organizations are expected to plan. Lower levels are more of operational planning while executive roles are strategic. Time spent in the planning process also depends of the type of level. For example, CEOs may spend the most time in strategic planning of organization and directing people in their departments as well controlling the general performance. The efficiency of plans also contributes highly to organizational performance.

According to Awino *et al.* (2012) positive change is caused by effective planning. The efficiency of plans must be aligned to contribute to the objectives of the organization and to promote the analyzing and improvement of strategies. Koontz and O'Donnell (2011) specially identified that effectiveness aspect has to be applied in monetary as well as other resources used in production and service as well as personal to group satisfaction of the department of HR.

Kibachia, Iravo and Luvanda (2014) have held the view that a common challenge faced by most firms, both public and private, is how to effectively direct strategic planning processes to achieve the firm objectives. Strategic planning which is carried out by top management is determined not just by creation of the mission and vision statements but also situational assessment as well as strategy implementation and choices (Pearce & Robbinson, 2008). Robbins, DeCenzo and Coulter (2008) advanced that an effective strategic planning system for an organization links long-term strategic targets with both and operational as well as mid-rangeplans.

Sosiawani *et* al. (2015) state that each dimension of strategic planning (formality, tools of strategic planning, employee participation, implementation of planning, time horizon and control of strategic planning) all contribute to organizational performance. Formality of strategic planning has been proven to have positive relationship with firms' performance (Glaister *et al.,* 2008). Secondly, the tools of strategic planning are believed to be able to increase the efficiency and effectiveness of organization planning (Kraus, Harms & Schwarz, 2006). These tools include the SWOT analysis, interrelationship diagram and affinity diagrams. By employing tools of strategic planning, it would be able to achieve better performance in the case of hotels in the Middle East (Aldehayyat & Khattab, 2013). Thirdly, there is also positive relationship between employee participation and firms' performance. It is believed that employee's participation on strategic planning will contribute to the effectiveness of the development of strategy and in return, lead for better effectiveness of implementation.

Employees contribute in planning by giving their suggestion and test-driving the different strategies so as to get the best fit in terms of strategies that an organization can adopt, resulting in increased performance (Collier, Fishwick & Floyd, 2004). Whenever employees are involved in the planning process of an organization, their motivation and attachment to the project is high thus making them more effective while running the project. The implementation is likely to run smoothly as possible. The implementation of strategic planning is also another dimension agreed upon to be one of the most important part in strategic planning process. Successful strategic planning can explain whether the process addressed the corporate strategies and the objectives implemented properly. Subsequently, creating assignments with timelines considering the ability of individual employees in the completion of the task time horizon is also considered as the key dimension of strategic planning which is able to improve the performance of the organization.

Mitchelmore and Rowley (2013) through their study, note that since enough allocated time will allow employees to work efficiently without the pressure that time is running out on them, this means that their performance would be greatly improved. There are various implementation strategies that management in different organizations can adopt. The strategies may adopt a top-down approach where the policies and plans are developed at the top and the information trickles down to the bottom where the instructions are carried out. The implementation approach may also be bottom-up or hybrid depending on the organization structure and their internal systems of handling firm's assignments (Veettil, 2008).

Wijewardena*et* al. (2004) suggested that by engaging control mechanism like establishing the evaluation methods and identifying alternative courses of action through implementation to the strategic planning, firms are able to achieve better performance.

Wagaki (2013) describes strategic planning as an ongoing, consistent, complimentary program that needs a never-ending re-analyses and reformation. Strategic planning is thus deliberate and emergent, shifting and an interactive process. To establish ones business in the industry todesirable performing standards the firm has to plan and utilize needs to strategize and use strategic planning practices as key aspects towards establishing and positioning themselves strategically in the market (Kathama, 2012). Aldehayyat and Khattab (2013) also state that using techniques of strategic planning may be able to contribute to achieving better performance in hotels in the Middle East.

According to O'Regan and Ghobadian (2002), the main parts of the planning process comprise clarity in the firm's core values that narrowly define means by which it is seeking to get there. A strategic plan is the specified path selected towards achieving the vision which outlines the firms' aspirations and how it wants to be perceived (Kathama, 2012). It therefore prescribes the basic role of a firm by describing the reason for its existence and what it seeks to achieve (Wijewardena *et* al., 2004).

Strategic planning constrains a firm to focus into the long-term aspirations hence providing a chance to influence the future (Kathama, 2012). It is able to give improved awareness of requirements about the resources related with issues and circumstances, to show the general core values of a firm and aim at the objectives, providing the way, efficient staffing and leadership and connects every individual into the system.

It is the key to helping stake holders collectively and cooperatively gain control of the future and the destiny of the organization (O'Regan & Ghobadian, 2002).

Johnson and Christensen (2008) stated that the process of planning involved developing visions of possible long-term features, creating clear the values of preferences for those specific futures, and creating practical plans to accomplish results that are strong in uncertainty and changes in constraining. Chimbugia (2011) noted that success in planning as a practice is not as reliable in assessment as is portrayed in literature explaining further than it is both a generic activity where effectiveness is determined partly as independent where intuition is crucial. Therefore, planning should be creative intuitive meeting the demands of both the organization and the employees. A good plan should be clearly understood to make it easy to be implemented which will result in high performance on both personal and company level.

Khan and Khalique (2014) did their study in Pakistan and stated that in the world today, which is very challenging and uncertain, the strategic planning practice is the most reliable and effective way to compete with these challenges for every kind of businesses. Muturi *et* al. (2012) on their study on commercial banks in Kenya noted that the seven dimensions of planning were very crucial in enhancing performance. Abdalkrim (2013), stated that strategic planning involves having a vision, mission, latent abilities of entrepreneurs, market orientation, competitors' orientation and customer relations.

Planning provides the basic direction and rationale for determining the focus of an organization; and also provides the specification against which any organization may best decide what to do and how to do it.

Simply put, it is a process for creating and describing a better future in measurable terms and the selection of the best means to achieve the results desired. It is said that failure to plan leads to planning to fail. Thus, Abdalkrim (2013) summarized the importance of planning as being: Increase of effectiveness; development of sustainable competitive position developing a good fit between the external environment and the internal capabilities and helping managers to consider the future implications of the current decisions. Having a good vision, objective and strategy is no guarantee that the project performance will be good. Creative planning by the management can help in improving performance outcome of the project. But on the other side, without a vision, good plan, or strategy the performance of a project is sure to fail or at best be poor.

2.4.4. Organizing and Organizational Performance

Organizing as a management function involves creating ways to efficiently, effectively and economically use resources in achieving goals and objectives of an organization. According to Cohn, Gillan and Hartzell (2016), the basis of organization is a plan that outlines how goals and objectives of an organization will be attained. As a management function, organization is believed to be the most crucial function of management as a result of its ability to hinder of help organizational plans and ultimately goals of the organization. According to Barrier (2003), organization is among the activities undertaken by a manager aimed at arranging and relating work to allow staffs effectively perform their assigned duties. This contributes in attaining the goals and objectives of an organization.

Rana, Garg and Rastogi (2011) identified that organizing requires the manager to determine how he or she will distribute resources and organize employees according to a designated plan aimed at some organizational goal. The manager will need to identify different roles and responsibilities, assign work, and coordinate the right amount and mix of employees across departments to carry out the plan. Each employee must be aware of his or her responsibilities to avoid frustration, confusion, and loss of efficiency.

Just like planning, organizing is a process that is clearly designed and implemented. Organization results into an organizational structure. An organizational structure indicates a framework used by an organization in distinguishing authority and power, responsibilities and roles, besides the manner of information flow within an organization. An efficient organizational structure helps an organization to implement sound procedures of operation besides decision making and this will help in achieving the goals and objectives of an organization (Latif, Baloch & Khan, 2012).

An organizational structure is synonymous to a rope that an employee hold and binds all employees towards unified direction and aids the identification of "Who is Who" and "What is What" of the organization (Latif *etal.,* 2012). Mullins (2008) emphasized that structure affects both productivity and economic efficiency and also morale and job satisfaction. Important notions stemming from Mullins' assertion is that good organizational structure will not only have tangible effects like financial but also in-tangible effects like motivation thus impacting organization's operational effectiveness as employees carry out operations/tasks of organization.

Bloisi (2007) highlighted the importance of organizational structure as a means to getting people to work towards common goals thus acting as facilitator in pursuit of organizational goals.

Latif *et* al. (2012) identified that different organizational structures in companies and how these structures if properly designed to suit the company's strategies can be very influential in improving firm performance. They found out that structure forms an integral part of organization as it serves as a basis for orchestrating organizational activities. Galetic (2008) studied on organizations in Croatia and found out that every organization, every company, has its inner composition, and that is its structure. The study further identified that an organizational structure is the formal system of task and authority relationships that controls how people are to cooperate and use resources to achieve organization‘s goals. A good organizational structure cannot be static but rather dynamic because of the constant changes in organizational environment.

Kanten, Kanten and Gurlek (2015) found out that an organizational structure can be defined as a mechanism which links and co-ordinates individuals within the framework of their roles, authority and power. Latif, Baloch and Khan (2012) identified that organizational structures have to make sure that employees identify with organizational thoughts and are willingly to forego personal interests. This will put a greater burden while designing a structure which accommodates employees and harnesses an environment where staff takes organizational goals as their own and share the belief of being valued through their work.

Superior organizational structures promote cultural values and cultivate integration and coordination as it seeks to strengthen relationship of individuals and tasks. Bloisi (2007) noted that from this relationship emerge norms and rules that contribute to improved communication that improves team performance.

Slack, Chambers and Johnston (2010) states some of the principles of structuring an organization as structure follows strategy whereby the structure of any enterprise must serve and flow from its vision, mission and objectives. The second principle includes unity of command where instructions come from one superior. Span of Control involves the number of people directly supervised by a manager. The fourth principle includes line and staff whereby, line managers are those with final decision-making authority in a function and who are directly responsible for bottom-line results and staff managers are accountable for the quality of service & advice they provide to line.

An organizational structure has to be reviewed constantly. In a rapidly changing world and business environment, it is imperative that management frequently reviews its organization's structure, particularly in the light of the necessity that structure serves the strategy of the organization. Sixth involves delegation which states that failing to delegate means subordinates miss unique opportunities to be involved, motivated and developed, and they will be quite likely to leave our team in frustration. Lastly, teamwork is very vital since it involves structuring interdependent people who cooperate together to accomplish group objectives. This element allows different employees chip in their different skills, competencies, abilities and knowledge in order to achieve all the organization as set out to achieve.

Organizations can be structured in different ways: centralization, decentralization, divisional, flexible, matrix structures, line and staff, functional, customer based, product based among others. According to Bloisi (2007) functional structures like divisional that are adopted by an organization can group people together on basis of their common expertise and experience or because they use same resources thus expertise and use of same resources can result in high quality products at competitive prices. Mullins (2008) stated that matrix structures are a combination of functional departments providing a stable base for specialized activities and permanent location for members of staff and units that integrate various activities of different functional departments on project, program, geographical or system basis. Geographical structures mostly integrate activities from the same organization but in different geographical positions in a state country or even continent. This is done to better support logistical demands and differences in geographic customer needs (Alvesson & Willmott, 2012).

According to Wesley (2006) decentralization refers to pushing down decisions as low in the structure as possible, on the basis that those closest to the job know best what needs to be done. Centralization involves only reporting to top management and having that central source of authority. Line and staff structures in business involve line managers who make the final decision in a function & who are directly responsible for bottom-line results. Line managers may include those in sales and manufacturing Staff managers are accountable for the quality of service and advice they provide to line managers. Staff managers may include those in finance, human resources, research and development departments (Wesley, 2006).

Flexible structures are advantageous for employees since they allow for geographical mobility, carrying out different jobs and adapting variations in pay and attendance.

Alvesson and Willmott (2012) describe product-based structures as whereby each product group falls within the reporting structure of an executive and that person oversees everything related to that particular product line. Alvesson and Willmott (2012) further explains that certain industries will organize their structure by customer type. This is done in an effort to ensure specific customer expectations are met by a customized service approach. Lastly a divisional structure segregates large sections of the company's business into semi-autonomous groups. These groups are mostly self- managed and focused upon a narrow aspect of the company's products or services.

Kaplan and Norton (2008) summarizes the points that highlight the importance of organizing in an organization as benefits of specialization; clarity in working relationships; optimum utilization of resources; adaptation to changes; effective administration; development of personnel and facilitating expansion and growth. Organizing helps in the smooth functioning of a business in accordance with the dynamic business environment. It also helps in the growth and survival of an organization and enables it to meet various challenges. An organizational structure's contribution to the performance of a company include promoting cultural values; cultivating integration and coordination as it seeks to strengthen relationship of individuals and tasks.

Bloisi (2007) noted that from this relationship emerge norms and rules contributing to improved communications and common language that improves team performance.

Turner (2006) noted that structure should not be the reason why organization struggle with cultural change and they should not box people in old styled formations which are not aligned to new business philosophies. They should change regularly according to the business environment.

Plunkett, Allen and Attner (2012) summarize the end result of organizing as: harmonizing efforts to execute tasks in an effort to achieve the set goals, both effectively and efficiently. Organization further clarifies the work environment so that there is unity of purpose and direction in a firm. It also involves establishing a formal decision-making structure that can be adopted by the management team in an organization.

2.4.5. Leading and Organizational Performance

Samaitan (2014) identifies that for the last two decades, leadership has gained emphasis due to its interaction with organizational performance. Commitment and enthusiasm is inspired by successful leadership and this leads to organizational performance. Leadership style has an influence on organizational performance as better performance results from dynamic leadership that is responsive to changing forces of the environment. Since it is the duty of leaders to get things done through the coordinated efforts of others, it is assumed therefore that leadership skills and strategies will translate into the subordinates' performance.

Ojokuku, *et al* (2012) established that styles of leadership greatly determine failure or success of an organization. Leaders motivate, direct and influence their subjects to perform given tasks for achievement of the goals and objectives of an organization.

Leadership is the basis of organizational performance. According to Mills (2005), without leadership, an organization is characterized by stagnation which reduces organizational performance. Corporate leaders are faced with a challenge of development and articulation of what the company intends to achieve, establishing relevant measures of stability and sustainability are in place in achieving goals and objective statements of an organization (Calder, 2008). Without leadership people quickly degenerate into argument and conflict, because they see things in different ways and lean toward different solutions.

Leadership is viewed by Nagendra and Farooqui (2016) as a type of direction, given to a group of people by an individual who is of senior position as compared to group members. Leadership results into behavior modification for achievement of the goals and objectives of an organization. According to Ngodo (2008), leadership is a process where subordinates and their leaders have an influence on to each other in attaining the goals and objectives established. Leadership styles combines behavior, skills, traits and features possessed by leaders in their interaction with subordinates. Leadership according toFlippo and Musinger (1999) is a pattern of behavior of managers established to combine organizational or personal interest to achieve given goals and objectives. Leadership style could be used to describe an interaction where an individual leverage on his/her methods and ways to motivate other people in accomplishing given tasks. There are five styles of leadership and these include; culture-based leadership, visionary leadership, charismatic leadership, transformational leadership and transactional leadership. There are also four types of leaders widely used and accepted. The basis of these leadership styles is Theory X and Y.

They include laissez faire, democratic, dictatorial and autocratic leadership styles. Autocratic leaders are those persons who consult with others and take into account the opinions, suggestions and views of others into their decision. While the dictatorial leaders are the kind who make decisions alone without any consultation. In most cases the word of a dictator is taken as the law and those who disobey are often dealt with harshly (Ngodo, 2008).

Ojokuku, Odetayo and Sajuyigbe (2012) noted that one of the management skills is leadership. It entails a possibility to motivate a group of staff in achieving stated common goals. The focus of leadership is to develop subjects, their needs and wants. Basically, leadership helps subjects to attain their objectives as they work in their organizations. Leadership motivates subjects to express their concerns while adapting to new and improved changes and practices in their environments (Ghafoor *et* al. 2011). While examining tertiary institutions in Nyeri, Mureithi (2012) established that job satisfaction and leadership are two crucial factors for success and performance of a business. An able leader directs an organization while at the same time leading subjects in attainment of desired goals and objectives. This has a direct and bearing effect on performance of an organization. It is important for leaders to comprehend the perceptions of staff regarding the style of leadership. This will help an organization to realize its objectives.

One of the engines towards performance of an organization is leadership. As key decision makers, leaders are determinants of effective acquisition, allocation and deployment of resources for organizational performance (DePree, 2011).

Through leadership, an organization is able to attain its current objectives in an efficient way by relating employee job performance and reward systems while at the same availing sufficient resources to employees. A strategic vision is created by leaders, communication is done and commitment toward achievement of the vision is established through leaders. Framing is important in leadership since those leaders that can express their information in such a manner as to make sense of events and to explain the reasoning behind their decisions. Whenever leaders use framing while communicating, it increases the chances of getting the followers to agree and it leads to higher commitment levels amongst them. Framing is key in changing negative attitudes to positive especially on people who strongly resist change (DePree, 2011).

According to Marwa (2014), there are several causes of corporate failures broadly classified as internal verses external; proximate versus remote; acts of omission or commission; rapid versus gradual and controllable versus uncontrollable. Internal causes include: organizational policies and procedures which determine how activities are handled towards the realization of overall organizational objectives. External concerns the competition and other forces from the operating environment. In order to emerge successful, organizations have to take into account the reactions of competitor to different action plans. In proximate forces, the immediate forces in an organization like skills possessed by staff and organizational culture plays an important role in organizational performance.

Remote causes on the other hand involve forces outside the control of the organization like state of the economy, changes in the general prices, and security levels.

Acts of commission and omission arises because of the separation of ownership and management of businesses thereby bringing about agency problems that have to be managed. At time managers would undertake projects for their glorification at the expense of shareholder's wealth creation. In rapid versus gradual, looks at how fast the operations of the organization are depleted. On controllable status, the daily management functions performed by management are prone to manipulation hence the need to monitor their activities through incurring agency costs.

Kim and Brymer (2011) noted that leadership determines whether an organization shall succeed or fail. If leaders; fail to sell their visions to subjects, are not able to respond to threats in environment, have conflict of interest, then an organization is likely to collapse. Folkman (2010) has identified nine leadership behaviors that are said to be very influential and with the greatest impact to organizational performance. These include: inspiring and motivating others. First, leaders make their subjects energetic to work and increase productivity and therefore organizational performance. Secondly, a drive for attainment of results is a crucial behavior that leads to success of an organization. However, some businesses are driven for results (push) and have no inspiration (pull) and this in long run reduces the level of motivation. Thirdly, strategic perspective is very important because it focuses on the behavior of the activity. Leaders providing their subjects with a proper sense of purpose and direction have committed and highly satisfied staff. Staff should recognize how their hard working and team work spirit in an organization results into a big difference by attaining set goals.

Today, collaboration is one of the factors that is critical for success of an organization. Yet, collaboration has remained as a challenge in most organizations. Collaborations should particularly be evident between various groups in an organization. However, teams are competing against each other for resources within an organization. The flow of information is poor and customer satisfaction is low. This typically illustrates lack of synergy and leads to discouragement. Leaders promoting cooperation's among their work groups and other groups lead to establishment a productive and positive environment for organizational performance. Synergy is created when leaders indicate their ability to attain goals demanding higher level of cooperation between groups. This makes every employee to enjoy the work experiences.

Further, Folkamn (2010) indicated that a crucial behavior in establishing a committed and satisfied workforce walk the talk. The author established that this is a fundamental skill of honesty and having integrity. Leaders need to set good examples for their subjects to follow and therefore role models. If a leaders says one thing and performs another totally different thing, its results into cynicism and trust in them fades. Trust can be enhanced by leaders through being sensitive to concerns and needs of subjects. Illes and Matthews' (2015), did a study in United Kingdom and established that maintaining and building trust as a culture is among the challenges that business encounter today. Trust can also be cultivated via expertise and knowledge as people trust leaders with greater knowledge and expertise as they are confident in decisions they make. Trust is also built through consistency. Predictable and consistent leaders build their confidence and subjects trust them. Moreover, the integrity and honesty of a leader is a basis of trust among followers.

Leaders should always aim at developing and supporting their followers. As leaders work with staff pushing them to come up with new abilities and skills, they are creating greater levels of employee commitment and satisfaction. Staffs that come up with new skills increase their chances for promotion. An effective leader is motivated by success of his followers. Greater employees' development is promoted by leaders through creation of environments where staffs are motivated to use their mistakes as learning points, take time in analysis of their success. Leaders are concerned about issues of their subjects in the work group tend to have committed and satisfied staffs (DePree, 2011). Leaders ought to strike a balance between individual and organizational needs while at the same time demonstrating that they value the individual. Effective leaders establish positive working relationship with members in the work team. Effective leaders have courage to move on despite challenges in an organization. They handle conflicts in the best possible manner. It requires vigor and courage to solve conflicts in an organization and only effective leaders can achieve this.

According to Karamat (2013), as decision makers, leaders play a significant role by acquiring, developing and deploying resources with subsequent conversion of these resources into final out puts. Leadership can be viewed as a training opportunity, guided growth and planned experience bestowed to those in ranks of authority. In a body corporate, leadership is strategic in nature resting at the top level of management. Particularly, the top level comprises of the senior managers, the board of directors and the Chief Executive Officer (CEO) (Kimutai, 2009). Irrespective of the function and title held in an organization, strategic leadership has a responsibility to make relevant and informed decisions which in most cases leaders cannot delegate.

Indeed, without strategic leadership, formulation and implementation if strategies become hard and challenging (Balotti &Finkelstein, 2008). Therefore, for an organization to succeed in its operations, there is need to have in place strategic leadership. This helps in gaining competitive advantages.

The actions and decisions of leaders affect success of an organization (Bolton, Brunnermeier & Veldkamp, 2013). According to Bass, sound actions and decisions of leaders enhance satisfaction and commitment of staff in an organization. Typically, managers in an organization are leaders. Profitability as one of the measures of performance relies on managerial decisions and actions. For an organization to improve performance, the leadership style in force ought to be examined, analyzed and adapted to new demands and requirements (Bolton, *et al.,* 2013). An organization usually has influence on internal environment, however not on external environment and this has an effect on chances to create maximize shareholder's wealth, long term survival and gaining of competitive advantage (Karamat, 2013).

While financial performance received major emphasis in the past, today however, more broad non-financial measures like leadership is required in evaluating organization performance. The relationship between leadership and performance of an organization can be indicated based on the following common measures; resource acquisition, customer satisfaction, profitability, employee motivation, innovativeness, competitiveness and market share. Klettner, Clarke and Boersma (2014) identified that effective leadership has an effect on overall performance of an organization.

2.4.6. Controlling and Organizational Performance

Domnisoru, Gherghinescu and Ogarca (2010) identifies controlling as the process through which plans are ensured that they are properly followed besides making progress of achievement of organizational objectives. Controlling as a process entails examining how resources of an organization are being used to achieve objectives and goals stated. During controlling, standards are clearly established, performance is measured to identify discrepancies and corrective measures are put in place to address the discrepancies.

Controlling ensures no deviation of performance between planned and actual figures. There are three steps involved in controlling process. First, standards of performance re well established. Secondly, a comparison of actual versus standard performance is done. Lastly, corrective measures are taken in case of deviations from standard and actual performance. Standards of performance are usually indicated in monetary terms like profits, costs or revenues. It may however be expressed in other terns like quantity produced, customer service and quality levels.

Performance measurement can be done using numerous ways based on standards of performance established. The common measures of performance based on this include production reports, sales reports and financial statements. At all levels, manage require controlling as one of the functions of management. Tulvinschi (2010) considers that controlling is a must for enhancing business performance and enhancing competitive advantage. Domnisoru *et* al. (2010) state that management is charged with sufficient controls meant to establish objectives, monitor and lastly evaluate.

In addition to financial and technical means available, control is a very critical tool used in attaining the goals of an organization.

Xenikou and Simosi (2006) identifies that the objective of control is to direct and motivate staff in their tasks. Control is seen as a process and system and its understanding is important for effectiveness of an organization on a long-term basis. According to Andrews, Boyne, Law and Walker (2009) controlling as a function of management is required in all levels of management in an organization. Controlling helps in checking deviations while suggesting solution to these deviations. Effective controls therefore contribute towards success of an organization. Andrews, et al (2009) identifies steps followed for effective control as establishing standards of performance, determining actual performance, comparing actual and planned performance, analyzing deviations and taking corrective measures to solve deviations.

There are differences between controlling as a function of management and control in manipulative or behavioral sense. Control as a function of management does not indicate that managers need to manipulate emotions, personalities, attitudes and values of their subordinates. Instead, it is concerned with the management ability to take necessary corrective measures in ensuring that the activities of subordinates contribute to overall goals of the organization and department. Managers use management control systems to actively steer their organizations towards strategic success (Sheehan, 2014). Effective controlling requires the existence of plans, since planning provides the necessary performance standards or objectives.

Controlling will go ahead and give a clear picture of which staff in an organization is held responsible whenever there is a deviation from the set standards or objectives or timelines. (Koontz & O'Donnell, 2011) state that although controlling as a function of management is expressed in financial terms, operation and productions processes and operations should also be controlled by managers for betterment of performance of an organization.

Chand (2015) explained that many people may be opposed to the concept of control for various reasons. This is because changes in organizational processes should also result into changes in management controls. Some staff extent further and argue that no form of control should be exercised by the management whatsoever. However, other employees argue that the existence of management should be in supporting the efforts of employees of productivity. Staffs in organization may exhibit negative reaction on management control as a term. This is because it appears coercive and dominating. Moreover, controls may be opposed by staffs since they may result into decreased autonomy, jeopardize security and enhances oppression. This may result into change in structures of power and expertise, social structures within an organization. However, the importance of having managerial control is not understood by staffs.

Oyj (2009) stressed the importance of exercising managerial controls by using management control systems whose function is to clearly communicate the organization's goals; ensure that every manager and employee understands the specific actions required of him/her to achieve organizational goals; communicate the results of actions across the organization and ensures management control system adjusts to environmental changes.

Pujari (2015) defined management control as the process to be adopted in order to complete the function of controlling.

Chtioiu and Thiéry-Dubuisson (2011) categorized managerial controls into hard and soft controls. Hard controls are concerned with the formal aspects which include internal control systems with written procedures and rules that guide individuals' behavior; ensuring the fulfillment of the company goals, detecting and punishing fraud or mistakes. Soft controls on the other hand, are concerned with the informal aspects informal control enables the control of the attitudes of the actors of the company through values, beliefs and unwritten traditions.

Pujari (2015) summarizes the importance of controlling. First, it facilitates detection and solution of deviations in an operation system. This helps in achievement of the goals and objectives of the organization effectively and efficiently. Secondly, through controlling, the accuracy of standards can be judged. This is done by comparing actual and set standards to establish whether laid down standards are similar to the actual one. Thirdly, controlling facilitated efficient utilization of resources to achieve organizational goals and objectives. Resources in this case refer to both physical and human resources. With controlling, delays in performance of work among staff are minimized. Further, wastage of physical resources is controlled. Fourthly, controlling improves motivation of staffs. It helps staff to work hard to surpass the established standards.

Pujari (2015) further explained that controlling ensures order and discipline: implementing controlling, all the undesirable activities like theft, absenteeism, lateness corruption, delays in finishing work and uncooperative attitude are checked.

Finally, controlling facilitates coordination in action: coordination among all the departments of the organization is necessary in order to achieve the organizational objectives successfully. All the departments of the organization are interdependent so all the activities have to be integrated. Chand (2015) summarizes the importance of control as it guides the management in achieving pre-determined goals; ensures effective use of scarce and valuable resources; facilitates coordination; leads to delegation and decentralization of authority and finally spares top management to concentrate on policy making.

Yucel (2010) stated that process control positively affected informal controls and organizational performance. However, output control has no effect any variables of the study except social control. Furthermore, there was correlation between informal controls in view of behavior performance and control related orientations. Essentially, a significant effect exists between self-control and behavior performance. The study contributes towards understanding of a link between informal and formal controls in view of behavior performance.

Control includes verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established in the strategizing of the plan. Control ensures complete correctness of organizational activities (Karamat, 2013). By verifying whether everything is going according to plan, the organization knows exactly whether the activities being carried out are in accordance with organization objectives. Ho et al. (2011) identify that organizations with good and tight control systems are effective in both productivity and quality performance than those without.

2.5. Measuring Organizational Performance

Measures of performance are used to provide feedback control to top management in view of the operations. Performance measurement is the meeting point of strategy, making of decisions and organization learning abilities. Performance measured aims at optimizing interaction of strategy, decisions and learning. Various tools are in place to measure performance. These include; *the Logic models* for mapping interrelationship between impacts and organizational activities, *Quality Management Programs* (EFQM, Six Sigma and TQM), with intention of improving quality of service and manufacturing processes; *The Balanced Scorecard*, which like the Logic Model, is one of the tools providing a way to link strategies of an organization with results and activities.

The Balanced Scorecard is made up of indicators, linked measures and strategy map. *The Performance Dashboard*as a tool helps in organizing and provisions of accessibility to information on performance. It is commonly used in Executive information systems or Business Intelligence.

As a framework, a *Data Collection Strategy* helps to collect and report information appropriately. Typically, a data source ought to be identified and documented by a Data Collection Strategy. The Balanced Scorecard was chosen for this study since the Strategy Map is essentially a Logic Model depicting the organization from four distinct perspectives – the financial perspective, the customer perspective, the internal process perspective, and the growth perspective; these will capture all the functions of management. The Balanced Scorecard model is well illustrated in Figure 2.1.

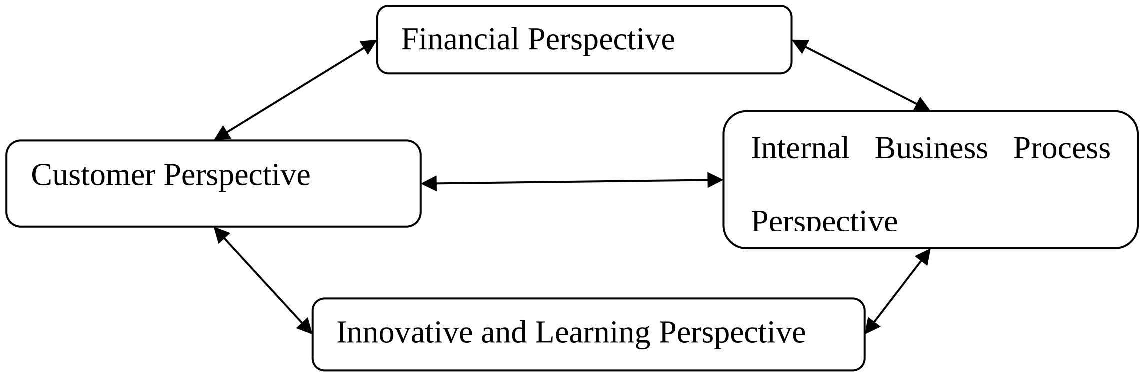


Figure 2.1: Balanced Score Card Model

Kaplan and Norton (2008) created the Balance score card where they classified financial measures as one of the four indicators of organizational performance. Revenue generated is one of the financial measures of an organization. They further noted that revenue as an indicator of organization performance articulate directly with the organizations long run objectives, which are almost always purely financial. Financial indicators are seen as lagging measures since they result from other actions both quantitative and qualitative.

An organization is considered successful when there is a growth in its revenue over a period of time; decline in revenue generated in an organization is a sign that the firm is not performing as well as expected (Suarez, Lesneski & Denison, 2011). Generally, definition of culture has general applications to collections of people that their behavior and thinking have similar attributes. (Schein, 2004) noted that organizational culture is one of the mostly discussed levels of culture. Organization culture comprises of concepts and belief systems that shared by employees in an organization. More often, values are expressed in written operating at a subconscious level (Noviantoro, 2014).

There is a strong influence of organizational culture on performance of an organization. This influence emerges from its content and nature. According to Noviantoro (2014), organizational culture refers to attitudes, value systems and norms depicted though symbols developed by organizational members. These developed symbols are adopted through mutual experiences. Organizational cultures interpretive schemes of staffs.

As a concept, interpretive scheme entails assumptions, unwritten rules and shared values among members of the group. Organizational culture results from long term interaction of groups of staffs and gain success in all their undertakings. In view of the fit argument, culture is only good when it fits within an organization strategy or industry. However, social expectations, competition and requirements of customers may shape and determine culture within the industry (Gavrea, Ilies & Stegerean, 2011).

A system is an interrelated and interacting element that works for the overall wellbeing of the entire organization. In identifying and documenting the entire business process from start to end of an activity it is possible to clearly detail the processes that an organization undertakes. The essential elements of organizational processes can be clearly understood by everyone who is involved in the projects that the organization does (Rosemann & Vom Brocke, 2015).

Buede (2011) stated that a process is basically a series of functions or activities within an organization that work together for the aim of the organization. For an organization to have superior results from its employees and management team there must be cohesion and the teams must work in a seamless manner. It is further looked at the interaction between one team and another in an effort of turning inputs to outputs.

Therefore, by identifying processes and systems, staffs will derive a better insight in their work. This unifies the work place and s problem solving and this makes people to easily achieve their goals and objectives.

2.6. Research Gap

Despite the highlighted studies that have been carried out by various scholars in various contexts, some global, regional and others national, and the studies having covered various different dimensions of management functions, very few have actually wholly covered the influence of management functions on the organizational performance.

Khan and Khalique (2014) did their study in Pakistan and stated that strategic planning is significant especially in a world characterized by uncertainties. Strategic planning enhances competitive advantage of an organization. Muturi *et*al. (2012) on their study on commercial banks in Kenya noted that the seven dimensions of planning were very crucial in enhancing performance.

Galetic (2008) studied on organizations in Croatia and found out that every organization, every company, has its inner composition, and that is its structure. The study further identified that an organizational structure is a system that formally results into authority and tasks for achievement of organizational goals and objectives.   A good organizational structure cannot be static but rather dynamic because of the constant changes in organizational environment. The study was done in Croatia a different contextual setting than Kenyan thus its findings may be irrelevant.

Ojokuku *et* al. (2012) found out that a significant determinant of success or failure of the business is leadership style. This is because leaders influence, direct and motivate their subjects to carry out specific tasks to achieve the goals and objectives of an organization. Leadership drives an organization. The study was done in Nigeria and its findings may not be applicable in the Kenyan setting.

Yucel and Sait Eren (2010) studied how management controls affected performance of employee behavior. The study was done among Pharmaceutical companies. Since the study was done in the pharmaceutical companies in the private sector, its findings may not be applicable in public entities like state-owned corporations. Domnisoru *et* al. (2010) looked at a study on some issues concerning the elements of control function of management. This study looked at only one human resource practice-control and has no mention of other practices thus its context is limited creating a gap as the findings are limited to only one aspect of human resource practices. From this study the gap is clearly illustrated and needed to be filled thus, this study therefore seeks to answer the research question: What are the effects of management functions on the performance of state-owned corporations?

2.7. Conceptual Framework

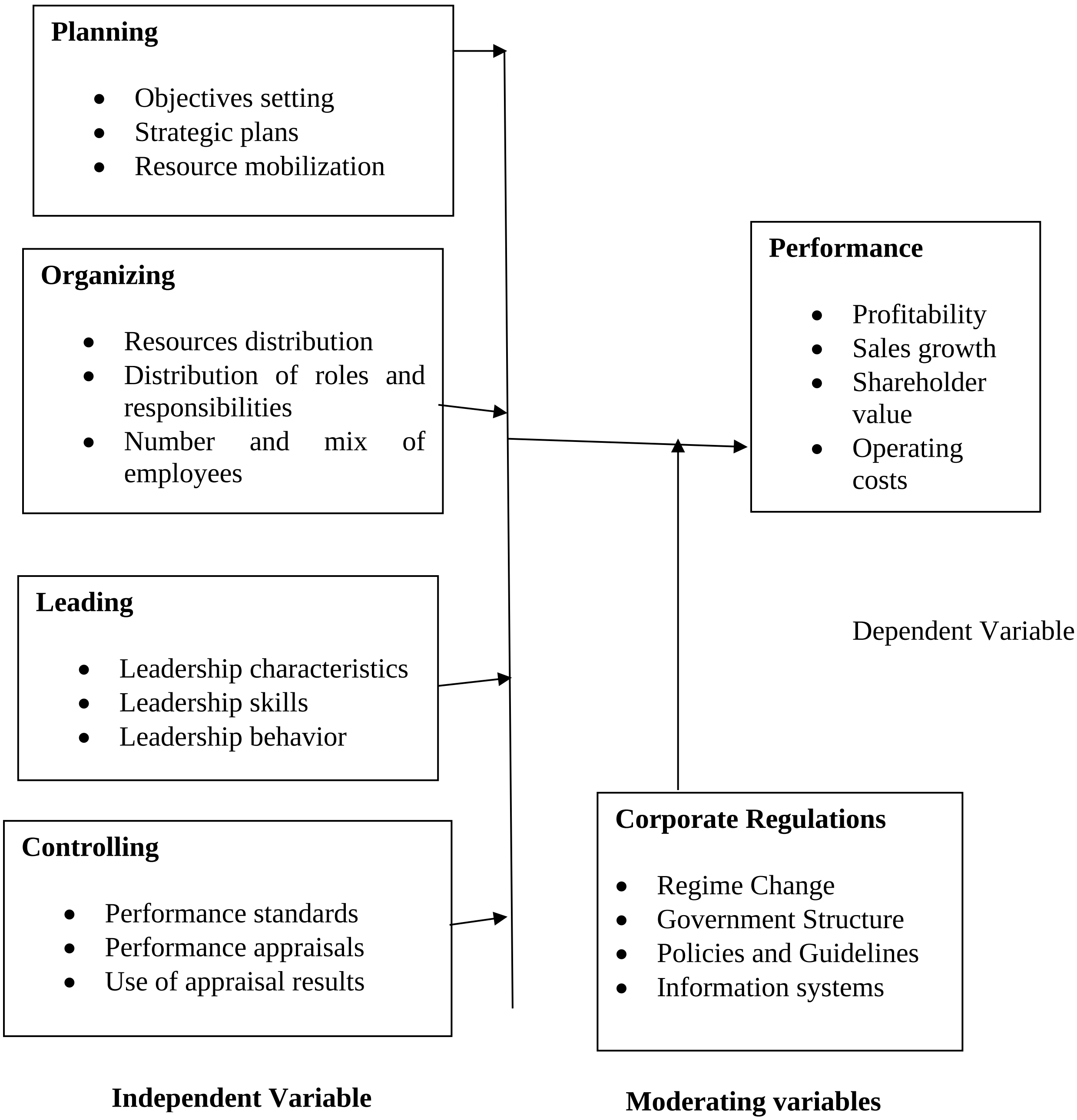


Figure 2.2: Conceptual Framework

2.8. Summary of the Reviewed Literature

The basic functions of management include ability to plan, organize, lead and control. These functions are widely recognized as the best way to describe the tasks performed by managers at the work place. Although managers face a number of changes in the environments they operate in and the tools used in carrying out activities, the management functions stills are significantly performed by managers.   The various studies reviewed above show the individual purposes of the various management functions, the concepts of the functions and importance of planning. Those which cover the effects of management functions on performance are not carried out in the country or if in the country they are not among state corporations. This calls for the need to carry out a study on the effects of managerial functions on the performance of state corporations in Kenya. These numerous studies have not been conclusive about the effects of managerial functions on performance: a case of state-corporations in Kenya. This therefore exposes the gap of not enough case studies being undertaken on this subject and this research points to the need to fill the created gap.

2.9 Chapter Summary

Chapter two presented the literature review by providing highlights of the work of other scholars relevant to the objectives of this study. It covered aspects on theoretical framework, empirical literature, organization performance, research gap and summary of the literature reviewed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0. Introduction

This chapter describes the research methodology which was adopted for the study. In particular, the chapter described the research design, the research site and rationale, the target population, the sampling procedures and the sample size. It also describes the data collection procedures, the specific research instruments t which were used, the methods of data analysis and presentation and lastly the ethical issues which were considered while carrying out the study.

3.1 Research philosophy

A research philosophy involves a belief about how data should be gathered, analyzed, interpreted and used. Some of the existent research philosophies include epistemology, interpretivist and positivism. Epistemology takes into account what is considered to be acceptable knowledge in a particular field of study. According to interpretivist, reality can fully be comprehended in view of subjective intervention and interpretations. Studying of phenomena based in their natural surroundings is core to interpretivist research philosophy while acknowledging the fact that scientists can’t do away with affecting the same phenomena, they carry out a study on. While acknowledging that there may be many interpretations of reality, interpretivist hold onto the view that these interpretations are in themselves a part of the scientific knowledge they are pursuing.

The basis of positivism is validity, truth and values of reason. Thus, the main focus of positivists is purely facts collected through experiences and direct observation methods. They posit that these observations and experiences can be measured empirically using quantitative methods such as surveys, experiments and statistical analysis (Burns & Grove, 2008). Positivism is a research philosophy that states that every assertion can be scientifically verified or proven mathematically or logically.

According to positivists, there is stability in reality, that reality can be described and observed from an objective perspective with no interference to the phenomena under investigation. Positivists are of the view that there should be isolation of phenomena while observations ought to be repeatable. In this regard, reality is manipulated with variability in independent variables so that relationships and regularities are clearly identified. Accordingly, predictions are made based on previously explained and observed realities and their interactions. This study adopted the positivism philosophy because its findings can be applied across many organizations (Kothari, 2007). By focusing the study on agricultural SOCs, the findings and recommendations can be applied across many other SOCs.

3.2. Research design

According to Kothari (2014), research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. A descriptive research design was applied in this study. According to Mugenda and Mugenda (2003), a descriptive design is important in determining and reporting the status quo of things.

Creswell (2009) observed that a descriptive research design is appropriate where data is collected to describe persons, organizations, settings or phenomena. The objectives of the study was better assessed using descriptive methods as it helped explore, describe and better understand the views, perceptions and beliefs of respondents about how management functions impact on performance of state owned corporations in the agricultural sector.

3.3. Location of the study

The study was carried out in state-owned corporations located in Nairobi and the outlying counties. The study area of Nairobi was found to be ideal as all state-owned corporations in Kenya are headquartered within Nairobi city. Though headquartered in Nairobi County, the functions of SOCs run across all counties in the country. All the 30 agricultural SOCs sampled for this study are headquartered in Nairobi with operations across all the counties.

3.4. Target Population

A population is the total composition of objects, elements and events that all have common features (Mugenda & Mugenda, 2003). The study targeted senior managers, middle level managers and junior staff working in the state-owned corporations in the agricultural sector. The population of the study consisted of 150 state-owned corporations based in Nairobi and recognized by the Ministry of Industry, Investment and Trade. Out of this total, there are 42 SOCs in the cluster of agriculture, livestock and fisheries (Republic of Kenya, 2013).

3.5. Sampling Procedure and Sample Size

According to Bryman (2001), a representative sample of the population is selected through establishing a sampling frame. According to Babbie (1998), sampling is the selection of random or unbiased elements of the population to achieve the objectives of the study. According to Mugenda and Mugenda (2003), a sample size can be made up between 10% and 30% of the population provided it is adequate. The study adopted a simple random sampling whereby the sample population selected for this study was between 10% and 20% of the study population. Thus, 30 state owned corporations were selected for this study. Five employees were sampled from each chosen 30 state-owned corporations.

This gave a number of 150 respondents. This sample size was considered to be large enough, reflective and representative of the whole population while at the same time being time and cost effective. All the selected 30 state-owned corporations were covered where questionnaires were administered to all the sampled employees. The response was quite good since majority of them (108) completed and returned the questionnaires. However, some employees (42) did not return their questionnaires and since there were no replacements done for those who declined to return their questionnaire, the researcher only considered a sample of 108 respondents.

3.6. Data Collection Techniques

Creswell (2009) defines data collection as a means by which information is obtained from the selected subjects under investigation.

The researcher posted letters requesting for consent to collect data from the various state corporations. The ‘drop-and-pick-later’ method was then adopted and the respondents had one week to fill the questionnaires at their own free will and time before the researcher picked them.

According to Bryman (2001) numerous methods of collecting data are in place. The research objectives and questions besides the design adopted form the basis of choosing the instrument and tool of collecting data. This is because specific data is collected by a specific tool. The researcher used questionnaires to collect primary data. The questionnaire was structured. The questionnaire had 5 sections. The first section of the questionnaire contained questions designed to elicit general information. The other four sections were designed to collect data that matched the four objectives of the study. The questionnaire consisted of close-ended questions which provided a set of answers from which the respondents chose the appropriate answers.

The questions were designed to collect data on the influence of (controlling, organizing, planning and leading) on organization performance in line with the study objectives. To help use the questions in measuring the influence on performance, the Balanced Score Card Model was applied. In this regard, questions were designed to examine the influence from the four distinct perspectives of the organization in line with the Balanced Score Card – the financial perspective, the customer perspective, the internal process perspective, and the growth perspective. The questionnaires were self-administered. According to Cooper and Schindler (2008), a self-administered questionnaire helps in reporting the values, attitudes, opinions and beliefs of people.

The researcher used this approach because self-administered questionnaire allowed for ample access to people's opinions, beliefs and attitudes. Primary data gathered was supplemented by secondary data from journals and official/government records. The researcher also obtained more secondary data from studies conducted on Kenya's SOCs.

3.7 Reliability Tests

In order to ascertain the objectivity of the study instrument, the research conducted an objectivity test using the Cronbach Alpha on the pretested questionnaires. The study established high reliability of the research instruments; structured on the study variables as shown in Table 3.1. Planning had a coefficient of 0.813; organizing had a coefficient of 0.810, controlling had a co-efficient of 0.831 and leading had a coefficient of 0.826. Mugenda and Mugenda (2003) argue that a coefficient of 0.80 or more implies that there is a high degree of reliability.

Table 3.1: Reliability Test of the Constructs

Constructs	Cronbach's Alpha Values	Comment
Planning	0.813	Accepted
Organizing	0.810	Accepted
Controlling	0.831	Accepted
Leading	0.826	Accepted

3.7.1 Response Rate

To determine the response rate, a record of the questionnaires distributed was prepared to indicate those completed and returned and those that were not returned.

Table 3.2: Response Rate

Questionnaire	Frequency	Percent
Response	108	72.0
No response	42	28.0
Total	150	100

A total of 150 questionnaires were distributed out of which 108 questionnaires were fully filled and returned giving a response rate of 72%. This response was good enough and representative of the population and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and above is excellent. These finding are presented in Table 3.2

3.7.2 Normality Test

The researcher sought to assess the normality of data of the sample taken in respect of the various variables in the study. The purpose of normality test was to assess whether the sample was obtained from a normally distributed population where Shapiro-Wilk (S-W) normality test was conducted. According to Shapiro-Wilk (S-W) test, if the p-value is greater than 0.05, the data are described as normally distributed.

Table 3.3: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**df**	**Sig.**	**Statistic**	**Df**	**Sig.**
Planning	.070	108	.200*	.989	108	.041
Organizing	.060	108	.200*	.987	108	.038
Leading	.115	108	.001	.873	108	.000
Controlling	.097	108	.015	.971	108	.017
Performance	.093	108	.024	.987	108	.036

Table 3.3, shows the Shapiro-Wilk (S-W) normality test results. The p-values for all the variables; planning, organizing, leading and controlling were less than 0.05 in respect of the S-W test. From these findings it can be concluded that the sample was not obtained from a normally distributed population. Condition for normality is required for one to fit a linear regression model, therefore such data does not qualify for linear regression analysis.

3.7.3 Performance Score

The p-score was determined for each of the four independent variables considered.

Table 3.4: Performance Score

	P-Score
Planning	78.01%
Organizing	67.33%
Leading	78.10%
Controlling	60.80%

From the findings of table 3.4: leading had the highest P- score value of (78.10%), followed at a closed range was planning (78.01%), followed later was organizing with a P-Score value of (67.33%) and the least was controlling with a p- score value of (60.80%).

3.8. Data analysis and presentation

According to Kothari (2004), in analyzing and interpretation of the data, the researcher cleans the data before coding in appropriate software for drawing of relevant inferences. For quantitative data, analysis was conducted in several stages using the Statistical Program for Social Sciences (SPSS).

By use of this program, descriptive statistics of mean and standard deviations were computed for the data. In addition, factor analysis was done. Moreover, inferential statistics (Pearson Product Moment Correlations and analysis of variance) will be computed. Graphs, charts, pie charts, figures and tables were used to present the findings. These were then interpreted in light of the study objectives. Benchmarking was used by the researcher to measure the variables.

3.9 Operationalization of Variables

Variables	**Definition of Indicators**	**Measure**
Planning • Objectives setting • Strategic plans • Resource mobilization	• Effect on financial aspects • Effect on customer service delivery • Effect on organizational learning and market growth • Effect on organization's internal processes	Likert type scale 1) Strongly agree 7) Strongly disagree
Organizing • Resources distribution • Distribution of roles and responsibilities • Number and mix of employees	• Effect on financial aspects • Effect on customer service delivery • Effect on organizational learning and market growth • Effect on organization's internal processes	Likert type scale 1) Strongly agree 7) Strongly disagree
Leading • Leadership characteristics • Leadership skills • Leadership behavior	• Effect on financial aspects • Effect on customer service delivery • Effect on organizational learning and market growth • Effect on organization's internal processes	Likert type scale 1) Strongly agree 7) Strongly disagree

Variables	Definition of Indicators	Measure
Controlling • Performance standards • Performance appraisals • Use of appraisal results	• Effect on financial aspects • Effect on customer service delivery • Effect on organizational learning and market growth • Effect on organization's internal processes	Likert type scale 1) Strongly agree 7) Strongly disagree
Performance • Profitability • Sales growth • Shareholder value • Operating costs	• Changes on financial aspects • Changes on customer service delivery • Changes on organizational learning and market growth • Changes on organization's internal processes	Likert type scale 1) Strongly agree 7) Strongly disagree

Table 3.5: Summary of research objectives, hypotheses and empirical models

Objective	Type of Analysis	Interpretation of Results
Objective 1 To explore the effects of planning as a management function on organizational performance.	Simple stepwise Regression analysis $Y_1 = \alpha_1 + \beta_1 X_1 + e_1$ Pearson's product moment Correlation coefficient (r)	Coefficient of determination R^2 =0.7 or more indicates perfect fit of regression model. ANOVA. F-Test, showing a significant and valid model at p<0.05 High collinearity present if tolerance<0 and VIF>10 t-value > 1.962 shows statistical significance P-vale< 0.05 shows significant correlation between variables r=0.700 or more indicates a strong positive relationship and r=0.300 or less indicates a weak relationship.

Objective 2 To scrutinize the effects of organizing as a management function on organizational performance	Simple stepwise Regression analysis $Y_2 = \alpha_2 + \beta_2 X_2 + e_2$ Pearson's product moment Correlation coefficient (r)	Coefficient of determination R^2 =0.7 or more indicates perfect fit of regression model. ANOVA. F-Test, showing a significant and valid model at $p<0.05$ High collinearity present if tolerance<0 and VIF>10 t-value > 1.962 shows statistical significance P-vale< 0.05 shows significant correlation between variables r=0.700 or more indicates a strong positive relationship and r=0.300 or less indicates a weak relationship.
Objective 3 To evaluate the effects of leading as a management function on organizational performance	Simple stepwise Regression analysis $Y_3 = \alpha_3 + \beta_3 X_3 + e_3$ Pearson's product moment Correlation coefficient (r)	Coefficient of determination R^2 =0.7 or more indicates perfect fit of regression model. ANOVA. F-Test, showing a significant and valid model at $p<0.05$ High collinearity present if tolerance<0 and VIF>10 t-value > 1.962 shows statistical significance P-vale< 0.05 shows significant correlation between variables r=0.700 or more indicates a strong positive relationship and r=0.300 or less indicates a weak relationship.
Objective 4 To assess the effects of controlling as a management function on organizational	Simple stepwise Regression analysis $Y_4 = \alpha_4 + \beta_4 X_4 + e_4$	Coefficient of determination R^2 =0.7 or more indicates perfect fit of regression model. ANOVA. F-Test, showing a significant and valid model at $p<0.05$ High collinearity present if tolerance<0 and

performance	Pearson's product moment Correlation coefficient (r)	VIF>10 t-value > 1.962 shows statistical significance P-vale< 0.05 shows significant correlation between variables r=0.700 or more indicates a strong positive relationship and r=0.300 or less indicates a weak relationship.

3.10. Limitations of Research Methodology

Descriptive research methodology presents the possibility for error and subjectivity since while using a questionnaire, questions are predetermined and prescriptive. To curb this, the questionnaire was pre-tested and checked by the supervisors to improve its validity and reliability. This made the instruments to reliably deliver the responses required to answer the research questions.

3.11. Logical and Ethical considerations

Patton (2002) defines ethics as norms for conduct that distinguish between acceptable and unacceptable behavior. The researcher ensured that all respondents participated voluntarily. As a result, no respondent was coerced to participate in providing data that informed this study. The researcher also obtained informed consent from the managers of various state-owned corporations which were sampled for this study. Informed consent was sought and obtained before the actual process of data collection commenced. In addition, the research instruments (questionnaires) did not force respondents to provide their names.

This served to protect the identity of research subjects. This was important in safeguarding the respondents' identity from any form of victimization by their top managers as a result of their responses.

A research permit was sought from the National Council for Science and Technology. This is the relevant body mandated by the Government of Kenya to consider and approve research projects in the country. Lastly all information provided was only used for the purposes of this study and was thus treated with utmost confidentiality. According to Kothari (2007), it is important to treat data provided by respondents with utmost confidentiality unless the respondents agree to such information being made public.

3.12 Chapter Summary

Chapter three has discussed the research methodology by identifying the methods to be adopted to collect and analyze data. It covers the research philosophy, research design, location of the study, target population, sampling procedures and sample size, data collection techniques, data analysis and presentation including limitations and ethical considerations.

Chapter four has presented data analysis as collected from the field together with interpretation. This was organized according to study objectives to ensure that the objectives are exhaustively answered. It also presented the inferential statistics clearly showing the extent to which the independent variable variations affect the dependent variable. The next chapter presents the summary, conclusions and recommendations.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This chapter presents the research findings on the basis of data collected from the field. Data was collected using questionnaires as the data collection instruments and summarized by use of descriptive statistics which involved the use of frequency tables, percentages, mean, standard deviation factor analysis and principal component analysis.

4.1 Background Statistics

The study sought to establish the background information of the respondents as a way of fully understanding their suitability in undertaking the study which included; gender, highest level of education, the period they have been working in the state-owned corporation and the period working for state owned corporations. This demographic information is as presented in Table 4.1.

Table 4.1: Respondents' demographic information

Demographic	Component	Percent (%)
Gender	Male	56%
	Female	44%
Highest Level of Education	Hi	10%
	HN Diploma	14%
	First degree	37%
	Masters	39%
Period Worked in the Corporation	1-4 years	20%
	5-8 years	40%
	9-12 years	19%
	13 years and above	20%
Period Worked for State Corporations	1-4 years	8%
	5-8 years	21%
	9-12 years	29%
	Above 12 years	42%

4.1.1 Gender Distribution

From the findings of table 4.1: 56% of the respondents were male while 44% were females. This is an indication that all gender was included thus providing a good representation for the study. The findings further show that there were more males as compared to the females an indication that the males were the key decision makers in management of the agriculture state owned corporations.

4.1.2 Highest Level of Education

The findings on Table 4.1 show that, 39% of the respondents indicated that their highest level of education was masters, followed by 37% who had first degree, 14% had HN diploma and 10% had diploma. This implied that majority of the respondents had relevant knowledge management functions thus they had ease in addressing the questions addressed and provided the correct responses on impact of management functions.

4.1.3 Period Worked in the State-Owned Corporation

As shown in Table 4.1, 20% of the respondents had been working in their respective state-owned corporation for a period of between 1-4 years, 40% indicated between 4-8 years, 19% indicated between 8-12 years and 20% said 12 years and above. This implies that majority of the respondents had worked for more than 4 years and thus were well conversant with management functions they applied in their daily activities and how the choice of the management functions influenced performance of agricultural state-owned corporations.

4.2 Research Objectives

The main purpose of analyzing research objectives was to investigate the influence of management functions on the performance of Agricultural State-Owned Corporations in Kenya. Analysis of objectives will give the level of influence of each of the management functions on the dependent variable (performance).

4.2.1 Leading

Several statements on the function of leading were proposed against which the respondents ranked their level of understanding. Respondents were asked to indicate the extent to which they agreed on influence of leading on organization performance. In this regard, 25% of them agreed while another 24.1% strongly agreed. Even so, 28.7% were undecided. In terms of gender, most of the women (34%) strongly agreed while most men were undecided (36.1%).

The findings show that women were in agreement that leading had a positive influence on performance while men indicted that they were undecided wither the mode of leading had a positive impact on performance.

Education-wise, most of those who had a diploma were undecided (45.5%) which was also the case for those who had a HN Diploma (73.3%). In contrast, most of those who had a first degree strongly agreed (35.0%). From these findings, it can be deduced that the level of awareness in terms of education is critical in appreciating the role that leadership plays in organizational performance. More learned persons strongly agreed whereas diploma and HN diploma respondents tended to disagree.

In view to years worked in state corporations, the study established that 66.7% of respondents who had worked for 1-4 years slightly agreed, those who had worked for 5-8 years, 30% strongly agreed. Respondents who had worked for 9-12 years indicated that 58% agreed and strongly agreed and lastly above 12 years indicated undecided as majority of them were undecided. The overall findings show that majority of the respondents in view to length of service on state owned corporations agreed that leading had a positive influence on performance. The findings are as illustrated in Table 4.2.

Table 4.2: Perception on Influence of Leading on Organization Performance

Potential Factor	Leading affect organizational performance (%)					
Gender	**Slightly Disagree**	**Undecided**	**Slightly Agree**	**Agree**	**Strongly Agree**	**Total**
Male	11.5	36.1	9.8	26.2	16.4	100
Female	12.8	19.1	10.6	23.4	34.0	100
Education level						
Diploma	-	45.5	-	36.4	18.2	100
HN Diploma	6.7	73.3	-	13.3	6.7	100
First Degree	17.5	12.5	2.5	32.5	35.0	100
Masters	11.9	23.8	23.8	19.0	21.4	100
Years worked in the state-owned corporation						
1- 4years	22.7	27.3	-	22.7	27.3	100
4-8 years	18.6	16.3	11.6	23.3	30.2	100
8- 12 years	-	33.3	28.6	23.8	14.3	100
12 years and above	-	50.0	-	31.8	18.2	100
Years worked for state owned corporations						
1- 4 years	-	-	66.7	22.2	11.1	100
5-8 years	21.7	17.4	8.7	21.7	30.4	100
9- 12 years	16.1	16.1	9.7	29.0	29.0	100
Above 12 years	6.7	48.9	-	24.4	20.0	100
Total	**12.0**	**28.7**	**10.2**	**25.0**	**24.1**	**100**

4.2.1.1 Factor Analysis

The study carried out factor analysis on the effect of leading on organizational performance. The findings are shown in Table 4.6

4.2.1.2.1 Communality

Communality in factor analysis indicates the total influence on a single observed variable from all the factors associated with it. In other words, it shows how much of the variance in the variables has been accounted for by the extracted factors.

It is equal to the sum of all the squared factor loadings for all the factors related to the observed variable. In this regard, the major communalities for leading are as indicated in the table 4.3.

Table 4.3: Communalities

		Initial	Extraction
a)	Leaders in the corporation strive to keep the operational costs low	1.000	.774
b)	Evaluation of systems and structures are conducted continuously	1.000	.714
c)	There is a clear vision and purpose for the organization	1.000	.708
d)	Leaders in the corporation are profit minded	1.000	.664
e)	Our leaders have established a good mentorship program in the Corporation	1.000	.655
f)	Our leaders clarify and gain consensus on the vision and mission of the organization	1.000	.591
g)	Leaders in the corporation provide good leadership for optimal customer satisfaction	1.000	.587
h)	Leaders in the Corporation have promoted automation for operational efficiency	1.000	.577
i)	The organization conducts annual reviews of customers	1.000	.571
j)	Our leaders strive for higher customer retention	1.000	.568
k)	Our leaders resolve employees’ conflicts in a timely manner for a conducive work environment	1.000	.567
l)	There is clear accountability systems in the organization	1.000	.562
m)	Our leaders promote the generation of new knowledge in the organization	1.000	.550
n)	Leaders in the corporation do not stand wastage of resources	1.000	.539
o)	Our Leaders encourage stakeholder involvement to enhance growth	1.000	.534
p)	Our leaders are good at mentoring juniors	1.000	.524
q)	Our leaders encourage good communication for smooth operations in the corporation	1.000	.495
r)	Our leaders scrutinize corporation expenditures	1.000	.482

Table 4.3 shows that leaders in the corporation strive to keep the operational costs low as it had the highest communality of 77.4% and leaders scrutinized corporation expenditures had the lowest communality of 48.2%. However, some important elements of leading has average communality although they have a great bearing on organizational leadership and performance. These include existence of clear accountability systems, zero tolerance to wastage of resources and clarity in communication as their communality were 0.562, 0.539 and 0.495 respectively. To establish the aspects that should be retained, the Total Variance Explained was used. Table 4.4 illustrates the details.

Table 4.4: Total Variance Explained (Leading)

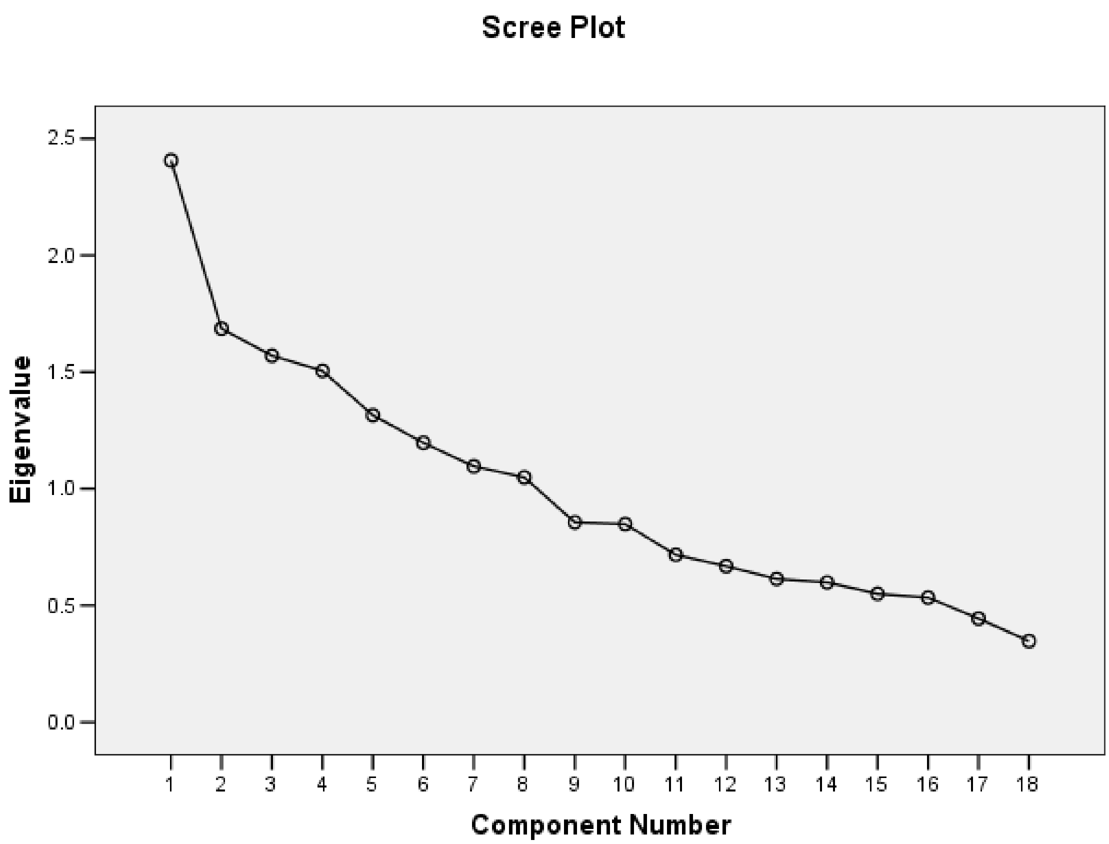
Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.429	13.492	13.492	2.429	13.492	13.492
2	1.714	9.524	23.016	1.714	9.524	23.016
3	1.536	8.535	31.550	1.536	8.535	31.550
4	1.447	8.039	39.590	1.447	8.039	39.590
5	1.287	7.150	46.740	1.287	7.150	46.740
6	1.125	6.249	52.988	1.125	6.249	52.988
7	1.123	6.238	59.226	1.123	6.238	59.226
8	.998	5.546	64.772			
9	.906	5.035	69.807			
10	.839	4.663	74.470			
11	.792	4.399	78.869			
12	.738	4.100	82.969			
13	.639	3.550	86.519			
14	.593	3.293	89.812			
15	.528	2.932	92.743			
16	.512	2.845	95.588			
17	.428	2.376	97.964			
18	.366	2.036	100.000			

The Total Variance Explained as illustrated in Table 4.4 above, implies that components 1 to 7 are the ones to focus on as indicated by their high Eigenvalues. This indicates their great contribution to leading as compared with the other functions.

4.2.1.2.2 Scree Plot for Aspects of Leading

The scree plot is a graph of the eigenvalues against all the factors considered. The graph was useful for determining how many factors on leading to retain. The point of interest is where the curve starts to flatten (the Elbow) and where the eigenvalue is below 1.

Figure 4.1: Scree plot for aspects of leading



The scree plot for leading indicates that the curve begins to flatten between factors 2 and 3. It is also apparent from the curve that factor 8 onwards have an eigenvalue of less than 1, so only seven components (1, 2, 3,4,5,6 and 7) should be retained. This means that the seven main components in leading have the greatest contribution towards this management function, while the rest contribute little.

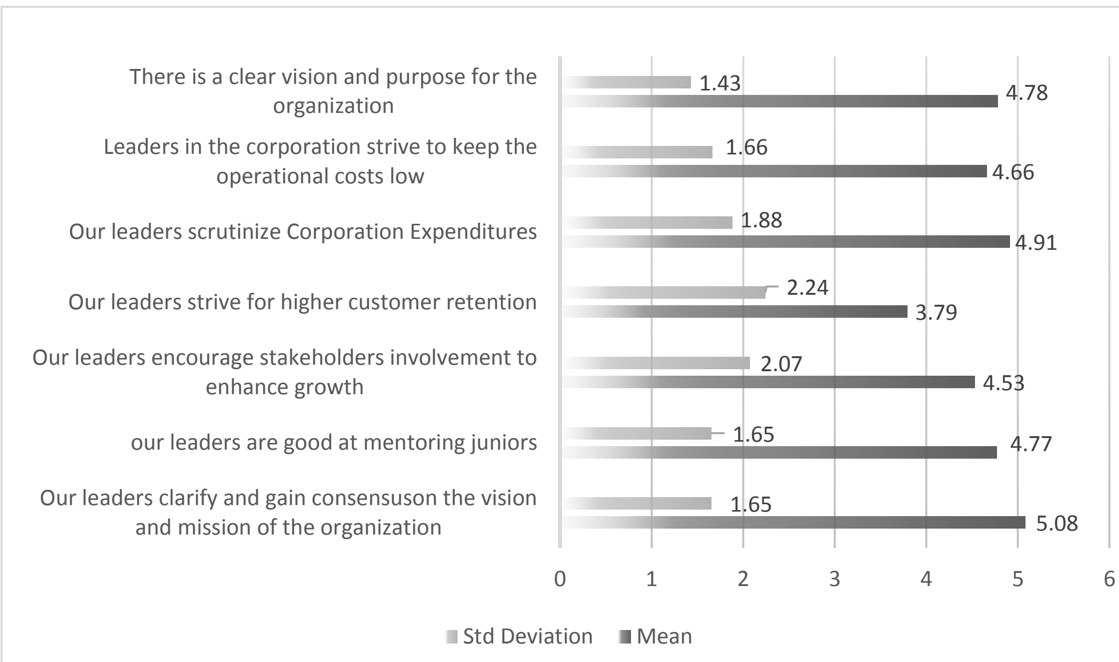
The seven aspects that scored that were retained as deemed to explain leading as a management function are as indicated in figure 4.2. These include; leading having a clear vision and purpose for the organization, leaders striving to keep the operational costs low, leader's ability to scrutinize corporation expenditures, leaders striving to have high customer retention, leaders encouraging stakeholders to enhance growth of the organization, leaders mentoring juniors and leaders clarifying mission and vision to gain consensus. Of these statements, it is apparent that more statements drawn from the list of eighteen (18) are addressing growth and development where the mission and vision is understood, mentoring and retention of customers and staff is key.

However, financial aspects have only two (2) statements brought out from the data collected while this is where the emphasis should have been as the financial aspects drive the other aspects as explained by the balanced scorecard. Budgets in organizations are key to operations and functions. In the overall outcome, it may seem that the financial aspects scored high but this is only from the two statements that were considered important. If all the financial aspects were brought into the limelight and a mean done for all of them, the results would give different results.

4.2.1.2.3 Mean and Standard Deviation

The respondents were asked to indicate the extent of agreement on the effect of leading on organizational performance. A Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree was used. Mean and standard deviation were calculated for ease of interpretation and generalization of findings. Figure 4.2 indicates the ratings on the various perspectives considered.

Figure 4.2: Perspectives on Leading



4.2.1.2.4 Balanced Scorecard Measure of Performance on Leading

The study examined the respondents' perception on the influence that leading affected performance using the four perspectives of BSC. The findings are illustrated below for each of the perspective.

a) Financial Perspectives on Leading

From the finding, there is a clear vision and purpose for the organization had a mean of 4.78 with a standard deviation of 1.43. The respondents agreed with the statement which concurs with Ojokuku *et* al. (2012) that leadership is a critical management skill, involving the ability to encourage a group of people towards common goal. Leaders in the corporation strive to keep the operational costs low had a mean of 4.66 with a standard deviation of 1.66 and this concurs with Balotti and Finkelstein (2008) that strategies cannot be formulated and implemented to achieve above average returns without strategic leadership.

Leaders scrutinize corporation expenditures had a mean of 4.91 with a standard deviation of 1.88. This concurs with DePree (2011) that leaders, as the key decision-makers, determine the acquisition, development, and deployment of organizational resources, the conversion of these resources into valuable products and services.

b) Customer Perspective on Leading

As shown in Figure 4.1, leaders strive for higher customer retention had a mean of 3.79 with a standard deviation of 2.241. The respondents slightly disagree with the statement which contradicts with Karamat (2013) that an organization's chances of creating a competitive advantage, maximizing wealth, and surviving in the long-term increase when the strategic leaders of the organization continuously align the internal organizational environment with changes taking place in the complex external environment.

Leaders encourage stakeholder involvement to enhance growth had a mean of 4.53 with a standard deviation of 2.070. This finding is in line with Bolton, et al., (2013) that if an organization wants to improve its performance, the leadership style in use should be analyzed and adapted to new requirements.

c) Learning and Growth on Leading

From the responses in Figure 4.1, leaders are good at mentoring juniors had a mean of 4.77 with a standard deviation of 1.65. This finding is in agreement with that of Ngodo (2008) who perceives leadership to be a reciprocal process of social influence, in which leaders and subordinates influence each other in order to achieve organizational goals.

d) Internal Processes on Leading

From the finding in Figure 4.1, leaders clarify and gain consensus on the vision and mission of the organization had a mean of 5.08 with a standard deviation of 1.65. This finding is consistent with that of Nagendra and Farooqui (2016) who views leadership as that kind of direction, which a person can give to a group of people under him in such a way that these will influence the behavior of another individual, or group.

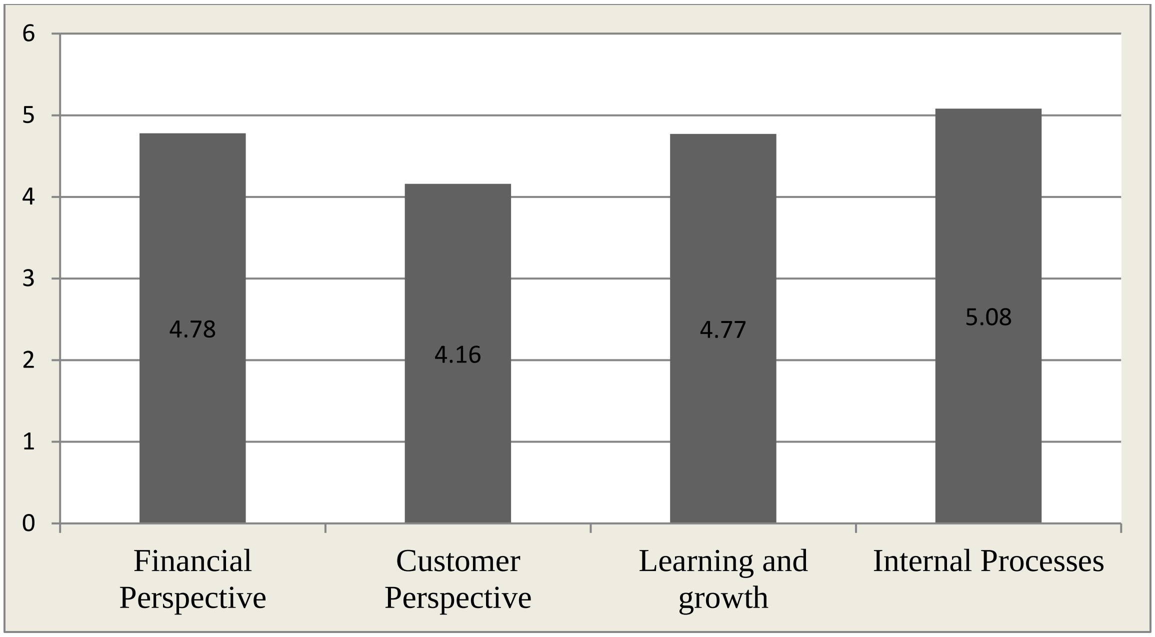
The respondents indicated that leadership has created a common understanding of the corporation’s strategic purpose, and that all employees have a clear view of the direction the company is taking. Employees have been made to understand the corporation’s strategy, how it is being pursued and what their inputs are towards the overall delivery.

Being engaged in dialogue and participation, employees are motivated and made to understand the importance of change practices and what their commitment to the company does in delivering the desired outcomes.

The respondents indicated that the challenges encountered was insufficient funds which was a major problem faced by the corporations in the recent past. According to the respondents, cash flow from the exchequer has not been enough to help them execute all their projects, though they all agreed that development partners have also chipped in where necessary to keep them afloat. These are loans which accrue interests and the organization will have to pay back.

Figure 4.3 represents the average of means on the perspectives of the balanced score card. These perspectives are only those that were brought out as having the most effects as had been explained in the communalities and figure 4.2. It shows that the internal processes score a high mean and this is from two statements about finance. This may not be true if a wider area and high number of respondents was covered to get data from all agricultural state corporations in Kenya.

Figure 4.3: Balanced Score Card on Leading



From the findings in Figure 4.3, financial perspective of leading had a mean of 4.78, customer perspective had 4.16, learning and growth had 4.77 and internal processes had 5.08. It can be deduced that the leading greatly emphasized on financial perspectives.

4.2.2 Planning

In order to ascertain the extent to which planning as a management function affected performance, the study did a cross tabulation between the general information and elements of planning. The findings are illustrated in the table 4.5 below:

Table 4.5: Perception on Influence of Planning on Organization Performance

Potential Factor	**Planning affect organizational performance (%)**						
Gender	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly Agree	Total
Male	9.8	-	11.5	54.1	6.6	18.0	100
Female	2.1	12.8	31.9	17.0	10.6	25.5	100
Education level							

Diploma	-	-	9.1	54.5	18.2	18.2	100
HN Diploma	-	-	6.7	60.0	6.7	26.7	100
First Degree	2.5	15.0	37.5	17.5	-	27.5	100
Masters	14.3	-	11.9	45.2	14.3	14.3	100
Years worked in the state-owned corporation							
1- 4years	31.8	-	27.3	13.6	4.5	22.7	100
4-8 years	-	-	27.9	39.5	11.6	20.9	100
8- 12 years	-	-	19.0	61.9	4.8	14.3	100
12 years and above		27.3	-	36.4	9.1	27.3	100
Years worked for state owned corporations							
1- 4 years	-	-	33.3	33.3	11.1	22.2	100
5-8 years	26.1	-	21.7	30.4	8.7	13.0	100
9- 12 years	3.2	12.9	19.4	32.3	9.7	22.6	100
Above 12 years	-	4.4	17.8	46.7	6.7	24.4	100
Total	**6.5**	**5.6**	**20.4**	**38.0**	**8.3**	**21.3**	**100**

Respondents were asked to indicate the extent to which they agreed that planning influence organization performance. In this regard, 8.3% of them agreed while another 21.3% strongly agreed. An additional 38.0% slightly agreed. Even so, 20.4% were undecided. In terms of gender, most of the women were undecided (31.9%) while most men slightly agreed (54.1%). Education-wise, most of those who had a diploma slightly agreed (54.5%) which was also the case for those who had a HN Diploma (60.0%). In contrast, most of those who had a first degree were undecided (37.5%).

4.3.2.1 Factor Analysis

The study carried out factor analysis on the effect of planning on organizational performance.

4.3.2.1.1 Communality

Communality in factor analysis indicates the total influence on a single observed variable from all the factors associated with it. In other words, it shows how much of the variance in the variables has been accounted for by the extracted factors. It is equal to the sum of all the squared factor loadings for all the factors related to the observed variable. In this regard, the major communalities for planning are as indicated in the table below.

Table 4.6: Communalities on Planning

Factors	Initial	Extraction
a) Strategic planning ensures appropriate transfer of knowledge among employees	1.000	.783
b) Strategic planning ensures appropriate sharing of knowledge among employees	1.000	.758
c) Planning aligns resources to strategic initiatives	1.000	.750
d) Planning enhances profitability	1.000	.718
e) Strategic planning increases employee motivation	1.000	.716
f) Strategic planning in our corporation improves the standard of systems and technology	1.000	.708
g) Proper strategic plan implementations promote customer satisfaction	1.000	.705
h) Strategic planning improves efficiency leading to growth	1.000	.683
i) Effective planning enhances employee remuneration	1.000	.672
j) Planning for our corporation is a tool to identify risks	1.000	.671
k) Planning helps improve on-time deliveries to our customers	1.000	.666
l) Strategic planning in our corporation reduces operating costs	1.000	.630
m) Planning increases our market share and return on expenditure	1.000	.629
n) Planning improves our operating income	1.000	.615
o) Planning increases employee morale and therefore innovation	1.000	.607
p) Planning increases shareholder value through	1.000	.602
q) Planning improves our sales growth	1.000	.559
r) Strategic planning leads to operational efficiency	1.000	.549
s) Proper plans increase the deliveries required by our customers	1.000	.541

The findings showed that, strategic planning ensures appropriate sharing of knowledge among employees78.3% had the highest communality, and proper plans increase the deliveries required by our customers had the lowest communality with others of 54.1%.

Factor extraction was carried out via the analysis of principle component. Eigen values were used to measure the variation amount in the total sample as accounted by each factor. A factor with low Eigen value implies that it's contributing less to the total variance of the variables and thus was to be ignored.

Table 4.7: Total Variance Explained (Planning)

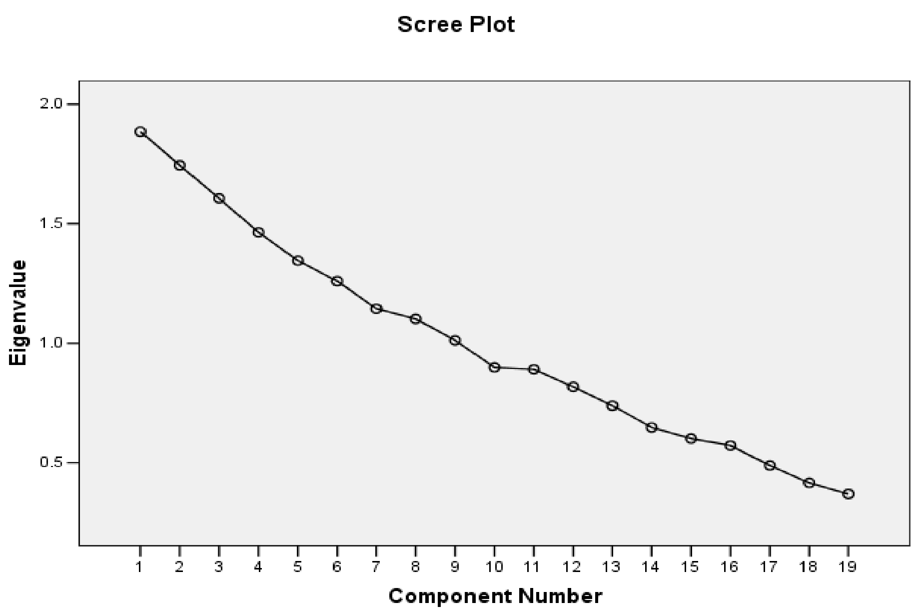
Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.885	9.922	9.922	1.885	9.922	9.922
2	1.744	9.181	19.103	1.744	9.181	19.103
3	1.606	8.453	27.555	1.606	8.453	27.555
4	1.464	7.705	35.261	1.464	7.705	35.261
5	1.345	7.081	42.342	1.345	7.081	42.342
6	1.260	6.632	48.973	1.260	6.632	48.973
7	1.144	6.022	54.996	1.144	6.022	54.996
8	1.102	5.798	60.793	1.102	5.798	60.793
9	1.012	5.325	66.118	1.012	5.325	66.118
10	.899	4.731	70.849			
11	.891	4.688	75.537			
12	.818	4.303	79.840			
13	.738	3.886	83.726			
14	.647	3.406	87.132			
15	.601	3.163	90.295			
16	.572	3.009	93.304			
17	.488	2.568	95.872			
18	.415	2.186	98.059			
19	.369	1.941	100.000			

The Total Variance Explained as illustrated in Table 4.7 above implies that components 1 to 9 are the ones to focus on as indicated by their high Eigenvalues. This indicates their great contribution compared with the others. However, some components were eliminated although they are important in helping management plan for better performance. These include: planning playing a role in organizational efficiency which had a communality of 0.549.

4.3.2.1.2 Scree Plot for Aspects of Planning

The scree plot is a graph of the Eigenvalues against all the factors considered. The graph was useful for determining how many factors on planning to retain. The point of interest is where the curve starts to flatten (the Elbow) and where the eigenvalue falls below 1.

Figure 4.4: Scree plot for aspects of planning



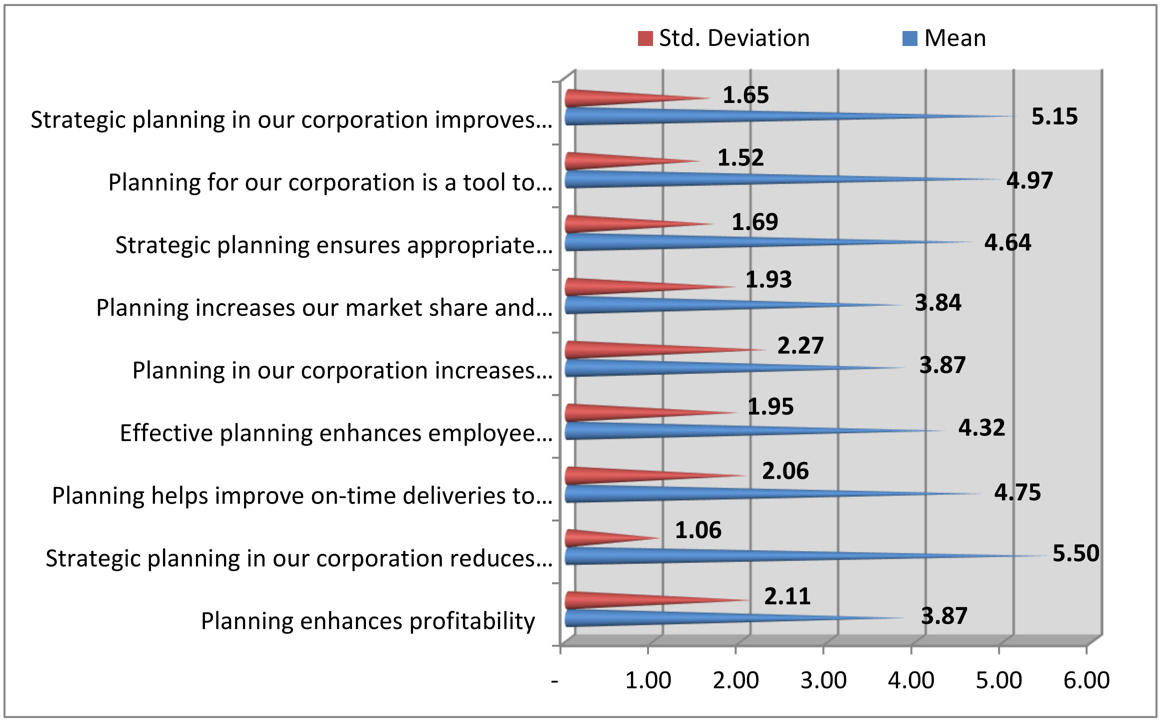
The scree plot for planning indicates that the curve begins to flatten between factors 7and 8. It is also apparent from the curve that factor 10onwards have an eigenvalue of less than 1, so only nine components (1, 2, 3, 4, 5,6,7,8 and 9) should be retained. This means that the nine main components in planning have the greatest contribution while the rest contributes little.

The nine components that were found main include; planning improves standard of systems and technology, planning is a tool for identifying risks and their mitigations, planning increases employee morale, it reduces operating costs, it enhances employee remuneration hence increase in motivation, it enhances profitability, helps improve on-time delivery, ensures appropriate sharing of knowledge among employees and it increases the organization's market share and return on expenditure. From these statements, the internal processes have a high mean. The statements that have brought out the internal processes results are to a large extent all the nine and this is the correct picture where planning is applied appropriately. The data is representative on the practice by any organization practicing strategic planning.

4.3.2.1.3 Mean and Standard Deviation

Several statements on the effect of planning on organizational performance were identified and the respondents were required to indicate the extent to which they agree to each in respect to their ministry. A Likert scale which ranges from 1-7 where 1= Strongly Disagree; 2 = Disagree; 3= Slightly disagree; 4= Undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree was used. From the findings mean and standard deviation were calculated for ease of interpretation and generalization of finding.

Figure 4.5: Perspectives on Planning



4.3.1.2.4 Balanced Scorecard Measure of Performance

The study examined the respondents' perception on the influence that planning affected performance using the four perspectives of BSC. The findings are illustrated below for each of the perspective.

a) Financial Perspectives on Planning

From the findings in Figure 4.5, strategic planning reduces operating costs. This had a mean of 5.50 with a standard deviation of 1.06. This finding is consistent with Sorel and Pennequin (2008) who advocates for planning to involve developing objectives or the organizational strategic plans and looking for resources that would best be suited in achieving the organizational goals as outlined in strategic plans.

Planning enhances profitability having a mean of 3.87 with a standard deviation of 2.11 and this concurs with the finding of Sosiawani, Ramli, Mustafa and Yusoff (2015) state that each dimension of strategic planning (formality, tools of strategic planning, employee participation, implementation of planning, time horizon and control of strategic planning) all contribute to organizational performance.

b) Customer Perspective on Planning

As shown in Figure 4.4, planning helps improve on-time deliveries to our customers. Planning had a mean of 4.75 with a standard deviation of 2.06. This finding is consistent with Veettil (2008) that by implementing strategic planning properly, it would be able to assist firms to achieve better performance. Subsequently, creating assignments with timelines considering the ability of individual employees in the completion of the task time horizon is also considered as the key dimension of strategic planning which is able to improve the performance of the organization.

Effective planning enhances employee remuneration hence increased motivation had a mean of 4.32 with a standard deviation of 1.95 this is in line with Koontz and O'Donnell (2011) that efficiency aspect has to be applied not only in money terms to various resources used in production and service activities but also to the individual and group satisfaction of human resources. Planning in our corporation increases employee morale and therefore innovation represented with a mean of 3.87 and a standard deviation of 2.27.

The respondents were in agreement to a great extent which is consistent with Collier, Fishwick and Floyd (2004) that employees contribute to planning by giving their suggestion and test-driving the different strategies so as to get the best fit in terms of strategies that an organization can adopt, resulting in increased performance.

c) Learning and Growth on Planning

From the finding, planning increases our market shares and return on expenditure having a mean of 3.84 with a standard deviation 1.93 and this finding is in agreement with Kathama (2012) that the vision outlines what the organization wants to be, or how it wants the world in which it operates to be in its long-term view and concentrates on the future.

Strategic planning ensures appropriate transfer of knowledge among employees shown by a mean of 4.64 with a standard deviation 1.69. The respondents agreed with the statement which is in line with Wagaki (2013) who describes strategic planning as an ongoing, never-ending, integrated process requiring continuous reassessment and reformation. Strategic planning is thus deliberate and emergent, dynamic and an interactive process.

d) Internal Processes on Planning

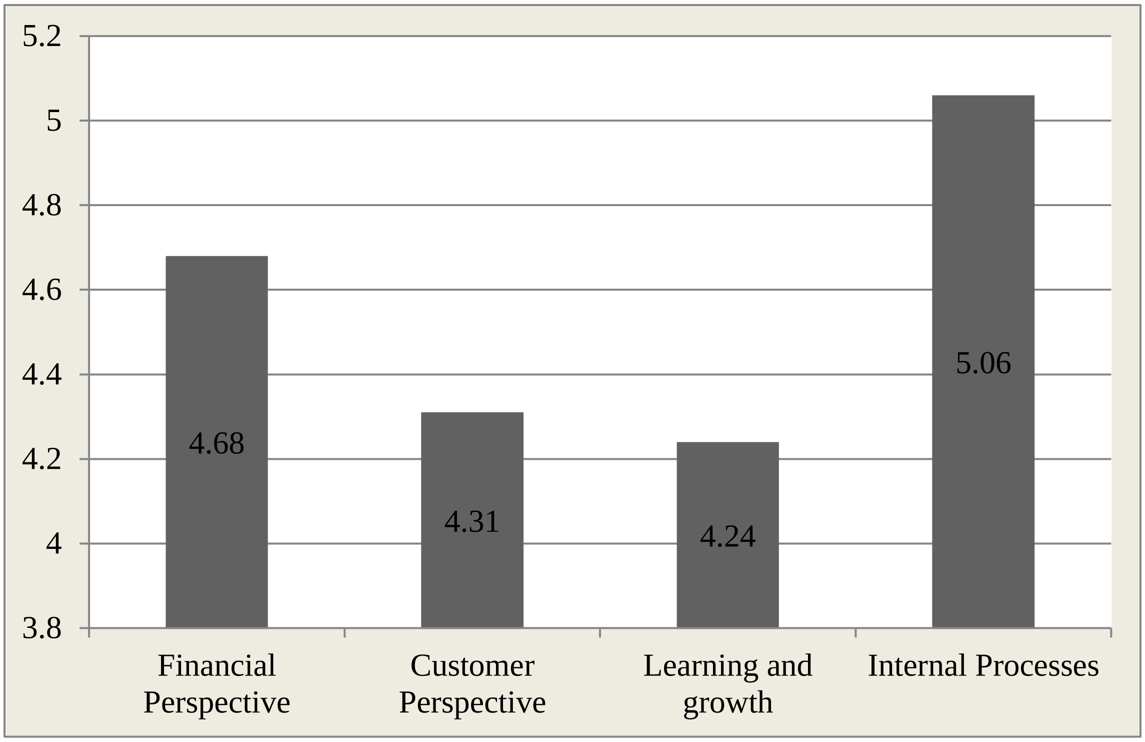
As shown in Figure 4.4, planning for our corporation is a tool to identify risks and their mitigations having a mean of 4.97 with a standard deviation of 1.53. The respondents were in agreement with the statement which is in agreement with Johnson and Christensen (2008) who stated that the process of planning involved creating visions of possible futures, making explicit the values underlying the preferences for those particular futures, and establishing practical plans to achieve desired outcomes that are robust in the face of uncertainty and changes in constraints.

Strategic planning in our corporation improves the standard of systems and technology had a mean of 5.15 with a standard deviation of 1.65. The respondents were in agreement with the statements which concur with De Zoysa, Fonseka and Perera (2004) that by engaging control mechanism like establishing the evaluation methods and identifying alternative courses of action through implementation to the strategic planning, firms are able to achieve better performance.

The respondents indicated that their corporations applied the following strategic planning processes: establish a mission, vision and goals that stakeholders understand, communicate the vision, goals and objectives to all stakeholders and engage all relevant stakeholders in strategy formulation. The study also indicated that their corporations evaluated proposed strategies against targeted performance and ensured that there is adequate monitoring of results and corrective action taken where needed.

The respondents indicated that the most critical factors encounter in planning process is environmental turbulence/ uncertainty and availability of resources whereas the least critical factors are resistance to change and organizational culture. The other factors were government influence, politics, stakeholder expectations, organizational structure and leadership. The findings are further indicated in Figure 4.4.

Figure 4.6: Balanced Scored Card on Planning



From the findings, financial perspective of planning had a mean of 4.68, customer perspective had 4.31, learning and growth had 4.24 and internal processes had 5.06. It can be deduced that internal processes were largely considered during planning. These results depict a practical picture of the planning function in the organizations.

4.2.3 Organizing

The study analyzed how organizing management function affected performance of parastatals. The study started by cross tabulating organizing functions and the general information.

Table 4.8: Perception on Influence of Organizing on Organization Performance

Potential Factor	Organizing affect organizational performance (%)						
Gender	**Disagree**	**Slightly Disagree**	**Undecided**	**Slightly Agree**	**Agree**	**Strongly Agree**	**Total**
Male	3.3	27.9	21.3	6.6	14.8	26.2	100
Female	21.3	23.4	4.3	12.8	19.1	19.1	100
Education level							
Diploma	-	63.6	-	-	18.2	18.2	100
HN Diploma	-	53.3	-	6.7	26.7	13.3	100
First Degree	20.0	22.5	2.5	7.5	22.5	25.0	100
Masters	9.5	9.5	33.3	14.3	7.1	26.2	100
Years worked in the state-owned corporation							
1- 4years	9.1	13.6	-	13.6	18.2	45.5	100
4-8 years	11.6	39.5	-	9.3	23.3	16.3	100
8- 12 years	-	-	71.4	4.8	4.8	19.0	100
12 years and above	22.7	36.4	-	9.1	13.6	18.2	100
Years worked for state owned corporations							
1- 4 years	-	-	66.7	-	11.1	22.2	100
5-8 years	13.0	17.4	-	21.7	13.0	34.8	100
9- 12 years	19.4	12.9	3.2	9.7	19.4	35.5	100
Above 12 years	6.7	44.4	17.8	4.4	17.8	8.9	100
Total	**11.1**	**25.9**	**13.9**	**9.3**	**16.7**	**23.1**	**100**

Respondents were asked to indicate the extent to which they agreed that organizing influence organization performance. In this regard, 16.7% of them agreed while another 23.1% strongly agreed. An additional 9.3% slightly agreed. Even so, 25.9% slightly disagreed while 13.9% were undecided. In terms of gender, 21.3% of the women disagreed, an additional 23.4% slightly disagreed while those who agreed were equal to those who strongly agreed at 19.1%. In contrast 27.9% of men slightly disagreed, 26.2% strongly agreed, 14.8% agreed while 21.3% were undecided.

Education-wise, most of those who had a diploma slightly disagreed (63.6%) which was also the case for those who had a HN Diploma (53.3%). In contrast, 25.0% of those with a first degree strongly agreed while an additional 22.5% agreed.

4.3.3.1 Factor Analysis

The study carried out factor analysis on the effect of organizing on organizational performance.

4.3.3.1.1 Communality

Communality in factor analysis indicates the total influence on a single observed variable from all the factors associated with it. In other words, it shows how much of the variance in the variables has been accounted for by the extracted factors. It is equal to the sum of all the squared factor loadings for all the factors related to the observed variable. In this regard, the major communalities for organizing are as indicated in the table below.

Table 4.9: Communalities on Organizing

	Initial	Extraction
a) Adequate organization in the corporation ensures constant availability of goods and services to the customers	1.000	.744
b) Organizing roles in strategic business units eliminates duplication of roles for optimal profitability	1.000	.718
c) Organizing in our state corporation aligns processes in the right departments	1.000	.700
d) Our functions are organized in strategic business units for ease of accountability	1.000	.685
e) Organizing promotes the use of standards and systems for operation	1.000	.683
f) Organizing ensures that internal processes run smoothly	1.000	.675
g) Organizing business function in strategic business units has	1.000	.671

improved overall corporate profitability		
h) Organizing ensures correct levels of expertise are developed through training for high quality output	1.000	.647
i) Adequate organization in the corporation ensures sufficient availability of goods and services to the customers	1.000	.640
j) The reporting structure in the corporation allows quality decision making	1.000	.614
k) Organizing ensures correct levels of expertise are acquired to obtain high quality output	1.000	.611
l) Organizing functions in strategic business units ensures higher customer satisfaction	1.000	.610
m) Organizing in strategic business units makes it easy to track performance of each business function	1.000	.603
n) Organizing allows for innovation in the different levels	1.000	.597
o) The reporting structure in the corporation allows timely decision making	1.000	.596
p) Organizing ensures knowledge in the organization is well shared among employees for optimal performance	1.000	.588
q) Organizing in our corporation ensures higher level of efficiency	1.000	.584
r) Organizing function ensures that knowledge in the corporation is well stored for future use	1.000	.573
s) Proper task organization in the organization eases monitoring	1.000	.540
t) Organizing ensures that there is no role duplication in the corporation	1.000	.534
u) Organizing functions in strategic business units ensures higher customer loyalty	1.000	.511
v) Organizing functions in strategic business units ensures high quality service / product delivery	1.000	.469

From the findings, adequate organization in the corporation ensures constant availability of goods and services to the customers had the highest communality of 74% while organizing functions in strategic business units ensures high quality service / product delivery had the lowest communality of 51.1%.

Table 4.10: Total Variance Explained (Organizing)

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.185	9.932	9.932	2.185	9.932	9.932
2	1.866	8.481	18.413	1.866	8.481	18.413
3	1.739	7.904	26.317	1.739	7.904	26.317
4	1.598	7.264	33.581	1.598	7.264	33.581
5	1.443	6.561	40.142	1.443	6.561	40.142
6	1.412	6.417	46.559	1.412	6.417	46.559
7	1.178	5.357	51.916	1.178	5.357	51.916
8	1.099	4.997	56.912	1.099	4.997	56.912
9	1.070	4.864	61.777	1.070	4.864	61.777
10	.983	4.470	66.247			
11	.907	4.121	70.368			
12	.869	3.950	74.318			
13	.829	3.769	78.086			
14	.729	3.315	81.401			
15	.665	3.024	84.425			
16	.618	2.809	87.234			
17	.563	2.560	89.794			
18	.529	2.404	92.199			
19	.504	2.291	94.489			
20	.470	2.136	96.625			
21	.421	1.913	98.539			
22	.321	1.461	100.000			

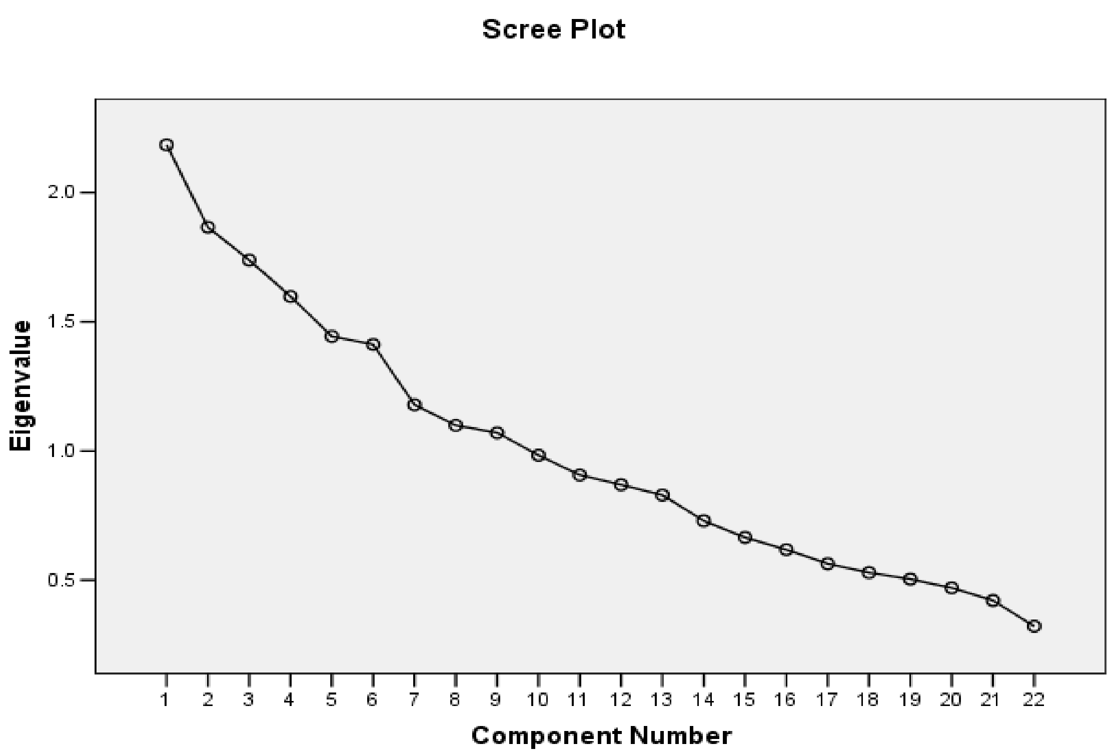
The Total Variance Explained as illustrated in Table 4.10 implies that components 1 to 9 are the ones to focus on as indicated by their high Eigenvalues. This indicates their great contribution compared with the others. However, there were other important elements in organizing which were eliminated by the communalities although they play a big role in organizational performance.

These included organizing functions in strategic business units ensuring higher customer loyalty and high-quality service / product delivery with communalities of 0.611 and 0.610 respectively.

4.3.3.1.2 Scree Plot

The scree plot is a graph of the eigenvalues against all the factors considered. The graph was useful for determining how many factors on organizing to retain. The point of interest is where the curve starts to flatten (the Elbow) and where the eigenvalue is below

Figure 4.7: Scree plot for aspects of organizing



The scree plot for organizing indicates that the curve begins to flatten between factors 6and 7. It is also apparent from the curve that factor 10onwards have an eigenvalue of less than 1, so only nine components (1, 2, 3,4,5,6,7,8 and 9) should be retained.

This means that the nine main components in organizing have the greatest contribution while the rest contributes little.

The nine statements that highly contributed to the organizing function are; organization in the corporation ensures constant availability of goods and services to the customers, Organizing roles in strategic business units eliminates duplication of roles for optimal profitability, Organizing in our state corporations aligns processes in the right departments, it promotes ease of accountability, promotes the use of standards and systems for operation and it improved overall corporate profitability.

The internal processes give a high mean of 5.17 indicating that it played a crucial role during organizing in the organization. The mean has been deduced from two statements only. Internal processes include systems i.e. application of technology to interlink the operations and policies to guide the processes. There was no clear indication from the statements highly favoring internal processes regarding having good policies in place and whether the policies are implemented.

4.3.3.1.3 Mean and Standard Deviation

The respondents were required to indicate the extent of agreement on the effect of organizing on organizational performance. A Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree was used. Mean and standard deviation were calculated for ease of interpretation and generalization of findings.

Table 4.11: Financial and Customer Perspectives on Organizing

Financial Perspective	Mean	Std. Deviation
Organizing in our state corporation aligns processes in the right departments	5.34	1.261
Organizing in strategic business units makes it easy to track performance of each business function	4.77	1.871
Organizing roles in strategic business units eliminates duplication of roles for optimal profitability	3.80	1.992
Customer Perspective		
Organizing functions in strategic business units ensures higher customer satisfaction	5.04	1.349
Adequate organization in the corporation ensures constant availability of goods and services to the customers	5.12	2.398
The reporting structure in the corporation allows timely decision making	4.42	1.794
The reporting structure in the corporation allows quality decision making	4.38	1.771

a) Financial Perspectives on Organizing

From the responses in Table 4.11 above, organizing in our state corporation aligns processes in the right departments as shown in the table having a mean of 5.34 with a standard deviation of 1.261. The respondents agreed with the statement consistent with Barrier (2003) that organizing is the work managers performs to arrange and relate work to be performed effectively by people and contribute to the company by accomplishing its objectives. Organizing in strategic business makes it easy to track performance of each business function presented in the table by a mean of 4.77 with a standard deviation of 1.871.

This is in agreement with Latif, Baloch and Khan (2012) that having a suitable organizational structure will allow a company to implement proper operating procedures and decision-making processes that will aid the organization in accomplishing its goals.

Organizing roles in strategic business units eliminates duplication of roles for optimal profitability. This as shown from the table, had a mean of 3.80 with a standard deviation of 1.992. This finding is contrary to that of Rana, Garg and Rastogi (2011) that organizing requires the manager to determine how he or she will distribute resources and organize employees according to a designated plan aimed at some organizational goal.

b) Customer Perspective on Organizing

As indicated in Table 4.11, organizing functions in strategic business units ensures higher customer satisfaction had a mean of 5.04 with a standard deviation of 1.349. The respondents were in agreement with the statement consistent with Willmott (2012) an affirmation that certain industries will organize their structure by customer type. This is done in an effort to ensure specific customer expectations are met by a customized service approach.

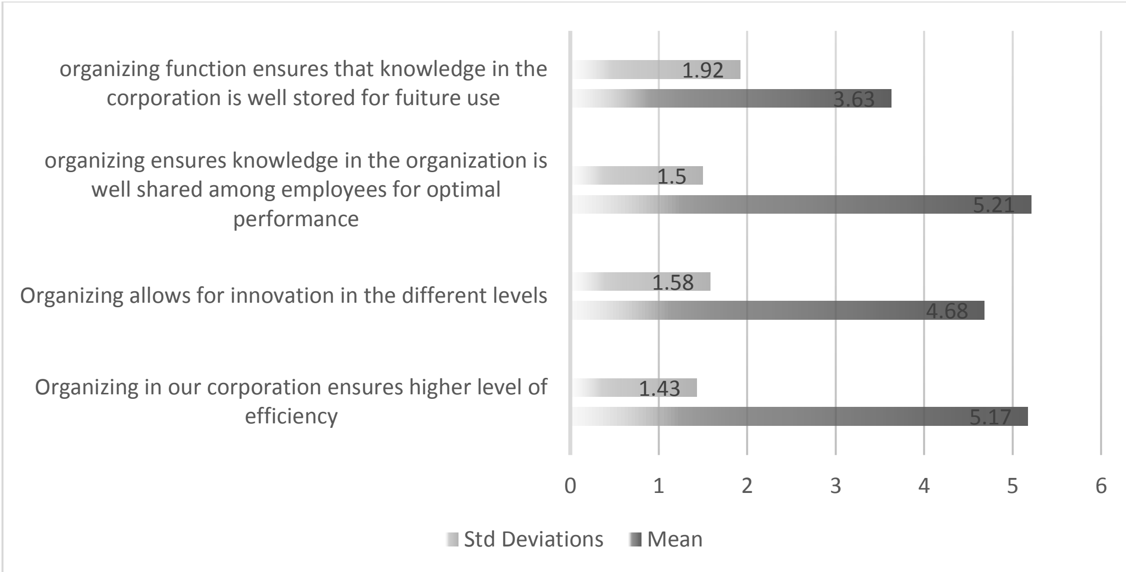
Adequate organization in the corporation ensures constant availability of goods and services to the customers had a mean of 5.12 with a standard deviation of 2.398. The respondents were in agreement with the statement by Alvesson and Willmott (2012) that this is done to better support logistical demands and differences in geographic customer needs.

Reporting structure in the corporation allows timely decision making had a mean of 4.42 with a standard deviation of 1.794 and this concurs with Bloisi (2007) that the importance of organizational structure as a means to getting people to work towards common goals thus acting as facilitator in pursuit of organizational goals.

The reporting structure in the corporation allows quality decision making represented with a mean of 4.38 and a standard deviation of 1.771. This finding concurs with that of Kaplan and Norton (2008) that highlight the importance of organizing in an organization as benefits of specialization; clarity in working relationships; optimum utilization of resources; adaptation to changes; effective administration; development of personnel and facilitating expansion and growth.

Findings on perspectives on internal processes and learning and growth are presented in Figure 4.8 below:

Figure 4.8: Perspectives in Internal Processes and Learning and Growth on Organizing



c) Learning and Growth on Organizing

From the finding in Figure 4.5 above, organizing function ensures that knowledge in the corporation is well stored for future use having a mean of 3.63 with a standard deviation of 1.921. This contradicts with Bloisi (2007) who noted that from this relationship emerge norms and rules that contribute to improved communication that improves team performance.

Organizing ensures knowledge in the organization is well shared among employees for optimal performance having a mean of 4.68 with a standard deviation of 1.580. This finding is consistent with that of Tarricone and Luca (2002) that organizing allows for different ordinary people to achieve harmonized extraordinary results

d) Internal Processes on Organizing

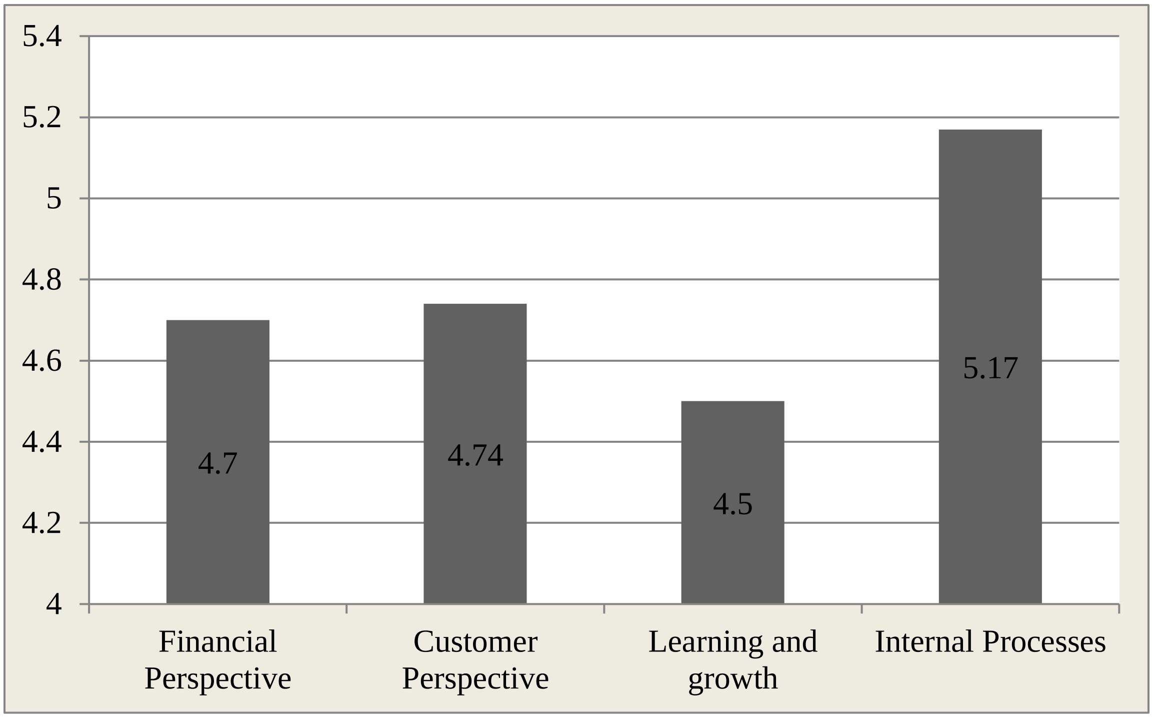
As shown in Figure 4.8, organizing in our corporation ensures higher level of efficiency had a mean of 5.17 with a standard deviation of 1.426. This finding is in line with Barrier (2003) that organizing as the work a manager performs to arrange and relate work so that it can be performed effectively by people and contribute to the company by accomplishing its objectives.

The respondents indicated that state owned corporations in Kenya incorporate a wide of organizational learning practices. The organizational learning practices that have been identified by respondents are: dialogue and inquiry, staff empowerment, training and development, continuous learning, mentorship, regular communication, knowledge-based management, discussion and reflection, and skills development.

The respondents also indicated that forecasting and anticipation of challenges and as well as opportunities is also part of the process of effective management and they develop the strategies that increase the corporation's capacity in productivity.

The balanced scored card on organizing is indicated in Figure 4.9.

Figure 4.9: Balanced Scored Card on Organizing



From the findings, financial perspective of organizing had a mean of 4.7, customer perspective had 4.74, learning and growth had 4.5 and internal processes had 5.17. This infers that internal processes played a crucial role during organizing in the organization.

4.2.4 Controlling

The study conducted a cross tabulation on controlling and general information of the respondents. The findings are illustrated in the Table 4.12

Table 4.12: Perception on Influence of Controlling on Organization Performance

Potential Factor	Controlling affect organizational performance (%)					
Gender	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly Agree	Total
Male	4.9	16.4	23.0	24.6	31.1	100
Female	6.4	40.4	14.9	23.4	14.9	100
Education level						
Diploma	36.4	-	-	18.2	45.5	100
HN Diploma	13.3	20.0	6.7	26.7	33.3	100
First Degree	-	35.0	20.0	30.0	15.0	100
Masters	-	28.6	28.6	19.0	23.8	100
Years worked in the state-owned corporation						
1- 4years	-	22.7	18.2	31.8	27.3	100
4-8 years	-	25.6	32.6	18.6	23.3	100
8- 12 years	-	28.6	14.3	33.3	23.8	100
12 years and above	27.3	31.8	-	18.2	22.7	100
Years worked for state owned corporations						
1- 4 years	-	-	33.3	55.6	11.1	100
5-8 years	-	26.1	34.8	21.7	17.4	100
9- 12 years	-	45.2	12.9	19.4	22.6	100
Above 12 years	13.3	20.0	13.3	22.2	31.1	100
Total	**5.6**	**26.9**	**19.4**	**24.1**	**24.1**	**100**

Respondents were asked to indicate the extent to which they agreed that controlling influence organization performance. In this regard, those who agreed were equal to those who strongly agreed at 24.1%. An additional 19.4% slightly agreed. Nonetheless, 26.9% were undecided while the rest 5.6% slightly disagreed. In terms of gender, 40.4% of the women were undecided, 23.4% agreed while an additional 14.9% strongly agreed. In contrast, 31.1% of men strongly agreed, 24.6% agreed while 23.0% slightly agreed.

Only 16.4% of men were undecided. Education-wise, most of those who had a diploma slightly strongly agreed (45.5%) which was also the case for those who had a HN Diploma (33.3%). In contrast, 35.0% of those with a first degree were undecided while 30.0% of them agreed. For those who had masters, 28.6% agreed while an equal number was undecided.

4.3.4.1 Factor Analysis

The study carried out factor analysis on the effect of controlling on organizational performance. The findings are shown below in Table 4.13.

4.3.4.1.1 Communality

Communality in factor analysis indicates the total influence on a single observed variable from all the factors associated with it. In other words, it shows how much of the variance in the variables has been accounted for by the extracted factors. It is equal to the sum of all the squared factor loadings for all the factors related to the observed variable. In this regard, the major communalities for controlling are as indicated in the table 4.13.

Table 4.13: Communalities on Controlling

	Initial	Extraction
a) Effective controls promote better utilization of corporate resources	1.000	.781
b) Controlling clearly identifies responsible officers for each function for optimal corporate performance	1.000	.738
c) Controlling checks mistakes in an effort to improve performance	1.000	.719
d) Controlling in our corporation ensures employees are disciplined	1.000	.688
e) Adequate controls are in place on resource utilization	1.000	.684
f) Values are communicated to all to internalize	1.000	.681
g) Our corporation controls the skills and experience of its staff through proper remuneration	1.000	.666
h) There is a management control system to manage activity flow for optimal performance	1.000	.651
i) Controlling ensures adherence to the set standards	1.000	.650
j) Controlling promoting common values or themes	1.000	.610
k) The management control systems detect and corrects deviations on time manner	1.000	.605
l) Control as a function aims at motivating employees to perform well	1.000	.595
m) Controlling ensures that high quality products and services are delivered to customers	1.000	.561
n) There are adequate controls on the knowledge generated in our corporations	1.000	.539
o) The controls in place reduce misappropriation on resources	1.000	.525
Our control system establishes performance standards we must abide by	1.000	.507

From the finding, effective controls promote better utilization of corporate resources had the highest communality of 78.1% while control system establishes performance standards, they must abide by had the lowest communality of 50.7%.

Table 4.14: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.922	12.014	12.014	1.922	12.014	12.014
2	1.798	11.235	23.249	1.798	11.235	23.249
3	1.583	9.891	33.140	1.583	9.891	33.140
4	1.415	8.841	41.982	1.415	8.841	41.982
5	1.234	7.710	49.692	1.234	7.710	49.692
6	1.184	7.402	57.094	1.184	7.402	57.094
7	1.062	6.638	63.732	1.062	6.638	63.732
8	.861	5.381	69.113			
9	.815	5.095	74.207			
10	.762	4.761	78.968			
11	.748	4.677	83.646			
12	.678	4.239	87.884			
13	.587	3.669	91.553			
14	.541	3.378	94.931			
15	.412	2.572	97.503			
16	.400	2.497	100.000			

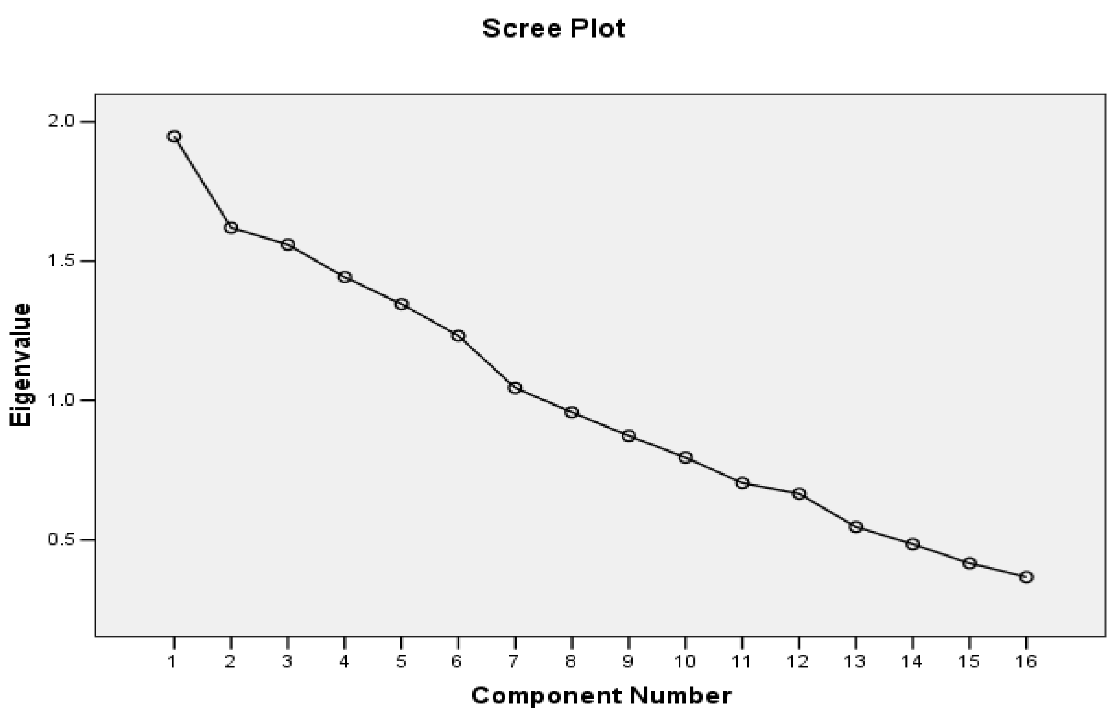
The Total Variance Explained as illustrated in Table 4.14 implies that components 1 to 7 should are the ones to focus on as indicated by their high Eigen values. This indicates their great contribution compared with the others. However, some elements of controlling were eliminated although they are important in controlling performance.

Among these are: reporting structuring allowing decision making and ability of organizing in promoting innovations at different level as depicted by the communality of 0.614 and 0.597 respectively.

4.3.4.1.2 Scree Plot for Aspects of Controlling

The scree plot is a graph of the eigen values against all the factors considered. The graph was useful for determining how many factors on controlling to retain. The point of interest is where the curve starts to flatten (the Elbow) and where the eigen value is below 1.

Figure 4.10: Scree plot for aspects of controlling



The scree plot for controlling indicates that the curve begins to flatten between factors 3 and 4. It is also apparent from the curve that factor 8onwards have an eigenvalue of less than 1, so only seven components (1, 2,3,4,5,6 and 7) should be retained. This means that the seven main components in controlling have the greatest contribution while the rest contributes little.

The statements that have been shown to have a high bearing on controlling function are; Effective controls promote better utilization of corporate resources, clearly identifies responsible officers for each function for optimal corporate performance, checks mistakes in an effort to improve performance, ensures employees are disciplined, controls the skills and experience of its staff through proper remuneration and management controls systems to manage activity flow for optimal performance. The statements that were highly rated explain more on employee motivation and performance as compared to controls on systems and processes.

4.3.4.1.3 Mean and Standard Deviation

The respondents were required to indicate the extent of agreement on the effect of controlling on organizational performance. A Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= slightly disagree; 4= undecided; 5= Slightly Agree; 6=Agree; 7= Strongly Agree was used. Mean and standard deviation were calculated for ease of interpretation and generalization of findings.

Table 4.15: Perspectives on Controlling

Financial Perspectives	**Mean**	**Std. Deviation**
The controls in place reduce misappropriation on resources	3.56	2.243
Effective controls promote better utilization of corporate resources	4.87	1.669
Customer Perspective		
Controlling ensures that high quality products and services are delivered to customers	5.00	1.974
Learning and Growth		
There are adequate controls on the knowledge generated in our corporations	4.22	1.920
Our corporation controls the skills and experience of its staff through proper remuneration	4.95	1.901
Internal Processes		
There is a management control system to manage activity flow for optimal performance	5.33	1.440
The management control systems detect and corrects deviations on time manner	4.72	1.717
Controlling in our corporation ensures employees are disciplined	3.92	2.003
Values are communicated to all to internalize	4.89	1.701

a) Financial Perspectives on Controlling

As shown in Table 4.15, the controls in place reduce misappropriation on resources had a mean of 3.56 with a standard deviation of 2.243. The respondents slightly disagree with the statement which disagree with Domnisoru *et* al. (2010) that management has the charge of an adequate control meant to set its objectives, to apply its mechanisms, to monitor and evaluate it.

Effective controls promote better utilization of corporate resources had a mean of 4.87 with a standard deviation of 1.669. This finding is consistent with Andrews, et al (2009) that the steps to effective controlling is: setting performance standards; measurement of actual performance; comparison of actual performance with standards; analysis of deviations and finally taking corrective action.

b) Customer Perspective on Controlling

From the responses in Table 4.15, controlling ensures that high quality products and services are delivered to customers had a mean of 5.00 with a standard deviation of 1.9746. This is in agreement with Ho *et* al. (2011) that organizations with good and tight control systems are effective in both productivity and quality performance than those without.

c) Learning and Growth on Controlling

From the finding in Table 4.15, there are adequate controls on the knowledge generated in our corporations had a mean of 4.22 with a standard deviation of 1.92. The respondents agreed with the statement which concurs with Pujari (2015) that management control as the process to be adopted in order to complete the function of controlling. Corporation controls the skills and experience of its staff through proper remuneration had a mean of 4.95 with a standard deviation of 1.901. This concurs with Oyj (2009) that every manager and employee understand the specific actions required of him/her to achieve organizational goals; communicate the results of actions across the organization and finally ensures that the management control system adjusts to environmental changes.

c) Internal Processes on Controlling

From the responses, there is a management control system to manage activity flow for optimal performance had a mean of 5.33 with a standard deviation of 1.440. The respondents were in agreement with the statement which is in line with Tulvinschi (2010) that controlling is a must for enhancing business performance and enhancing competitive advantage.

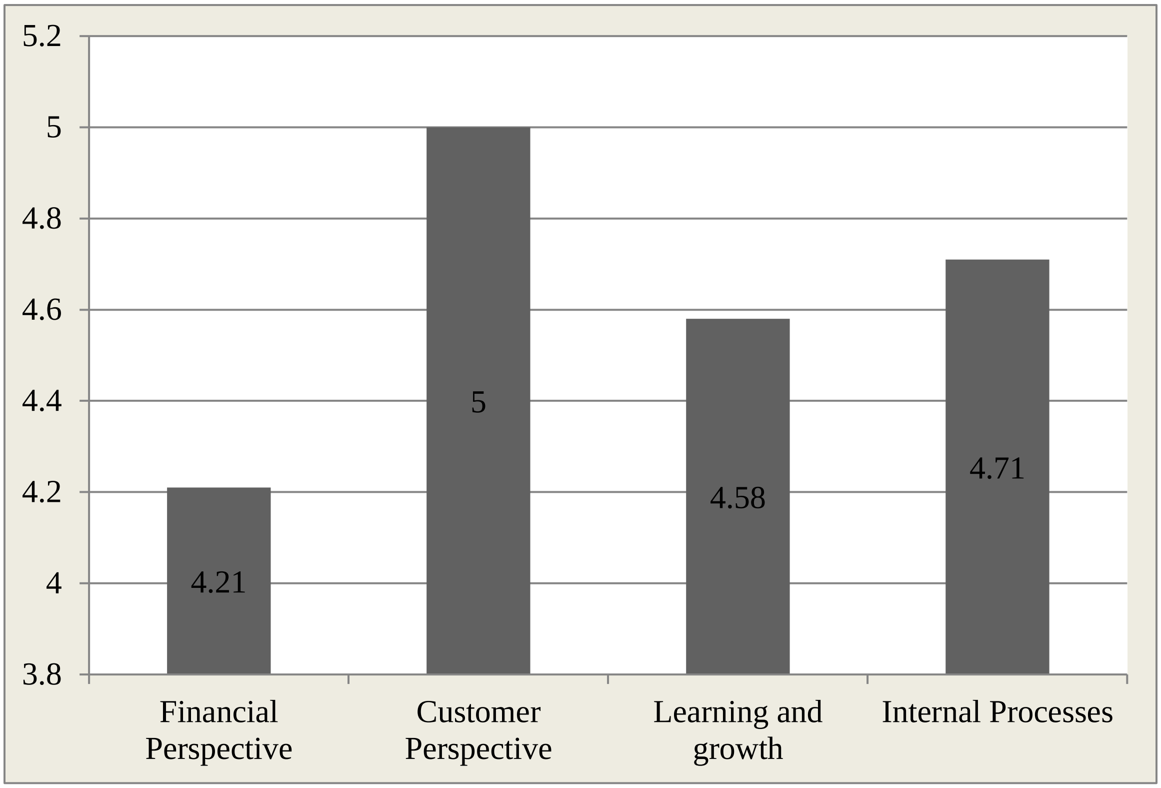
The management control systems detect and correct deviations on time manner had a mean of 4.72 with a standard deviation of 1.717. The respondents were in agreement with Karamat (2013) that control ensures complete correctness of organizational activities by verifying whether everything is going according to plan, the organization knows exactly whether the activities being carried out are in accordance with organization objectives.

Controlling in our corporation ensures employees are disciplined had a mean of 3.92 with a standard deviation of 2.003. The respondents slightly disagree which concurs with Xenikou and Simosi (2006) that the objective of control as a concept and process is to help motivate and direct employees in their roles.

Values are communicated to all to internalize had a mean of 4.89 with a standard deviation of 1.701. This is consistent with Pujari (2015) that with implementing controlling, all the undesirable activities like theft, absenteeism, lateness corruption, delays in handing in or finishing work and uncooperative attitude are checked.

The balanced scored card on controlling is shown in Figure 4.10.

Figure 4.11: Balanced Scored Card on Controlling



The study found out that financial perspective of controlling had a mean of 4.21, customer perspective had 5, learning and growth had 4.58 and internal processes had 4.71. It can therefore be deduced that customer perspective played an important role in controlling function of the organization. The customer perspective has been rated with a high mean whereas the statements that were picked as explaining the customer perspective are two. This is a contrast to the practice of having customer perspective tools like having a service charter and conducting a customer satisfaction survey.

4.3 Comparative Analysis of Objectives and Organizational Performance

Respondents were required to indicate the extent of agreement with various statements on organizational performance at state owned corporations in Kenya.

A Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree was used. Mean and standard deviation were calculated for ease of interpretation and generalization of findings.

Table 4.16: Organizational Performance

	Mean	**Std. Dev**
There is clarity of performance requirements	5.00	1.519
Our Corporation delivers on its service charter	5.01	1.540
Our Corporation spends within its financial budget	4.98	1.509
Our corporation has a good image due to good employer/employee/union relationship	4.47	1.737
The revenues collected by organization is adequate to sustain our operations	5.28	1.606

From the finding of table 4.16, there is clarity of performance requirements had a mean of 5.00 with a standard deviation of 1.519. The respondents agreed with the statement which concurs with Lebans and Euske (2006) that the concept of organizational performance is a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results.

Corporation delivers on its service charter had a mean of 5.01 with a standard deviation of 1.54 and this concurs with Buede (2011) that a process is basically a series of functions or activities within an organization that work together for the aim of the organization. Corporation spends within its financial budget had a mean of 4.98 with a standard deviation of 1.509.

The respondents agreed with the statement which concurs with Daft (2010) who defined organizational performance as the ability of an organization to utilize its resources which include knowledge, people, and raw materials to achieve organizational goals in effective and efficient way.

Corporation has a good image due to good employer/employee/union relationship had a mean of 4.47 with a standard deviation of 1.737 and this finding is in agreement with Ojokuku *et* al. (2012) that leadership styles are key determinants of the success or failure of any organization and leadership is life blood of any organization and its importance cannot be underestimated.

The revenues collected by organization is adequate to sustain our operations had a mean of 5.28 with a standard deviation of 1.606. The respondents were in agreement with the statement which is contrary to Suarez, Lesneski & Denison (2011) that an organization is considered successful when there is a growth in its revenue over a period of time; decline in revenue generated in an organization is a sign that the firm is not performing as well as expected.

Table 4.17: Communalities on Organizational Performance

	Initial	Extraction
There is clarity of performance requirements	1.000	.721
The revenues collected by organization is adequate to sustain our operations	1.000	.690
Our Corporation delivers on its service charter	1.000	.651
Our corporation has a good image due to good employer/employee/union relationship	1.000	.612
Our Corporation spends within its financial budget	1.000	.599
Our organization is able to translate strategy into measurable parameters	1.000	.598
Our organization ensures the alignment of individual goals with the firm's strategic objectives	1.000	.575
Our Corporation evaluates the firm's efforts for future improvement using the scorecard	1.000	.566
Our organization is able to create value by integrating contiguous processes in the industry value chain	1.000	.542
Economies of scale are created by sharing the systems, facilities and personnel in critical support processes	1.000	.541
Our corporation communicates its strategy to stakeholders	1.000	.508
Our organization is assured of feedback of implementation of results to the strategic planning process	1.000	.241

From the finding of table 4.18, there is clarity of performance requirements had the highest communality of 72.1% while organization is assured of feedback of implementation of results to the strategic planning process had the lowest communality of 24.1%.

Table 4.18: Total Variance Explained (Organizational Performance)

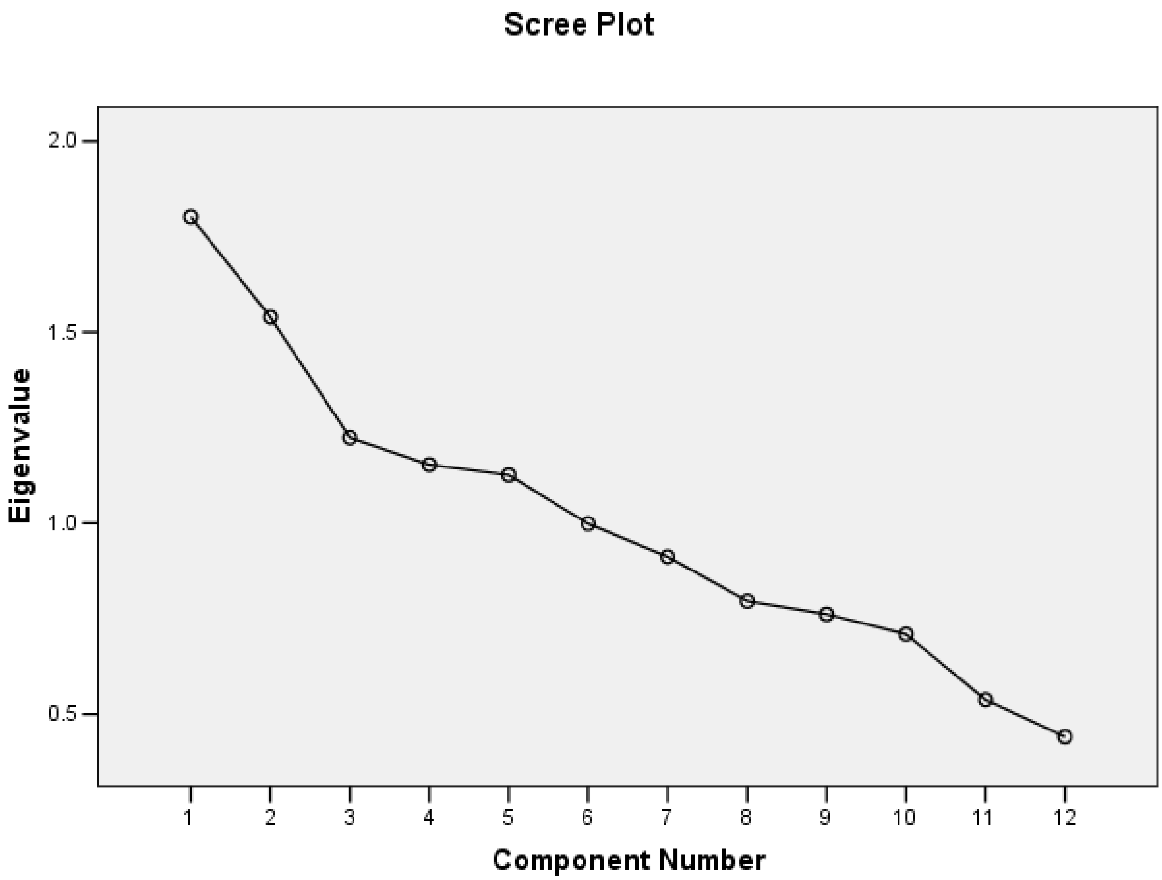
Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.801	15.012	15.012	1.801	15.012	15.012
2	1.539	12.826	27.839	1.539	12.826	27.839
3	1.224	10.198	38.037	1.224	10.198	38.037
4	1.153	9.609	47.646	1.153	9.609	47.646
5	1.126	9.382	57.028	1.126	9.382	57.028
6	.999	8.321	65.349			
7	.912	7.601	72.950			
8	.796	6.635	79.585			
9	.762	6.347	85.932			
10	.709	5.911	91.843			
11	.538	4.481	96.325			
12	.441	3.675	100.000			

The Total Variance Explained as illustrated in Table 4.18 implies that components 1 to 5 are the ones to focus on as indicated by their high Eigen values. This indicates their great contribution compared with the others.

4.3.1 Scree Plot

The scree plot is a graph of the eigen values against all the factors considered. The graph was useful for determining how many factors on performance to retain. The point of interest is where the curve starts to flatten (the Elbow) and where the eigen value is below.

Figure 4.12: Scree Plot



The scree plot for performance indicates that the curve begins to flatten between factors 3 and 4. It is also apparent from the curve that factor 6 onwards have an eigenvalue of less than 1, so only five components (1, 2,3,4 and 5) should be retained. This means that the five main components in performance have the greatest contribution while the rest contributes little.

4.3.2 Communality

Communality in factor analysis indicates the total influence on a single observed variable from all the factors associated with it. In other words, it shows how much of the variance in the variables has been accounted for by the extracted factors.

It is equal to the sum of all the squared factor loadings for all the factors related to the observed variable. In this regard, the major communalities for performance are as indicated in the table below.

Table 4.19: Major communalities for organizational performance

Variable	Statement (for the Variable)	Initial	Extraction
PE4	Our Corporation spends within its financial budget	1	0.768
PE1	There is clarity of performance requirements	1	0.679
PE3	Our Corporation delivers on its service charter	1	0.663
PE7	The revenues collected by organization is adequate to sustain our operations	1	0.640
PE5	Our corporation has a good image due to good employer/employee/union relationship	1	0.618

**Extraction Method: Principal Component Analysis.

The findings indicate that the most influential component for performance was PE4 (Our Corporation spends within its financial budget) with a communality of 0.768. This means that 76.8% of any change in PE4 was accounted for by the extracted factors. The other two influential components for performance were: PE1 (There is clarity of performance requirements) and PE3 (Our Corporation delivers on its service charter) with communalities of 0.679 and 0.663 respectively. This means that the extracted factors in performance influenced 67.9% and 66.3% of the changes in PE1 and PE3 respectively.

4.3.3 Standard Deviation and Mean

The findings of the overall descriptive statistics are as shown in Table 4.20.

Table 4.20: Mean and standard deviation for the objectives comparatively

Objectives	Leading	Planning	Organizing	Controlling
Mean	4.65	4.55	4.69	4.61
Std Dev	1.80	1.81	1.71	1.84

A comparative analysis of the mean and standard deviation of the four objectives implies that organizing has the greatest influence on organizational performance as indicated by its highest mean of 4.69 and a standard deviation of 1.71. This is followed by leading, controlling and planning in that order as indicated by the respective mean for each of these functions.

4.3.4 Inferential Statistics

This section will be based on correlation analysis, regression coefficient of determination (R2) as well as the analysis of variance (ANOVA). The section also addresses the regression model by use of Beta coefficients.

4.3.5 Correlation Analysis

Variable relationship was based on Pearson correlation coefficient (r). This helped to show the relationship between all the variables under study.

Table 4.21: Correlation matrix

		Performance	Planning	Organizing	Leading	Controlling
Pearson Correlation	Performance	1	-0.0924	-0.0108	-0.0264	0.23173
	Planning	-0.0924	1	0.22133	0.17811	0.00151
	Organizing	-0.0108	0.22133	1	-0.1531	-0.034
	Leading	-0.0264	0.17811	-0.1531	1	0.13542
	Controlling	0.2317	0.00151	-0.034	0.13542	1
Sig. (1-tailed)	Performance	.	0.17076	0.45599	0.393	0.00791
	Planning	0.17076	.	0.01067	0.03257	0.49382
	Organizing	0.45599	0.01067	.	0.05681	0.36328
	Leading	0.393	0.03257	0.05681	.	0.08115
	Controlling	0.00791	0.49382	0.36328	0.08115	.
N	Performance	108	108	108	108	108
	Planning	108	108	108	108	108
	Organizing	108	108	108	108	108
	Leading	108	108	108	108	108
	Controlling	108	108	108	108	108

Correlation analysis indicated that planning, organizing and leading were negatively correlated with performance. The highest negative correlation was between planning and performance ($r =–0.0924$) although it was a weak negative correlation. There was also a weak negative correlation between organizing and performance ($r =–0.0108$). Similarly, a weak negative correlation was noted between leading and performance ($r =–0.0264$). Nonetheless, there was a weak positive correlation between controlling and performance ($r = 0.2317$).

Correlation in the opposite direction is called a negative correlation. Negative correlation is a relationship between two variables in which one variable increases as the other decreases, and vice versa. A negative correlation indicates that high values on one variable are associated with low values on the next. It means that higher values on the independent variable are associated with lower values on dependent variable.

The weak correlation could be as a result of the outcome of data where the respondents were strongly aware of one function being line managers more than others. The functions were treated as stand-alone. It could be deduced that managers are not aware of the other functions in their organizations apart from what they do i.e. most managers are operational not leaders.

4.3.6 Regression Coefficient of determination

Through regression analysis, the Coefficient of determination (R square) was used to show the extent to which any change in dependent variable was explained by the independent variables collectively.

Table 4.22: Coefficient of determination on organizational performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.25337	0.0642	0.02785	0.75686

From the findings, R square was 0.0642 which indicates that Controlling, Planning, Leading, organizing collectively influence approximately 6.42% of the change in performance in state corporations. The rest of the changes (that is 93.58%) in performance in state corporations is caused by other factors except Controlling, Planning, Leading and Organizing.

4.3.7 Analysis of Variance (ANOVA)

Table 4.23 shows the ANOVA which helps depict the relationship in study variables between and within the measure of the dependent variable. It reflects the magnitude the model has on the data compared to those that are not considered in the model (residual).

Table 4.23: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.0475	4	1.01188	1.76642	0.14129
Residual	59.0025	103	0.57284		
Total	63.05	107			

According to the ANOVA results in Table 4.23, the probability value for the regression model was 0.141 implying that the model was significant at 95% confidence level. The overall goodness of fit can be summarized by calculating the fraction of total variance explained by the fit which is presented by the R square. Since the level of significance was 0.141, and $F_{Calculated}$ (1.766) was greater than $F_{Critical}$ (1.337) it implies that there was no goodness of fit of the model.

4.3.8 Beta-Coefficients

In determining the relationship between the dependent variable (organizational performance) and the independent variables (Controlling, Planning, Leading, Organizing) the standardized Beta coefficients generated from regression analysis guided the development of the model. The results are as indicated in the table 4.24.

Table 4.24: Coefficients of management functions in influencing performance

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	4.521	0.867		5.214	.000
Planning	-0.105	0.120	-0.088	-0.875	.384
Organizing	0.013	0.125	0.010	0.104	.917
Leading	-0.030	0.073	-0.041	-0.415	.679
Controlling	0.211	0.085	-0.238	2.471	.015

Dependent Variable: Performance

From the standardized Beta coefficients generated from regression analysis, the model was therefore estimated as: $\mathbf{Y= 4.521- 0.088\ X_1 + 0.010\ X_2- 0.041\ X_3- 0.238\ X_4+ \varepsilon}$

Where Y= Performance

X_1= Planning

X_2= organizing

X_3= leading

X_4= controlling

Performance of state corporations was expressed as a function of planning, organizing, leading as well as controlling. To achieve standardized coefficients, all the variables were analyzed using regression tools. From the regression coefficients, the study found that a change in one a unit of planning decreases performance in state corporations by 0.088 units while a change in one a unit of organizing increases performance in state corporations by 0.010 units. the other hand, a change in one a unit of leading decreases performance in state corporations by 0.041 units while a change in one a unit of controlling increases performance in state corporations by 0.238 units.

The regression constant was 4.521 which means that if Controlling, Planning, Leading and Organizing are held constant (at zero); in other words, if they are absent in state corporations, performance of these corporations would be 4.521 out of 7.

This means that a major portion of performance in the state corporations is determined by other factors which affirm the low value of R squared (0.0642). While management functions examined are expected to enhance an organization's performance, the findings indicate that the management functions considered in state corporations are poorly executed as reflected by their low influence on performance of these corporations. The negative coefficients for most of the functions as indicated in the regression model imply that the functions in their current situation undermine performance of these corporations.

4.4 Determinants of Organizational Management

To establish the specific determinants of organizational management in the state corporations, the mean rating for the different aspects for each management function was used. A Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= slightly disagree; 4= undecided; 5= Slightly Agree; 6=Agree; 7= Strongly Agree was used. As such, to filter out the critical aspects for each function, the aspects with a mean of 4.5 and above (which was the boundary for 'Agree') were selected.

4.4.1 Leading

Findings indicate that for leading to be effective, it is critical that there be a clear vision and purpose for the organization (Mean = 4.78; Std Dev= 1.43).

Even more important is the ability of leaders to clarify and gain consensus on the vision and mission of the organization is the most critical aspect as it recorded the highest mean of5.08 with a standard deviation of1.65. It is also apparent that leaders should scrutinize corporation expenditures (Mean = 4.91; Std Dev= 1.875) and they should be able to mentor juniors (Mean = 4.77; Std Dev= 1.648).

4.4.2 Planning

Pertaining to the planning function, strategic planning has been identified as fundamental due to its ability to reduce operating costs in the corporation (Mean = 5.50; Std Dev= 1.06).It is also clear from the findings that strategic planning in the corporation improves the standard of systems and technology (Mean = 5.15; Std Dev= 1.65).Findings also indicate that planning for the corporation is able to identify risks and their mitigations (Mean = 4.97; Std Dev= 1.53).Moreover, planning should ensure that it is able to improve on-time deliveries to the customers (Mean = 4.75; Std Dev= 2.06).

4.4.3 Organizing

On the organizing function, findings indicate that the most vital aspect is its ability to align processes in the right departments (Mean = 5.34; Std Dev= 1.26). Again, organizing must not only ensure that knowledge in the organization is well shared among employees for optimal performance (Mean = 5.21; Std Dev= 1.50), but also must ensure constant availability of goods and services to the customers (Mean = 5.12; Std Dev= 2.40).it is also critical that strategic business units be used to ensure higher customer satisfaction;

(Mean = 5.04; Std Dev= 1.35).Organizing should also reflect a higher level of efficiency (Mean = 5.17; Std Dev= 1.43).

4.4.4 Controlling

With regard to controlling, the management should have control systems to manage activity flow for optimal performance (Mean = 5.33; Std Dev= 1.44). In addition, it should ensure that high quality products and services are delivered to customers (Mean = 5.00; Std Dev= 1.97). Findings also indicate that the corporation should control the skills and experience of its staff through proper remuneration(Mean = 4.95; Std Dev= 1.90) and see to it that values are communicated to all to internalize(Mean = 4.89; Std Dev= 1.70).There also needs to be effective controls that promote better utilization of corporate resources(Mean = 4.87; Std Dev= 1.67); while at the same time, the control systems should detect and correct deviations on time manner(Mean = 4.72; Std Dev= 1.72).

From Figure 4.2, leaders clarify and gain consensus on the vision and mission of the organization had a mean of 5.08 with a standard deviation of 1.65. From Figure 4.3, strategic planning reduces operating costs. This had a mean of 5.50 with a standard deviation of 1.06. From Table 4.14, organizing in our state corporation aligns processes in the right departments. In view of Table 4.18, there is a management control system to manage activity flow for optimal performance.

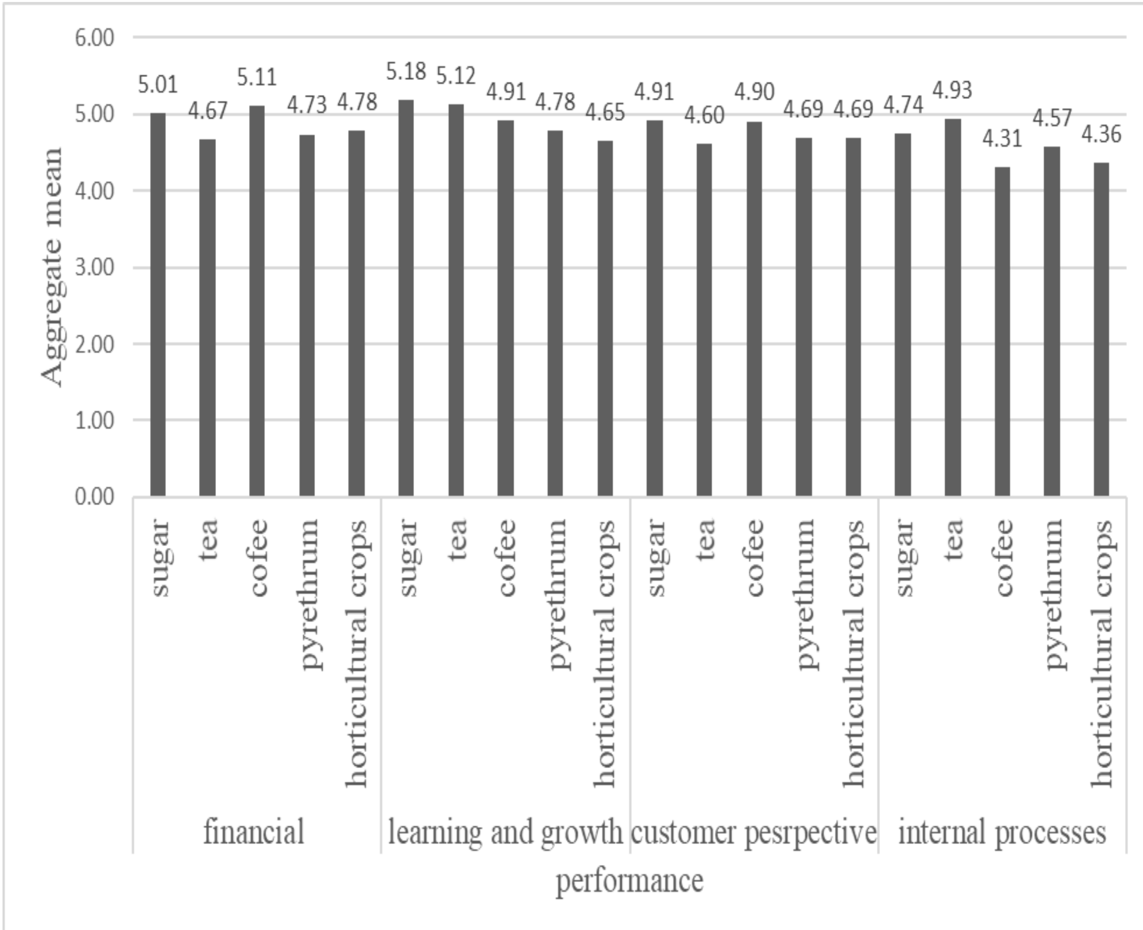
4.5 Overall Sectorial Analysis

The researcher carried out the overall sectorial analysis to establish how the five sectors were determined by the performance indicators. The findings on each variable are as presented from the next page.

4.5.1 Sectorial Analysis on Leading

In order to establish the sectorial contributions of leading on performance of Kenyan Agricultural State Owned Corporations findings were analyzed as shown in the Figure 4.13.

Figure 4.13: Sectorial Analysis on Leading

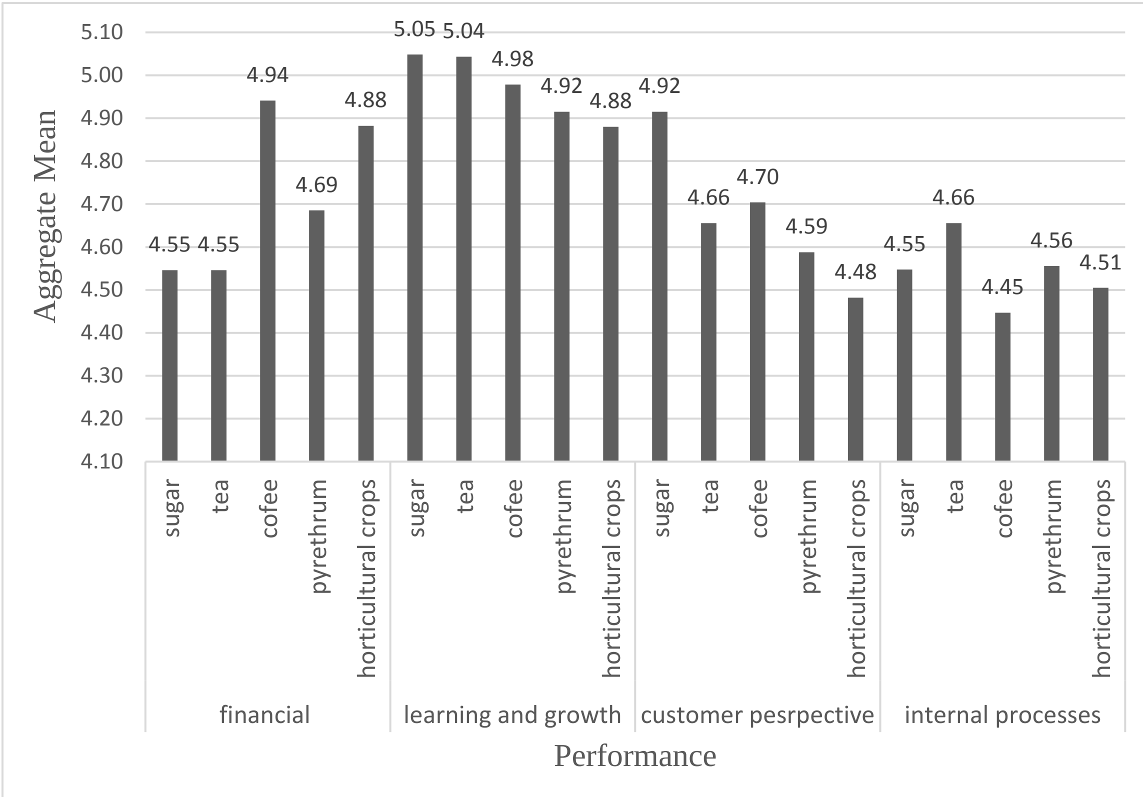


From Figure 4.13, learning and growth perspective had the highest influence on performance followed by financial perspective, then customer perspective and finally internal processes. The findings further show that sugar was highly influenced by performance indicators.

4.5.2 Sectorial Analysis on Planning

Sectorial analysis on planning across the firms reviewed in this study were as shown in the figure 4.14. This was performed with the aim of establishing the contributions of different sectors.

Figure 4.14: Sectorial Analysis on Planning

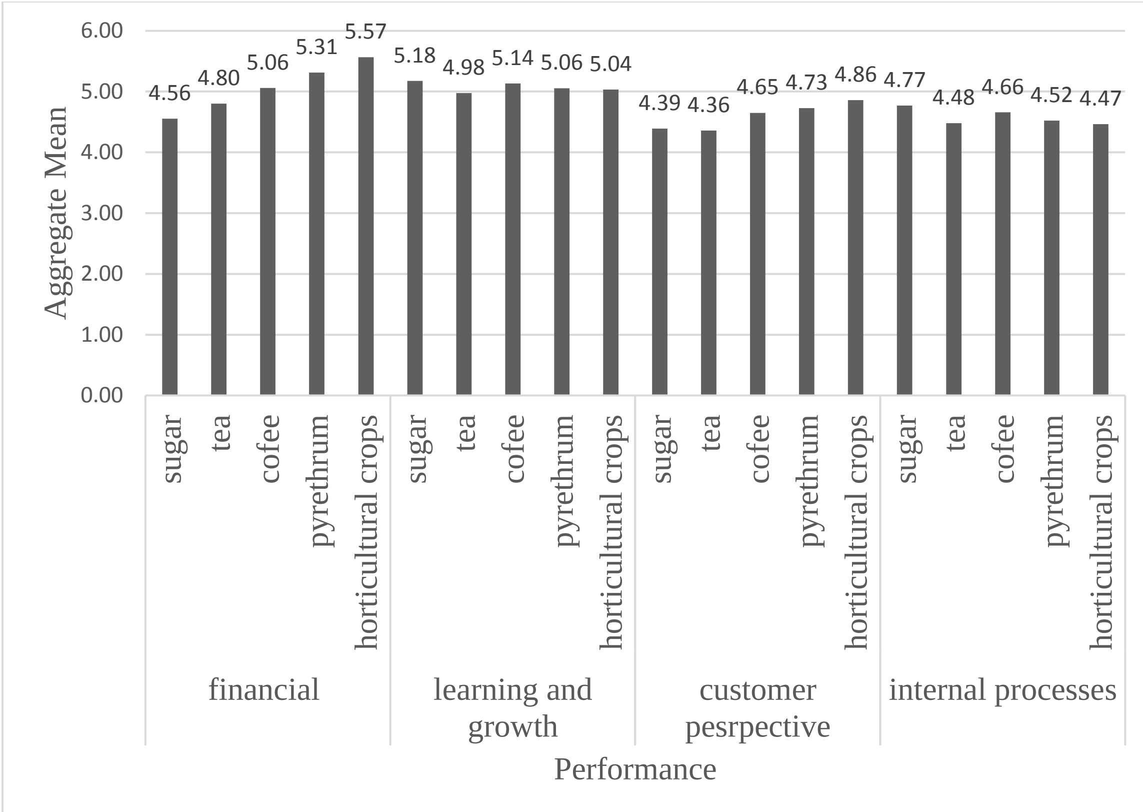


From the findings of the study, performance of state-owned corporations was highly influenced by learning and growth perspective followed by; financial perspective, customer perspective and lastly internal processes. Sugar and tea corporations were highly impacted by the performance indicators as supported by the highest aggregate mean.

4.5.3 Sectorial Analysis on Organizing

Sectorial analysis on organizing function was conducted and the results were as shown in the Figure 4.15.

Figure 4.15: Sectorial Analysis on Organizing

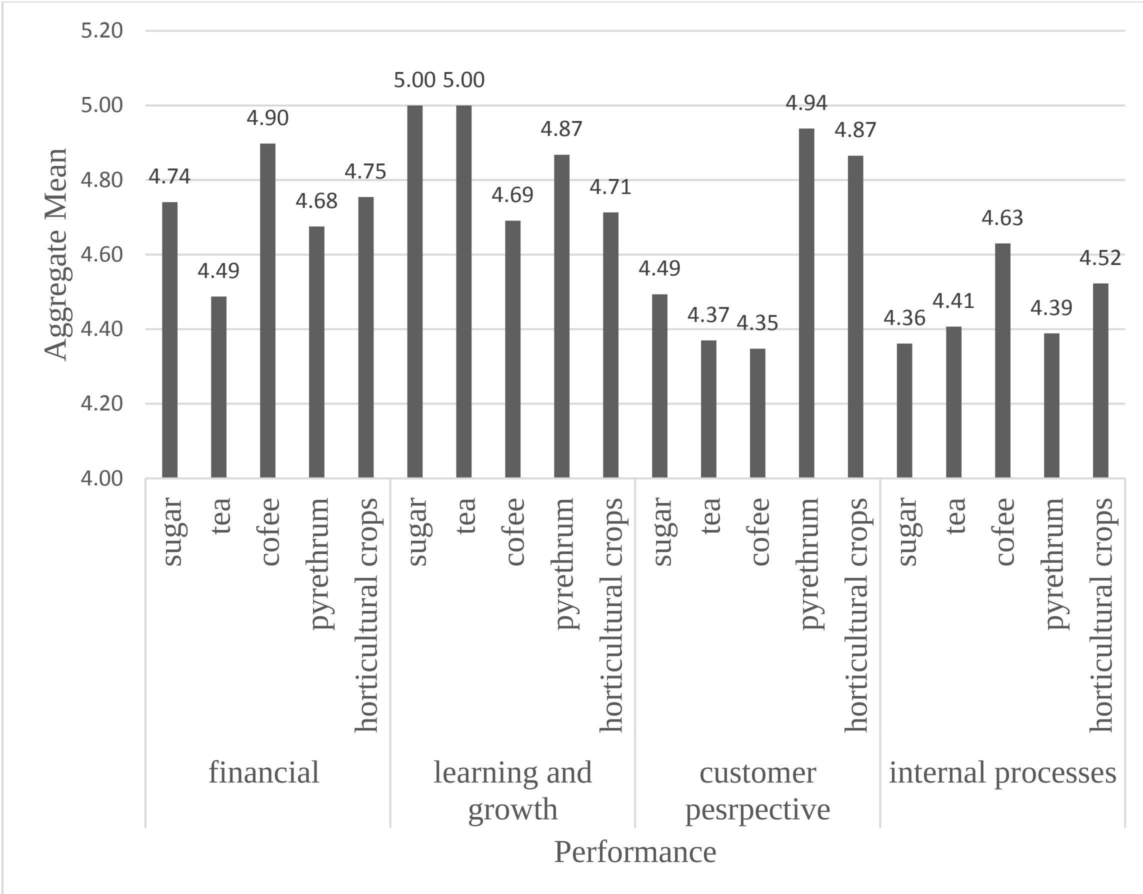


The study shows that the learning and growth perspective had the highest influence on agriculture state owned corporations followed by financial perspective, then customers perspective and lastly internal process perspective. The findings show that all of the agricultural sectors were highly influenced by the performance indicators.

4.5.4 Sectorial Analysis on Controlling

Sectorial analysis findings on controlling function was as shown in Figure 4.15. These shows the level of controlling function and how it was observed in different sectors across the Agricultural State Owned Corporation.

Figure 4.16: Sectorial Analysis on Controlling

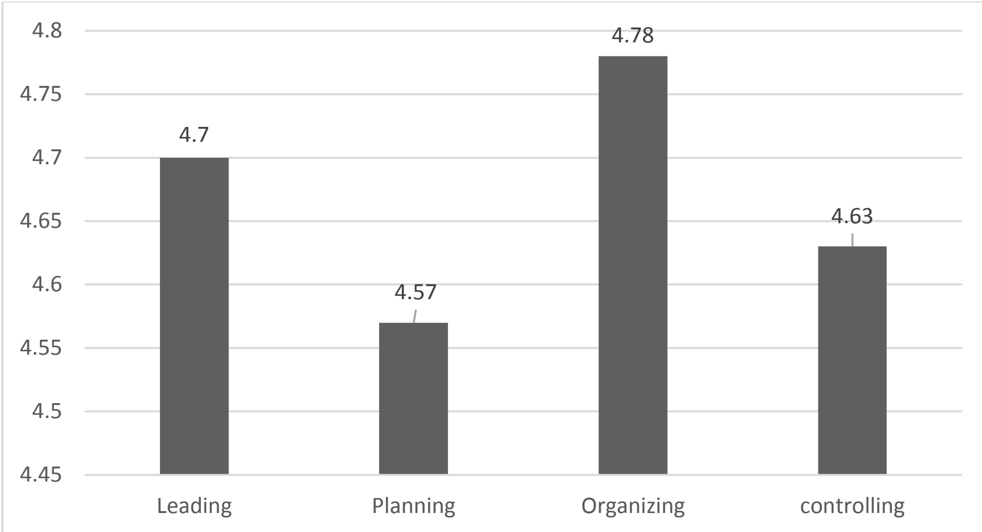


From the findings, learning and growth perspective had the highest influence on performance of state-owned corporations followed by the following perspective; financial perspective, customer perspective and internal process perspective. The study established that all of the sectors were positively influenced.

4.6 Overall Presentation of Management Function

In order to ascertain the management function that had the greatest impact on performance of agricultural state-owned corporations in Kenya, the study computed average of means for each function as shown in the Figure 4.17.

Figure 4.17: Influence of management functions on Performance



From the Figure 4.17, it can be noted that organizing had the greatest impact as indicated by the highest average mean of 4.78 while planning had the least impact with an average mean of 4.57.

4.7 Chapter Summary

The overall conclusion from the study infers that organizing is the most effectively executed management function in the state corporation as implied in the descriptive statistics (mean and standard deviations). However, inferential statistics indicate that controlling has the most bearing on performance of state corporations compared to the other management functions. This is implied by its highest beta coefficient in regression analysis.

It is thus inferred that although it is apparent that management functions (leading, planning, organizing and controlling) can greatly enhance an organization's performance, the management functions in state corporations are poorly executed. In a nutshell, it reflects unhealthy organizational management in the state corporations.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of key findings and draws conclusions from the findings based on the objectives. The Chapter also presents the recommendations made from the findings. The main objective was to establish the influence of management functions on the organizational performance of State-Owned Corporations in Kenya.

5.2 Summary of the Key Findings

Various statements were used to examine the effects of planning, organizing, leading and controlling on organizational performance. This was achieved by having the respondents rate the statements for each variable on a scale of 1-7 with 1 indicating the lowest prevalence and 7 highest prevalence of the implied effect in the statement. Findings were then structured in line with the four perspectives of the Balanced Score Card Model; that is, the financial perspective, the customer perspective, the internal process perspective, and the learning and growth perspective. In summary, the findings were as presented in sections 5.2.1 through 5.2.4.

5.2.1 Effects of Planning

Rating on the influence of planning on organizational performance from the financial perspective, indicated that strategic planning reduces operating costs (mean of 5.50 and a standard deviation of 1.063).

From the customers' perspective, planning helps improve on-time deliveries to customers had a mean of 4.75 with a standard deviation of 2.055. Effective planning also enhances employee remuneration hence increased motivation (mean of 4.32 and a standard deviation of 1.951). On the learning and growth perspective, strategic planning ensures appropriate transfer of knowledge among employees (mean of 4.64 and a standard deviation of 1.687). From the internal process perspective, Planning for the corporation is a tool to identify risks and their mitigations (mean of 4.97 and a standard deviation of 1.525). Strategic planning in the corporation also improves the standard of systems and technology (mean of 5.15 and a standard deviation of 1.652).

The respondents indicated that the most critical factors encountered in planning process is environmental turbulence/uncertainty and availability of resources whereas the least critical factors are resistance to change and organizational culture. When asked to indicate the extent to which they agreed that planning influence organization performance, 8.3% of them agreed while another 21.3% strongly agreed. An additional 38.0% slightly agreed. Even so, 20.4% were undecided. Pertaining to the organizing function, the factor loadings from factor analysis reflected the major indicators as: High efficiency and proper record keeping; Employees training and strategic business units; Departmentalization and performance tracking as well as Timely decisions and physical access to goods/services.

Correlation analysis indicated a weak negative correlation of –0.0924 between planning and performance in the state corporations.

Regression analysis indicated that a change in one a unit of planning in the state corporations decreases performance in state corporations by 0.088 units.

5.2.2 Effects of Organizing

Rating on the influence of organizing on organizational performance from the financial perspective, indicated that organizing in State Corporation aligns processes in the right departments (mean of 5.34 and a standard deviation of 1.261). Moreover, organizing in strategic business units makes it easy to track performance of each business function (mean of 4.77 and a standard deviation of 1.871). From the customers' perspective, organizing functions in strategic business units ensures higher customer satisfaction (mean of 5.04 and a standard deviation of 1.349).

In addition, adequate organization in the corporation ensures constant availability of goods and services to the customers (mean of 5.12 and standard deviation of 2.398). On the learning and growth perspective, organizing ensures knowledge in the organization is well shared among employees for optimal performance (mean of 4.68 and a standard deviation of 1.580). From the internal process perspective, organizing in the corporations ensures higher level of efficiency (mean of 5.17 and a standard deviation of 1.426).

When asked to indicate the extent to which they agreed that organizing influenced organization performance, 16.7% of them agreed while another 23.1% strongly agreed. An additional 9.3% slightly agreed. Even so, 25.9% slightly disagreed while 13.9% were undecided.

Pertaining to the organizing function, the factor loadings from factor analysis reflected the major indicators as: High efficiency and proper record keeping; Employees training and strategic business units; Departmentalization and performance tracking as well as Timely decisions and physical access to goods/services.Correlation analysis indicated a weak negative correlation of =–0.0108 between organizing and performance in the state corporations. Regression analysis indicated that a change in one a unit of organizing in the state corporations increases performance in state corporations by 0.010 units.

5.2.3 Effects of Leading

Rating on the influence of leading on organizational performance from the financial perspective, indicated that there is a clear vision and purpose for the organization (mean of 4.78 and a standard deviation of 1.434). It also emerged that leaders in the corporation strive to keep the operational costs low (mean of 4.66 and a standard deviation of 1.663). Furthermore, leaders scrutinize corporation expenditures (mean of 4.91 and a standard deviation of 1.895). From the customers' perspective, leaders encourage stakeholder involvement to enhance growth (mean of 4.53 and a standard deviation of 2.070). On the learning and growth perspective, leaders are good at mentoring juniors (mean of 4.77 and a standard deviation of 1.648). From the internal process perspective, leaders clarify and gain consensus on the vision and mission of the organization (mean of 5.08 and a standard deviation of 1.652).

The respondents indicated that leadership has created a common understanding of the corporation's strategic purpose, and that all employees have a clear view of the direction the company is taking.

Employees have been made to understand the corporation's strategy, how it is being pursued and what their inputs are towards the overall delivery. When asked to indicate the extent to which they agreed that leading influenced organization performance, 25% of them agreed while another 24.1% strongly agreed. Even so, 28.7%were undecided. Pertaining to the leading function, the factor loadings from factor analysis reflected the major indicators as: Accountability and conflict management; Customer retention and stakeholder engagement; Promotion of operational efficiency and innovation; Customer satisfaction and consented vision and mission as well as Low operational costs and clear vision and mission.

Correlation analysis indicated a weak negative correlation of =–0.0264 between leading and performance in the state corporations. Regression analysis indicated that a change in one a unit of leading in the state corporations decreases performance in state corporations by 0.041units.

5.2.4 Effects of Controlling

Rating on the influence of controlling on organizational performance from the financial perspective indicated that, the controls in place reduce misappropriation on resources (mean of 3.56 and a standard deviation of 2.243). Moreover, effective controls promote better utilization of corporate resources (mean of 4.87 and a standard deviation of 1.669). From the customers' perspective, controlling ensures that high quality products and services are delivered to customers (mean of 5.00 and a standard deviation of 1.9746).

On the learning and growth perspective, there are adequate controls on the knowledge generated in the corporation's (mean of 4.22 and a standard deviation of 1.92). Furthermore, the Corporations control the skills and experience of staff through proper remuneration (mean of 4.95 and a standard deviation of 1.901). From the internal process perspective, there are management control systems to manage activity flow for optimal performance (mean of 5.33 and a standard deviation of 1.440). Further, the management control systems detect and correct deviations on time manner (mean of 4.72 and a standard deviation of 1.717). Additionally, values are communicated to all to internalize (mean of 4.89 and a standard deviation of 1.701).

Respondents were asked to indicate the extent to which they agreed that controlling influence organization performance. Those who agreed were equal to those who strongly agreed at 24.1%. An additional 19.4% slightly agreed. Nonetheless, 26.9% were undecided while the rest 5.6% slightly disagreed. With respect to the controlling function, the major indicators as per the factor loadings are: Good utilization of corporate resources; Activity flow and innovation control; Errors detection and common values; Employees' discipline and values internalization as well as Quality products and employee motivation.

Correlation analysis indicated a weak positive correlation of 0.2317 between controlling and performance in the state corporations. Regression analysis indicated that a change in one a unit of controlling in the state corporations increases performance in state corporations by 0.238 units.

5.3 Conclusion

The study findings deduces that all the management functions considered in the study (planning, organizing, leading and controlling) have a bearing on organizational performance of state corporations. Even so, taking into account the Balanced Score Card Model, each function influences different dimensions of the organization performance perspectives differently. That is, some exert a strong influence on a particular perspective and a weak influence on a different perspective. Planning in the state corporations mainly affects organizational performance in the financial perspective and internal processes dimensions. The influence on these perspectives takes the form of reduced operating costs and improved standard of systems and technology respectively, both of which are as a result of strategic planning in these corporations. However, the effect of planning on learning and growth and customer perspectives is relatively weak in the state corporations.

On organizing, it is concluded that it has affected performance of the state corporations in all the four perspectives. The effect on financial perspective is the alignment of processes in the right departments. In the customers' perspective, there is ensured constant availability of goods and services to the customers and strategic business units adopted in organizing ensures higher customer satisfaction. In learning and growth perspective, there is optimal performance resulting from good knowledge sharing among employees due to organizing. On internal processes dimension, organizing in the corporations has ensured higher level of efficiency.

With regard to leading the study infers that, leading has mainly affected the internal processes dimension in the state corporations through clarifying and gaining consensus on the vision and mission of the organization. However, it has not had a major impact on the financial, customers and learning and growth perspective. Regarding the controlling function, the study concludes that controlling mainly affects performance in the customers' perspective and the internal processes dimension. In the customers' perspective, it has ensured that high quality products and services are delivered to customers. On the internal processes, controlling has resulted to management control systems that manage activity flow for optimal performance. Nonetheless, controlling has had a little effect on the financial perspective and learning and growth dimension.

The study confers that strategic planning in state owned corporations defines certain aspects of performance measurement, thereby reducing the possibility that managers allocate resources on the basis of their subjective assessments and feelings, personal ambitions or as some kind of response to certain political pressures. Strategic planning in state corporations' encounters challenges, key among them being environmental turbulence/ uncertainty, availability of resources and government influence. State corporations are equally exposed to strategic risks arising out of government influence often cascaded through the parent ministry.

The study surmises that corporations have achieved learning and growth by improving individual skills through training. Use of open communication channels has enabled managers to use interpersonal skills to communicate to employees. They have also attempted to create a culture conducive for learning by encouraging honest feedback.

In the application and implementation of learning and growth, management support has been one of the main factors that have influenced effective learning from taking place. The study further concludes that Controls help strategic leaders build credibility, demonstrate the value of strategies to the firm's stakeholders and promote and support strategic change. Leaders are therefore responsible for the development and effective use of two types of internal controls, namely strategic controls and financial controls.

This study elucidates that leadership has a very important role to play in the implementation of the corporation's strategy. It was evident that these strategic leaders are the people responsible for strategy implementation and that their roles and importance motivate employees to be committed to and to try and embrace change and help in implementing strategies meant to get the desired outcomes. The study also revealed that the responsibility of strategy implementation lies with all the employees from the CEO to the lowest level employees since in one way or the other, there is something they do which contributes to effective strategy implementation. Effective and efficient strategy implementation requires ownership and commitment to the process by all and pooling resources towards the same direction with the sole aim of understanding the strategic vision.

The findings from this study explains that different state-owned corporations will react differently to counter the situation. A number of factors have been viewed to be affecting the responses of state corporations at different degrees. On average factors that highly influence strategic responses by state owned corporations are organization's mission, organizational structure and control processes and availability of resources.

Those that least influence strategic responses are internal politics, influence of the CEO and competitors' actions and reactions.

Overall, the study concludes that controlling exerts the most positive influence on performance of state corporations, though the influence is minimal. Nonetheless, it is inferred that the management in these corporations do not perform the key management functions especially planning and leading with the requisite professionalism and due diligence. Their actions in executing the planning and leading function adversely affect the performance of the corporations, while their actions in organizing and controlling function only improves performance to a small margin.

5.4 Recommendations

This study recommends that the government should ensure that management appraisals are done regularly in every state corporation with a focus on evaluating the management's performance in the key functions of planning, organizing, leading and controlling. This will help identify any deviations in the appropriate practice and take corrective measures accordingly before the deviations causes a major harm to the performance of the state corporation. Such measures could include training programs, reshuffle, demotions, and dismissal among others as may be deemed appropriate.

The management of state-owned corporations should work together in process of developing strategic plans and provide guidance and input to the plan. The board can be particularly effective in providing and analyzing information about the external environment, current trends in social policy, or new financial opportunities.

Because strategic planning takes time and effort, several sessions will need to be scheduled to complete all the strategic planning steps, including gathering information, discussing current and proposed programs and services, projecting the financial resources that would be needed to implementation of programs, prioritizing programs, and finalizing the plan. The board must formally approve the final plan, be committed to it, and support its implementation. State owned corporations should pay more attention to the implementation of strategic planning, strategy implementation and control of activities of public organizations, as this will increase the work efficiency and improve the quality of public services delivery.

This study recommends that Leaders should be empowered to allocate appropriate resources towards influencing and motivating workers to achieve shared goals. By doing that, employees will know where the organization is headed and consequently be motivated to work towards the organizational goals. Leaders should also be supported to create a culture where proper organizational planning can take place. This would encourage everyone in the organization feel part of the decision-making process, and also feel valued by knowing that their views and contributions are considered by management.

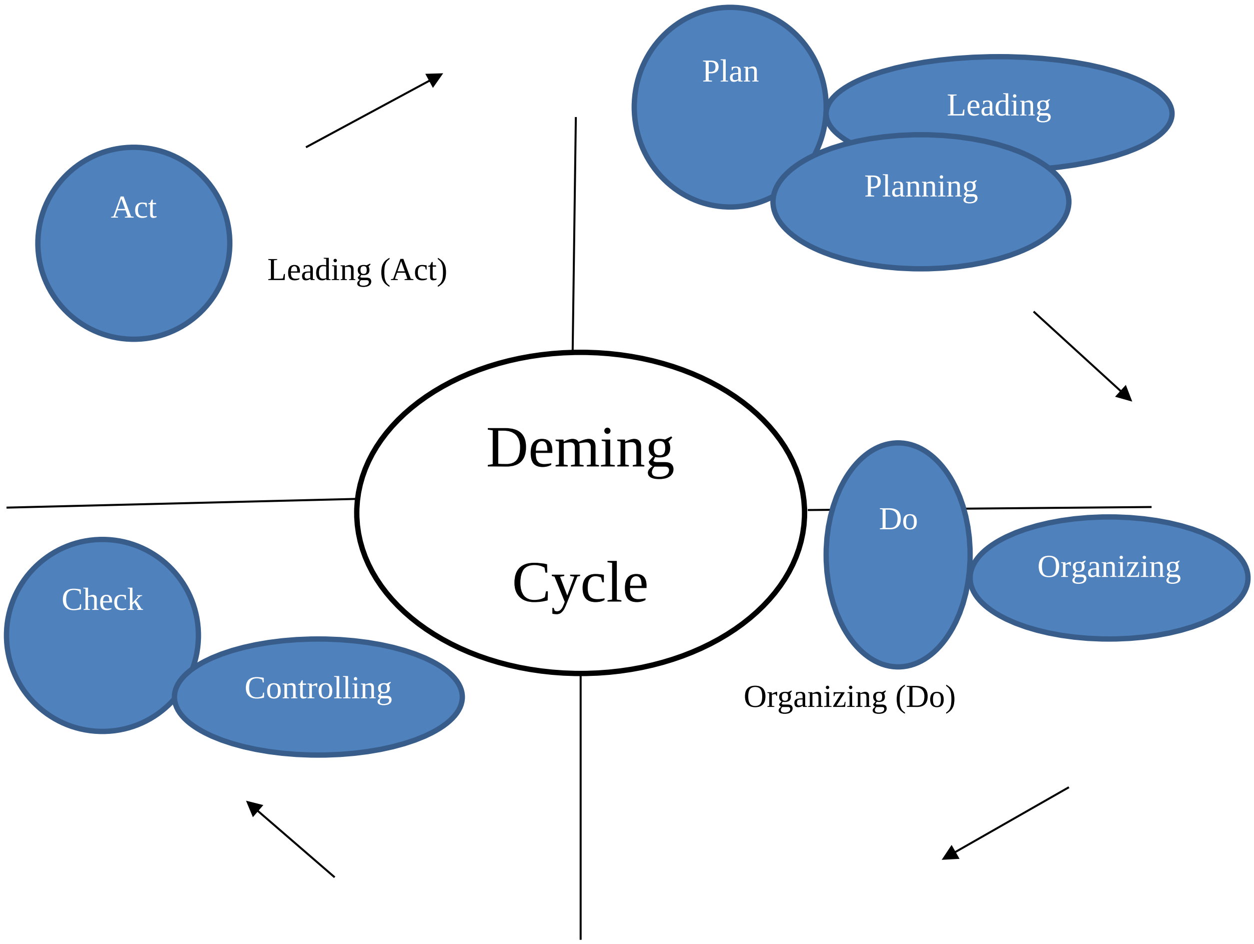
This study recommends that state owned corporations in Kenya need to focus on directing their resources to expanding the learning and growth capabilities of its employees. Leaders in these state-owned corporations should create ways of performing work functions that are truly innovative and that encourage continuous improvement across all operations. The process could be achieved by investing in individual and team training methods so as to eventually create innovation in the way work is carried out.

Resources should also be directed towards enhancing Information and Technology systems. When appropriate technology is used in creating procedures that allow key forms of knowledge to be captured and shared throughout the organization, records and work becomes, flexible and appealing, hence motivating.

5.5 Way forward

Management functions are aimed at directing organizational activities and resources to ensure that the set objectives are achieved in the most efficient way possible. As a way forward, this study proposes application of the Deming Cycle popularized by Dr. W. Edwards Deming. Deming is often considered the father of modern quality control. The model is implemented to gradually improve the quality and effectiveness of products, services, processes, applications, data, going through repeated implementation of four basic activities: plan, do, check, act. This is exemplified in the figure 5.1:

Figure 5.1: Deming Cycle



5.5.1 Planning

The study findings indicate that much emphasis is put on planning and controlling which in the Deming Cycle is indicated as “Plan” and “Check” while little emphasis is put on leading making it difficult to realize full potential of the organizations. This could partially serve to explain the reasons why Kenyan Agricultural State Owned corporations are not realizing their mandate as set out. In comparison to the Deming Cycle, it can be noted that these state owned agricultural corporation have not been learning adequately from past experiences to improve on future performances.

It can be noted that mistakes are repeated even after being discovered leading to poor performance. For instance, many Agricultural State Corporations have experienced numerous stalled projects, misalignment of customer needs to the changing customer preferences and lack of team work. The function of leading is normally performed together with planning therefore overshadowing the essence of the importance of leadership as a function different from planning.

PDCA (the Deming cycle), is broken down into planning, Doing, checking and acting. Plan; requires that management defines the problem to be addressed, collects relevant data, and ascertains the problem's root cause. The result will bring about change in design or revision in business process components to improve results Do; requires that managers develop and implement a solution; decide upon a measurement to gauge its effectiveness and implement the plan with appropriate measures of its performance. Check; on the other hand necessitates that management put adequate measures in place to ensure that the results confirm through before-and-after data comparison. This should avail room for assessing the measurements and avenues to report the results to decision makers. The last quadrant is for Act; involves documentation of results, informing employees about process changes, deciding on changes needed to improve the process and making recommendations for the problems identified to be addressed in the next PDCA cycle.

For purposes of this study, the Plan is taken care of by the functions of planning and leading; the Doing aspect is seen in the organizing function; the Checking aspect is addressed by the controlling function and the Act is addressed by the measurement and evaluation of the processes.

The results of the study have shown that most business activities constitute the "DO" part of the overall strategic effort. Data collected and analyzed from this study indicated that though planning is the most important function of management where the problem or questions are asked on the purpose of the organization and what it should do as per the mandate, the organizing function was found out to be the function that was well done. The emphasis was on what the organizations should do. Little emphasis was put on planning. As a result, there arise issues on time constraint where a lot of effort is put on processes and not on the output as compared to the investment into the state corporations. Challenges that arise from poor planning are; staff turnover- when staff feel unutilized for lack of understanding the duties and responsibilities, or where there is conflict in performing duties as a result of no clear responsibilities for each employee (overlapping duties and interests).

Budgetary implications (shortfall, wastage, over-spending, and borrowing) arise from the fact that there is little emphasis in planning. Other effects are that arise and have been reported in the newspapers are; organizations performing functions not mandated for; huge wage bills, quality compromise and wrong strategic emphasis. The Kenyan situation has presented cases of mergers, transfers and counter-transfers, reorganizations and dissolution of organizations. If the Deming cycle is applied in the running of these state corporations, the challenges can be detected and measures taken in the processes. For instance, finding out the root causes of wastages, finding potential solutions, testing the most practical processes on a small scale and continuously improve until the desired outcome acceptable by all is achieved.

Learning from experience and an all-inclusive participatory process will produce good results. The cycle can be repeated as many times to produce the desired results.

Some of the benefits of using the Deming cycle are; it provides a standardized method to achieving continuous improvement used by employees in any department to resolve new and recurring issues, therefore giving employees experience and innovation through learning. The cycle prevents wasted time implementing ineffective or inferior solutions by allowing interventions at the point of recognition for correction and implementation. It fosters teamwork through brainstorming and problem-solving. Where management is on board, the cycle can be used as a policy statement for change. The cycle can be used internally to overcome obstacles therefore giving value for money (it is inexpensive).

5.5.2 Organizing

Organizing is concerned with creating ways to efficiently, effectively and economically use resources in achieving goals and objectives of an organization. It is among the activities undertaken by a manager aimed at arranging and relating work to allow staffs effectively perform their assigned duties. Using the Deming Cycle, this management function replaces the "DO" function as managers will need to identify different roles and responsibilities, assign work, and coordinate the right amount and mix of employees across departments to carry out the plan. This is achieved by aligning the goals and objectives of the organization to its vision. This contributes in attaining the goals and objectives of an organization.

Latif *et* al. (2012) identified that different organizational structures in companies and how these structures if properly designed to suit the company's strategies can be very influential in improving firm performance. Galetic (2008) identified that an organizational structure is the formal system of task and authority relationships that controls how people are to cooperate and use resources to achieve organization 's goals. In a rapidly changing world and business environment, it is imperative that management frequently reviews its organization's structure, particularly in the light of the necessity that structure serves the strategy of the organization. Organizations can be structured in different ways: centralization, decentralization, divisional, flexible, matrix structures, line and staff, functional, customer based, product based among others.

5.5.3 Controlling

The third function identified in the Deming cycle is "Check" which is concerned with confirming whether standards are adhered to or not. From this study, the check function is represented by the controlling function. Controlling is used to identify discrepancies and corrective measures are put in place to address the discrepancies. Controlling ensures no deviation of performance between planned and actual figures. Standards of performance are usually indicated in monetary terms like profits, costs or revenues. Controlling is a must for enhancing business performance and enhancing competitive advantage hence this informs the importance of a learning curve in organizations as it helps avoid repeating mistakes. It also helps in curbing deviations from the budgeted scenarios hence help in eliminating wastages.

Controlling helps in checking deviations while suggesting solution to these deviations. Effective controls therefore contribute towards success of an organization. Control as a function of management does not indicate that managers need to manipulate emotions, personalities, attitudes and values of their subordinates. Instead, it is concerned with the management ability to take necessary corrective measures in ensuring that the activities of subordinates contribute to overall goals of the organization and department. As noted by Oyj (2009), the importance of exercising managerial controls by using management control systems whose function is to clearly communicate the organization's goals; ensure that every manager and employee understands the specific actions required of him/her to achieve organizational goals; communicate the results of actions across the organization.

5.5.4 Leading

The last function in the Deming Cycle is the "ACT" which requires taking actions to ensure that planned activities are performed as scheduled. In this study, this function has been likened to leading although findings have shown that leading and planning are performed as one. The Act (leading) function is not strong in the Agriultural State Corporations hence slow or poor decision making and delay or failure in taking action where and when needed.

Leadership results into behavior modification for achievement of the goals and objectives of an organization. Ojokuku, Odetayo and Sajuyigbe (2012) noted that one of the management skills is leadership. It entails a possibility to motivate a group of staff in achieving stated common goals.

The focus of leadership is to develop subjects, their needs and wants. Basically, leadership helps subjects to attain their objectives as they work in their organizations.

Leadership motivates subjects to express their concerns while adapting to new and improved changes and practices in their environments (Ghafoor *et* al. 2011). Through leadership, an organization is able to attain its current objectives in an efficient way by relating employee job performance and reward systems while at the same time availing sufficient resources to employees. Kim and Brymer (2011) noted that leadership determines whether an organization shall succeed or fail. If leaders fail to sell their visions to subjects; are not able to respond to threats in environment; and have conflict of interest, then an organization is likely to collapse. Leaders make their subjects energetic to work and increase productivity and therefore organizational performance is realized.

5.6 Implications

From the findings and conclusions above, the study made a number of policy recommendations as presented below:

5.6.1 Policy Implications

The findings reflect misplaced priorities in enhancing the management functions of the State Corporations since controlling appears to be third best implemented function yet it is the most influential in determining organizational performance while organizing is the best implemented, yet it’s the second most influential on organizational performance. There is need for the management to review their policies to ensure that controlling function is given priority while formulating strategies to streamline their operations.

A risk management strategy should always be put in place when coming up with strategies. As noted by Koontz and O’Donnell (2011), although controlling is often thought of in terms of financial criteria, the managers must also control production and operations processes, procedures for delivery of services, compliance with company policies, and many other activities within the organization for good performance.

5.6.2 Management Implications

Although there is need for the management of the state corporations to improve on the all the management functions, more emphasis should be placed on controlling and planning since they are currently rated as the worst. This does not however negate the need for improving the other functions since they are all important in enhancing the organizational performance. In line with Sorel and Pennequin (2008), the managers in the state corporations need to ensure that in planning, they effectively develop objectives or the organizational strategic plans and looking for resources that would best be suited in achieving the organizational goals as outlined in strategic plans. As pertains controlling, they should ensure to streamline the hard and soft controls as pointed out by Chtioiu and Thiéry-Dubuisson (2011). Hard controls are concerned with the formal aspects which include internal control systems with written procedures and rules that guide individuals' behavior; ensuring the fulfillment of the company goals, detecting and punishing fraud or mistakes. Soft controls on the other hand, are concerned with the informal aspects informal control enables the control of the attitudes of the actors of the company through values, beliefs and unwritten traditions (Chtioiu &Thiéry-Dubuisson, 2011).

5.7 Areas for Further Research

In the light of the study findings, action plan for improving the performance of state corporations through management functions should prioritize on improving the execution of planning and leading functions. In this regard, these Agricultural State Owned organizations should consider formulating and using carefully thought strategic plans to guide their business processes. They should also strive to motivate the employees to win the commitment towards the organizational goals. This should be a continuous process and not a one-time action. Although the study suggests that priority should be on planning and leading, this is not to say that the other functions - organizing and controlling are negligible. As such, actions putting the emphasis on planning and leading should run simultaneously with measures to improve the execution of organizing and controlling. This will help to realize an all-round enhanced management function that will greatly improve the organizational performance of the state corporations.

This study has looked at the influence of management functions on state corporations but has not exhausted the research. Studies on how to enhance a ‘hands-free’ leadership in the same corporations should be done to understand how to improve earnings in the corporations and possibly contribute to the national grid.

A study of each function covering all state corporations based on sectors and use of other methods of research could give a more in-depth understanding of State Corporations in Kenya.

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APPENDIX I: QUESTIONNAIRE

Please fill out the questionnaire on: **MANAGEMENT FUNCTIONS AND PERFORMANCE OF STATE-OWNED CORPORATIONS IN KENYA**

Kindly tick only one response that best represents your opinion

PART A: Background Information

1) Please tick your gender Male [ ] Female [ ]
2) What state-owned corporation do you work for? ____________________
3) What is your highest level of education?

   Diploma [ ] HN Diploma [ ] First Degree [ ]

   Masters [ ]
4) How long have you worked in this state-owned corporation?

   1- 4years [ ] 4-8 years [ ] 8- 12 years [ ]

   12 years and above [ ]

5) How long have you worked for state owned corporations?

   1- 4 years [ ] 5-8 years [ ] 9- 12 years [ ]

   Above 12 years [ ]

PART B: Planning and Organizational Performance

6) Kindly indicate the extent of agreement the effect of planning on organizational performance. For each statement use the Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= Slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree and state how it is applicable at the state owned corporation

	Strongly Disagree				**Strongly Agree**		
Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Financial Perspectives							
1) Planning enhances profitability							
2) Planning improves our sales growth							
3) Planning increases shareholder value							
4) Planning improves our operating income							
5) Strategic planning in our corporation reduces operating costs							
Customer Perspective							
6) Planning helps improve on-time deliveries to our customers							
7) Proper plans increase the deliveries required by our customers							
8) Proper strategic plan implementations in our corporation promotes customer satisfaction							
9) Effective planning enhances employee remuneration hence increased motivation							

10) Planning in our corporation increases employee morale and therefore innovation							
11) Strategic planning in our corporation increases employee motivation							
Learning and Growth							
12) Planning increases our market share and return on expenditure							
13) Strategic planning improves efficiency leading to the growth of the corporation							
14) Strategic planning ensures appropriate transfer of knowledge among employees							
15) Strategic planning ensures appropriate sharing of knowledge among employees							
Internal Processes							
16) Planning for our corporation is a tool to identify risks and their mitigations							
17) Strategic planning in our corporation improves the standard of systems and technology							
18) Planning aligns resources to strategic initiatives							
19) Strategic planning in our corporation leads to operational efficiency							

7) How is planning conducted in your corporation? (Kindly provide a detailed account)

____

8) What are the key challenges you encounter in your planning process?

To what extent do you agree on the impact of planning on organizational performance at state owned corporations in Kenya?

Strongly Disagree [ ]

Disagree [ ]

Slightly Disagree [ ]

Undecided []

Slightly Agree []

Agree []

Strongly Agree []

9) To what extent is planning linked to customer satisfaction? Please explain

....

10) Are there recurring themes in the planning cycles? Name a few

....

11) How does planning help mobile funds for the organization

....?

SECTION C: Organizing and Organizational Performance

12) Kindly indicate the extent of agreement on the effect of organizing on organizational performance in corporate. For each statement use the Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= Slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree. State how it is applicable at your state owned corporation.

	Strongly Disagree				**Strongly Agree**		
Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Financial Perspectives							
1) Organizing in our state corporation aligns processes in the right departments							
2) Our functions are organized in strategic business units for ease of accountability							
3) Organizing in strategic business units makes it easy to track performance of each business function							
4) Organizing business function in strategic business units has improved overall corporate profitability							
5) Organizing roles in strategic business units eliminates duplication of roles for optimal profitability							
6) Proper task organization in the organization eases monitoring							
Customer Perspective							
7) Organizing functions in strategic business units ensures higher customer satisfaction							
8) Organizing functions in strategic business units high							

quality service / product delivery							
9) Organizing functions in strategic business units ensures higher customer loyalty							
10) Adequate organization in the corporation ensures sufficient availability of goods and services to the customers							
11) Adequate organization in the corporation ensures constant availability of goods and services to the customers							
12) Organizing ensures correct levels of expertise are acquired to obtain high quality output							
13) The reporting structure in the corporation allows timely decision making							
14) The reporting structure in the corporation allows quality decision making							
Learning and Growth							
15) Organizing ensures correct levels of expertise are developed through training for high quality output							
16) Organizing function ensures that knowledge in the corporation is well stored for future use							
17) Organizing ensures knowledge in the organization is well shared among employees for optimal performance							
18) Organizing allows for innovation in the different levels							
19) Organizing promotes the use of standards and systems for operation							
Internal Processes							
20) Organizing in our corporation ensures higher level of							

efficiency							
21) Organizing ensures that there is no role duplication in the corporation							
22) Organizing ensures that internal processes run smoothly							

13) How is organizing conducted in your corporation? (Kindly provide a detailed account)

____

14) What are the key challenges you encounter in your organizing process?

____

15) To what extent does organizing affect organizational performance at state owned corporations in Kenya?

Strongly Disagree [ ]

Disagree [ ]

Slightly Disagree [ ]

Undecided [ ]

Slightly Agree [ ]

Agree [ ]

Strongly Agree [ ]

16) How does the organization link the output with management planning?

....

....

17) Are there innovations that have been recorded and incorporated in the organizations plans? Name a few

....

SECTION D: Leading and Organizational Performance

18) Kindly indicate the extent of agreement on the effect of leading on organizational performance. For each statement use the Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= Slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree and state how it is applicable at state owned corporations

	Strongly Disagree				**Strongly Agree**		
Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Financial Perspectives							
1) There is a clear vision and purpose for the organization							
2) Leaders in the corporation are profit minded							
3) Leaders in the corporation strive to keep the							

operational costs low							
4) Leaders in the corporation do not stand wastage of resources							
5) Our leaders scrutinize corporation expenditures							
6) There is clear accountability systems in the organization							
7) Evaluation of systems and structures are conducted continuously							
Customer Perspective							
8) Leaders in the corporation provide good leadership for optimal customer satisfaction							
9) Our leaders resolve employees conflicts in a timely manner for a conducive work environment							
10) Our leaders strive for higher customer retention							
11) Our Leaders encourage stakeholder involvement to enhance growth							
12) The organization conducts annual reviews of customers							
Learning and Growth							
13) Our leaders promote the generation of new knowledge in the organization							
14) Our leaders are good at mentoring juniors							
15) Our leaders have established a good mentorship program in the Corporation							
Internal Processes							
16) Leaders in the Corporation have promoted automation for operational efficiency							

17) Our leaders encourage good communication for smooth operations in the corporation							
18) Our leaders clarify and gain consensus on the vision and mission of the organization							

19) How is leading conducted in your corporation? (Kindly provide a detailed account)

____

20) What are the key challenges you encounter in your leading process?

____

21) To what extent do you agree on the impact of leading on organizational performance at state owned corporations in Kenya?

Strongly Disagree [ ]

Disagree [ ]

Slightly Disagree [ ]

Undecided [ ]

Slightly Agree [ ]

Agree [ ]

Strongly Agree [ ]

SECTION E: Controlling and Organizational Performance

22) Kindly indicate the extent of agreement on influence controlling on organizational performance. For each statement use the Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= Slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree and state how it is applicable at state owned corporations

	Strongly Disagree				**Strongly Agree**		
Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Financial Perspectives							
1) Adequate controls are in place on resource utilization							
2) The controls in place reduce misappropriation on resources							
3) Controlling ensures adherence to the set standards							
4) Effective controls promote better utilization of corporate resources							
Customer Perspective							
5) Controlling ensures that high quality products and services are delivered to customers							
6) Control as a function aims at motivating employees to perform well							
7) Controlling clearly identifies responsible officers for each function for optimal corporate performance							
Learning and Growth							
8) There are adequate controls on the knowledge generated in our corporations							

9) Our corporation controls the skills and experience of its staff through proper remuneration							
Internal Processes							
10) Our control system establishes performance standards we must abide by							
11) There is a management control systems to manage activity flow for optimal performance							
12) The management control systems detects and corrects deviations on time manner							
13) Controlling in our corporation ensures employees are disciplined							
14) Controlling promoting common values or themes							
15) Controlling checks mistakes in an effort to improve performance							
16) Values are communicated to all to internalize							

23) How is controlling conducted in your corporation? (Kindly provide a detailed account)

____

24) What are the key challenges you encounter in your controlling process?

____

25) To what extent does controlling affect organizational performance at state owned corporations in Kenya?

Strongly Disagree [ ]

Disagree [ ]

Slightly Disagree [ ]

Undecided [ ]

Slightly Agree [ ]

Agree [ ]

Strongly Agree [ ]

SECTION F: ORGANIZATIONAL PERFORMANCE

26) Kindly indicate the extent of agreement on statements on organizational performance at state owned corporations in Kenya. For each statement use the Likert scale which ranges from 1 -7 where 1= Strongly Disagree; 2 = Disagree; 3= Slightly disagree; 4= undecided; 5= Slightly Agree; 6= Agree; 7= Strongly Agree

	Strongly Disagree				**Strongly Agree**		
Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Financial Perspectives							
Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1) There is clarity of performance requirements							
2) Our Corporation evaluates the firm's efforts for future improvement using the scorecard							
3) Our Corporation delivers on its service charter							
4) Our Corporation spends within its financial budget							
5) Our corporation has a good image due to good employer/employee/union relationship							

6) Our organization is able to translate strategy into measurable parameters							
7) The revenues collected by organization is adequate to sustain our operations							
8) Our corporation communicates its strategy to stakeholders							
9) Our organization ensures the alignment of individual goals with the firm's strategic objectives							
10) Our organization is assured of feedback of implementation of results to the strategic planning process							
11) Our organization is able to create value by integrating contiguous processes in the industry value chain							
12) Economies of scale are created by sharing the systems, facilities and personnel in critical support processes							

27) How effective is the Performance Management process in improving the overall performance of the organization? Please explain

....

28) How often do you change the performance management systems?

....

29) Are the performance management outcomes communicated to the organization? How often?

....

30) Suggest any changes you would like to see effected in the organization

....

APPENDIX II: LIST OF STATE-OWNED CORPORATIONS IN KENYAN'S AGRICULTURE, LIVESTOCK AND FISHERIES SECTOR.

Name of state corporation	Mandate
Cereals and Sugar Finance Corporation	Raise and lend money for purchase of cereals or sugar
Coffee Development Fund	Provide sustainable, affordable credit and advances to coffee farmers
Cotton Development Authority	to promote, coordinate, monitor, regulate and direct the cotton industry in Kenya
Kenya Coconut Development Authority (KeCDA	To develop the coconut industry through regulatory, research and promotion of the coconut sub-sector in Kenya, in line with the national development goals.
Pyrethrum Board of Kenya (now Pyrethrum Regulatory Authority)	development, regulation and promotion of the pyrethrum industry
Sisal Board of Kenya	Promote and regulate the sisal industry
Tea Board of Kenya	To license tea manufacturing factories; carry out of research on tea through its technical arm, the Tea Research Foundation of Kenya; the register growers, buyers, brokers, packers, management agents and any other person dealing in tea; and promote Kenya tea in both the local and the international markets.
Coffee Board of Kenya	Promote competition in the coffee industry, production, processing and branding of Kenya coffee locally and internationally, and generally to regulate the coffee industry in the public interest
Kenya Sugar Board (KSB)	Regulate and promote sugar industry
Canning Crops Board	Promote canning of scheduled crops including inspection of canning factories and regulation of prices for scheduled crops
Agro-Chemical and Food Company	Carry on all or any other businesses of manufacturing related to alcohol, export and importation.
Kenya Meat Commission (KMC)	Operating abattoirs and purchasing and processing of meat products
Muhoroni Sugar Company Ltd (Under Receivership)	Production of sugar
South Nyanza Sugar Company	To help the country attains self-sufficiency in sugar

Limited	production
Kenya Seed Company (KSC)	Produce and market top quality seeds. Government seed bank
Kenya Veterinary Vaccine Production Institute	To produce safe, efficacious and affordable veterinary vaccines through undertaking research, providing information, marketing and distribution for improvement of the livestock industry.
National Cereals & Produce Board (NCPB)	Market stabilization, famine relief and strategic grain reserve
Coffee Research Foundation	Promote research into and investigate all issues relating to coffee and such other agricultural and commercial systems as are associated with coffee
Kenya Agricultural Research Institute (KARI)	Carry out research in the fields agriculture, veterinary Sciences, Forestry, Industrial and allied Technology
Kenya Sugar Research Foundation	Undertake research in sugar industry
Tea Research Foundation	To generate and disseminate knowledge and technology through innovative research for improved production, processing, value addition and marketing of Kenyan tea while conserving the environment
National Biosafety Authority	to exercise general supervision and control over the transfer, handling and use of genetically modified organisms (GMOs)
Agricultural Development Corporation	Promotion and execution of agricultural schemes and reconstruction in Kenya by initiating, assisting or expansion of agricultural undertaking lands and enterprises. The Government land bank for agriculture land
Kenya Animal Genetics Resource Centre	Establish a national livestock resources gene bank
Kenya Tsetse and Trypanosomiasis Eradication Council	advise the Government on the policy on tsetse and trypanosomiasis eradication in Kenya and its implementation;
Agricultural, Fisheries and Food Authority	Regulation agriculture sector
Kenya Leather Development Council	Promote, direct, coordinate and harmonize all activities in the leather Subsector

Kenya Plant Health Inspectorate Services (KEPHIS)	Regulate matters relating to plant protection, seeds and plant varieties; administer and enforce sanitary and phytosanitary measures; support the administration and enforcement of food safety measures; establish service laboratories to monitor quality and levels of toxic residues in agro-inputs, irrigation water, plants, soils and produce
National Irrigation Board	development, control and improvement of national irrigation schemes in Kenya,
Bukura Agricultural College	Provide education in agriculture and other auxiliary subjects
Kenya Agricultural and Livestock Research Organization	To undertake research in agriculture and allied areas
Kenya Marine and Fisheries Research Institute	Research in Marine and Freshwater Fisheries
The Kenya Veterinary Board (KVB)	To exercise general supervision and control over the training, business, practice and employment of veterinary surgeons and veterinary paraprofessionals in Kenya.
Animal Technicians Council	Safeguard interests of all animal technicians License and regulate the business and practice of animal technicians
Horticultural Crops Development Authority	To regulate the horticulture industry through licensing and application of rules as prescribed under the Agriculture Act, Cap 318 and also to provide advisory and marketing services to the stakeholders in the industry for planning purposes
Chemilil Sugar Company Ltd	Crush sugar cane and manufacture sugar and related products
Nzoia Sugar Company Ltd	to crush sugar cane and manufacture sugar and related products
Kenya Dairy Board	improvement and control of the dairy industry and its products
Simlaw Seeds Kenya Ltd. (Subsidiary of Kenya Seed Co.)	Production and distribution of horticultural seeds
Simlaw Seeds Uganda Ltd. (Subsidiary of Kenya Seed Co.)	Production and distribution of horticultural seeds
Simlaw Seeds Tanzania (Subsidiary of Kenya Seed Co.)	Production and distribution of horticultural seeds

Lands Limited (subsidiary of Agricultural Development Corporation)	Owns land for Agricultural Development Corporation