

# **INFLUENCE OF ORGANIZING AS A MANAGEMENT FUNCTION ON ORGANIZATIONAL PERFORMANCE AMONG AGRICULTURAL STATE-OWNED CORPORATIONS IN KENYA**

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## **ABSTRACT**

The objective of this study was to scrutinize the effects of organizing as a management function on organizational performance. A descriptive research design was used. The target population consisted of 262 state-owned corporations. A purposive sampling technique was used to select a sample of 30 corporations out of the 262 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 organizing has a bearing on organizational performance of state corporations. It is inferred that management in these corporations do not perform the key management functions with the requisite professionalism and due diligence. 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 organizing among others.

**Key Words:** *organizing, management function, organizational performance*

## **INTRODUCTION**

The creation of state-owned enterprises has generally been motivated by challenges such as high natural barriers to entry in certain sectors, capital markets failure, and the lack of incentives for the private sector to perform certain activities due to their non-profit-making nature. In emerging markets in particular, SOEs have been and continue to be utilized as a motor for industrial development, provision of key goods and services, generation of employment and a variety of other objectives, some purely commercial, others social in nature (OECD 2013). State-owned corporations were established in Kenya during the colonial period (Mwaura 2007) with the intention of providing services of a monopolistic nature, Africanizing the sector, and redistributing regional income. More specifically, the establishment of state-owned corporations was propelled by a national desire to: accelerate economic social development, redress regional economic imbalances, increase Kenyan citizens' participation in the economy, promote indigenous entrepreneurship, and promote foreign investment through joint ventures (Kariuki, 2006).

According to Otiento (2009), parastatals have played and continue to play a major role in most economies through the provision of public services and some of them have provided social services such as schools and health services to communities. Indeed, State-Owned Corporations (SOCs) still account for more than 10 percent of gross domestic product, 20 percent of

investment and about five percent of formal employment (Otieno, 2012). According to Kipruto, Omwenga and Uzel (2016), government parastatals are important in promoting or accelerating economic growth and development and are critical to building the capability and technical capacity of the state in facilitating and/or promoting national development. Many of the corporations were concentrated in the agricultural sector because the economy of the country is mainly agricultural (Nyangito and Okello, 1998). Juma (2013) states that there are 30 state-owned corporations in the agricultural sector alone. 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 sector. For example, the Kenya Dairy Board is mandated to regulate, develop and promote the dairy industry in Kenya. Its regulatory roles are in licensing, inspections and surveillance and certification of locally marketed, exported and imported milk to assure consumer safety from physical, biological, chemical or adulteration hazards (Rademaker et al., 2016).

According to Gitau et al. (2009), 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. 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 and irresponsibility by directors and employees are the main problems that have made SOEs fail to achieve their objectives.

State owned corporations are organizations which are established to pursue a set of goals and objectives. Management functions, which include proper planning, organizing, directing, leading and controlling, 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 (Schraeder, Self, Jordan & Portis, 2015; Kaplan & Norton, 2008). 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.

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).

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 (Budiman, Lin & Singham, 2009). 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 (Koontz & O'donnell, 2011). 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, consciously designed and effectively sustained organizational autonomy, control of resources and activities crucial to performance, effective and involuntary accountability, and effective and mutually reinforcing incentives for different sets of participants 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, Waithaka, Gakure, Eliud and Karanja (2012) analysed the factors which influence implementation of performance contracts in state corporations. Their study revealed that knowledge of strategic planning, development of work plans and monitoring capacities among staff was central 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.

### **Performance in State-Owned Corporations in Kenya**

According to Coates et al. (2011), 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).

State Owned Corporations (SOCs) were originally established in Kenya by the colonial government to provide essential services to the White settler farmers (Mwaura, 2007). Indigenous Africans participation in economic activities such as trade in cash crop farming was generally limited through legal controls such as grading standards, fixed tax rates and production quotas. This, according to Budiman, Lin and Singham, (2009), was meant to accelerate economic and social development, redress regional economic imbalances, and promote indigenous entrepreneurship. The Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya, gave the state power to control resource use (GoK, 1991, 45). It devised strategies to achieve three goals considered imperative for development: a fast overall economic growth rate, equitable distribution of development benefits and Kenyanization of 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, requires professionals to deal with dynamic markets, changing technologies and governance methods. In practice this means defining desired outcomes, nominating the best most skilled and talented people to guide the SOE and monitor management and operations, incentivizing hard work and good performance, and ensuring accountability for results. The necessity of improving the performance of SOCs in Kenya is more urgent given the fact that these public bodies are fundamentally important to the

Kenyan economy, especially at this time when the country is pursuing the path of becoming a middle level economy by the year 2030 within the framework of year 2010 constitutional dispensation. 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. When things go wrong, they can become a crushing financial and political burden (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, call 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).

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 themselves. 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).

To improve efficiency and effectiveness in the management of Public service, the Kenyan Government responded to public service delivery challenges by formulating and implementing Public Sector Reforms (PRS) in 1993. According to Gitundu, Kisaka, Kiprop and Kibet (2016), several policy papers indicate that privatization was mainly adopted as a key government policy to address operational inefficiency and poor governance system in State Owned Enterprises.

According to the Government Seasonal papers number one of 1986, 1992, and 1994 the Government refocused the civil service reforms to increase the pace of implementation in order to achieve better control of the wage bill, improve the balance of spending between operations



and maintenance to promote improvement to service delivery. Specific policy issues used under each reform programme include: cutback management approach entailing cuts in staff through retrenchment and natural attrition, capacity building, service orientation and result based performance (GOK, 2007).

While there was a reduction in the size of the core civil service of about 30%, it was noted that productivity and performance in the public service was not as expected (Wagaki, 2013). Further reform initiatives targeting performance improvement and management in the public service were required, thus introducing the third phase of the public sector reforms guided by Economic Recovery policy direction (DPM, 2004). The Strategy for Performance Improvement in the Public Service was introduced in 2001. The Strategy sought to increase productivity and improve service delivery. It outlined the actions that were necessary to imbed long lasting and sustainable change in the way public services are offered. Underpinning this strategy was the Results Oriented Management (ROM) approach, which makes it necessary to adjust operations to respond to predetermined objectives, outputs and results. The adoption of this approach therefore demanded a paradigm shift in Government from a passive, inward looking bureaucracy to one which is pro-active, outward looking and results oriented; one that seeks 'customer satisfaction' and 'value for money'. Consequently, the ministries/departments were required to develop strategic plans which reflected their objectives derived from the 9th National Development Plan, the Poverty Reduction Strategy Paper and based on the Medium Term Expenditure Framework (MTEF), Sectoral Priorities and Millennium Development Goals. Currently the government is undertaking the 13th circle which has been based on the balanced scorecard. The role out is on and is yet to be gauged.

### **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 are 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. Mwaura (2007) 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 (Leonard, 1991).

Nhema (2015) has observed that public enterprise managers are seen as being motivated by power and, in coalition with politicians and bureaucrats will strive to fulfill their political objectives while commercial goals for which the enterprises were set up to pursue are sacrificed. Political appointment injects political interference in the management of SOCs. While there are various explanations as to why SOCs operate below expected efficiency levels, the one which seems to capture it all is the fact that the management boards of SOCs are appointed politically. Other factors which make SOCs inefficient are nature of ownership, political interference; the easy recourse public enterprises have to government finance and the lack of competition as the most important factors that account for public sector inefficiency (Nhema, 2015). Based on the nature of ownership, the public enterprise directors do not have any personal financial stakes in the businesses they run and are therefore likely to be less interested in the success of these enterprises. It is generally premised that the greater the financial interest in the operations and profit margin the shareholders have in the firm (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, a number of public service reforms have been initiated in the very recent aiming at placing citizen satisfaction at the heart of policy making and service delivery (GoK, 2007). Efforts were carried out under the economic Recovery Strategy (ERS) of improving public service delivery by strengthening the link between planning, budgeting and implementation; improvement on performance management "as well as strategic management". Increasingly the Kenyan Government through its path to the realization of the nation's development agenda as enshrined in the First Medium Term Plan (2008-2012) and vision 2030 (GoK, 2007) realizes that an efficient, motivated and well trained public service is one of the major foundations pillar (GoK, 2007). The government has continued to intensify efforts to ring about attitudinal change in public service, service delivery orientation, skills inventory assessments, performance management, computerization of service delivery, as well as training and development (GoK, 2007).

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 transform the agricultural sector into an innovative commercially oriented, competitive and modern industry for poverty reduction, and improved food security (GoK, 2010; ASDSP, 2011; ASDS, 2010). This sector is increasingly controlled by parastatals and their Improved performance is increasingly crucial to the Kenyan economy because of 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.

### **Current Challenges in State Owned Corporations' Performance**

The few available studies suggest that challenges in management are directly linked to poor performance. Kimama (2011) has identified that poor planning, poor management strategies and inadequate involvement as some of the factors that are attributed to poor performance. Similarly, Atieno (2009) 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 by Kobia and Nura (RBM Guide, 2005) which brought out the challenges as; the absence of clear, well-formulated objectives based on strategic plan, which makes it difficult to assess organizational and individual performance; non-involvement of stakeholders in developing strategic plans. This leads to lack of ownership and in turn makes it difficult to achieve strategic objectives and challenges as excessive controls, multiplicity of principles, frequent political interference, poor management and outright mismanagement (Letting', 2015; Mathenge, 2013; Nhema 2015). This study therefore seeks 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.

### **STATEMENT OF THE PROBLEM**

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. Its 2002 report showed that, out of 130 reports examined by the Auditor General on corporations, only 23 managed a clean bill of health (Njiru, 2008). The story presented by these reports is one of loss, fraud, theft and gross mismanagement. Since the 1990s, the government of Kenya has been implementing reforms within state owned corporations with the aim of reversing their bad record. In 2003, in particular, the government revealed its economic recovery strategy for wealth and employment creation in which it reiterated the strategies for turning around these public bodies (Njiru, 2008). As from 2005, the government has been requiring all Boards of state corporations to sign performance contracts with the government on one hand and, on the other, pressuring Chief Executive Officers to sign performance contracts with their respective Boards. Since managers can facilitate or frustrate performance, it is imperative that they possess or acquire the skill sets to steer the performance of their respective corporations onto a growth trajectory. Issues affecting the performance of state-corporations can be controlled and even solved by managers adapting the appropriate and right management practices to guide and coordinate all the efforts that employees put to realizing corporation's goals. Often organizations question how management can affect organizational performance and this study therefore sought to answer this

question by exploring the effects of management functions on performance on state-owned corporations in Kenya.

## **GENERAL OBJECTIVE**

The general objective of this study was to establish the effects of organizing as a management function on organizational performance

## **LITERATURE REVIEW**

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 (Lebans & Euske, 2006). 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 (Reuben, et al., 2004). Organizational performance concerns both effectiveness and efficiency; the quality and quantity of work (Olumuyiwa et al., 2012).

## **THEORETICAL FRAMEWORK**

This theory promotes the view that a manager or managers of an organization are the stewards (Donaldson 1990). According to this theory, the executive manager, far from being an opportunistic shirker, essentially wants to do a good job, to be a good steward of the corporate assets. Thus, stewardship theory holds the view that there is no inherent, general problem of executive motivation (Barney, 1991). An absence of an inner motivational problem among executives has given rise to the question as to how far executives can achieve the good corporate performance to which they aspire (Conyon & He, 2012). Thus, stewardship theory holds the view that performance variations arise based on the structural situation in which the executive finds itself. 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 depends 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 yields two opposite hypotheses regarding CEO governance: CEO duality leads to higher return to shareholders and the positive effects of CEO duality are not due to the spurious effects of long-term compensation. Stewardship theory of management and agency theory have both focused on the leadership philosophies adopted by the owner's of an organization. It grew out of the seminal work by Donaldson and Davis (1991) and was developed as a model where senior executives act as stewards for the organization and in the best interests of the principals. 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-up the ability of an organization to engage in activities, attitudes, and behaviors that prove to support successful accomplishment of activities which contribute to employee performance. Employees have an inherent need of being cared for and they require to be provided with the necessary support from management in terms of resources, approval, affiliations in order to encouraged to perform well. thus, leadership style is critical to employee performance because leaders' actions are directed to provide the required necessary task related guidance and moral support to employees. Leadership style can be gauged on the basis of direct and indirect effect of leadership on employee performance.

The model of man in stewardship theory is based upon the assumption that the manager will make decisions in the best interest of the organization, putting collectivist options above self-servicing options. This type of person is motivated by doing what's right for the organization, because she believes that she will ultimately benefit when the organization thrives. The steward manager maximizes the performance of the organization, working under the premise that both the steward (the manager(s)) and the principal shareholders benefit from a strong organization (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.

## **EMPIRICAL LITERATURE**

### **Organizational Performance**

According to Gavrea, Ilies and Stegorean (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 50s organizational performance was defined as the extent to which organizations, viewed as a social system fulfilled their objectives. Performance evaluation during this time was focused on work, people and organizational structure. Later in the 60s and 70s, organizations began to explore new ways to evaluate their performance so performance was defined as an organization's ability to exploit its environment for accessing and using the limited resources. The years 80s and 90s were marked by the realization that the identification of organizational objectives is more complex than initially considered. Managers began to understand that an organization is successful if it accomplishes its goals (effectiveness) using minimum resources (efficiency). Thus, the organizational theories that followed supported the idea of an organization that achieves its performance objectives based on the constraints imposed by the limited resources. Profit became one of the many indicators of performance.

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 is dynamic, requiring judgment and interpretation. Performance may be illustrated by using a causal model that describes how current actions may affect future results. It may be understood differently depending on the person involved in the assessment of the organizational performance. To report an organization's performance level, it is necessary to be able to quantify the results. 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). The goal of any organization is not only to survive, but also to sustain its existence by improving performance. In order to meet the needs of the highly competitive markets, organizations must continually increase performance (Arslan & Staub, 2013).

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 can be defined as the development of a desire within an employee to perform a task to his/her greatest ability based on that individual's own initiative (Yusoff & Aihaji, 2011). Motivation leads an organization to believe their employees will perform their specified tasks better than the norm and will genuinely wish to do so. While this is important for the organization, motivation can also have other benefits. Khandekar and Sharma (2006) believe a motivated workforce is essential, as the complete participation of employees will inevitably drive the profitability of the organization. Another paramount concern for management in motivating their employees relates directly to the perceived increase in performance the employees will deliver from managements' participation in the exercising of motivation techniques, therefore, there is a direct relationship between the levels of motivation organizations performance. Successful organizations are characterised by motivated workforce. Managers and leaders influence this largely by the way they run the organizations (Yusoff & Aihaji, 2011).

### **Organizing and Organizational Performance**

The term planning in management is a process of preparing ways to use resources more economically, effectively and efficiently so that the purpose of the company is achieved. According to Cohn, Gillan and Hartzell (2016), the organizing function is carried out once a plan, or an outline for how to achieve some organizational goal, is in place. Many believe organizing is the most critical of managerial functions because of its ability to help or hinder an organizational plan and thus profoundly affect organizational success. Barrier (2003) identifies organizing as the work a manager performs to arrange & relate work so that it can be performed effectively by people and contribute to the company by accomplishing its objectives.

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. Organizing, much like planning is a process that must be meticulously designed and executed. The end result of the organizing process is the organizational structure, which refers to the type of framework a company uses to distinguish power and authority, roles and responsibilities, and the manner in which information flows through the organization. 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 (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 et al. 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. It allows for different ordinary people to achieve harmonized extraordinary results (Tarricone & Luca, 2002)

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) describes 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.

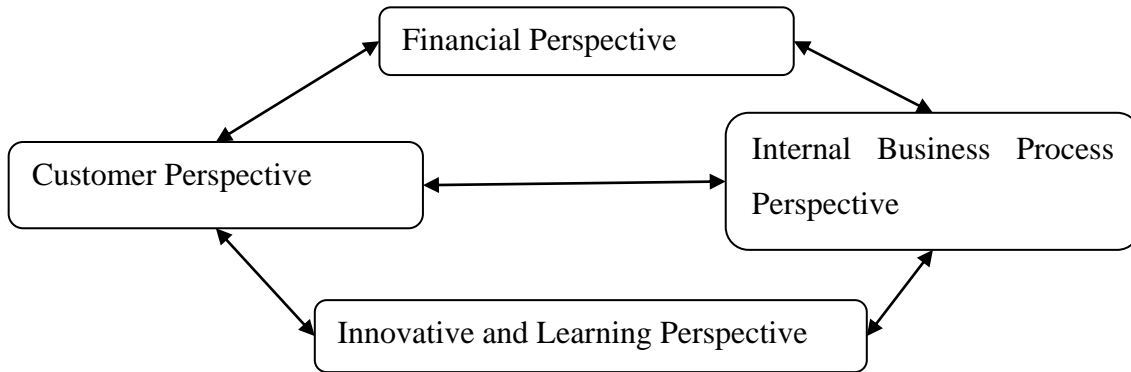
Plunkett, Allen and Attner (2012) summarize the end result of organizing as: harmonizing efforts to execute tasks in an effort to achieve the set goals, both effectively and efficiently. Organization further clarifies the work environment so that there is unity of purpose and direction in a firm. It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

### **Measuring Organizational Performance**

Performance Measurement provides feedback to the manager on all aspects of the operation - resources, processes and consequences. It is the meeting point of strategy, decision making and organizational learning. The goal of performance measurement is to help optimize the interaction of these elements. There are various tools used to measure performance. Among the common tools are; the Logic model used to map the relationship between organizational activities and impacts (i.e. results). By mapping resources consumed to activities conducted (which have been mapped to results achieved by way of Logic Modeling); Quality Management Programs (e.g. TQM, Six Sigma, EFQM) are intended to improve the quality of manufacturing and service offerings. e.g the Baldrige National Quality Program measures businesses in seven categories, and the EFQM in nine; The Balanced Scorecard, like the Logic Model, is a tool that provides a method of linking organizational strategies to activities and results.

The Balanced Scorecard consists of a Strategy Map and linked measures and indicators; The Performance Dashboard is a tool for organizing and providing ready access to performance information. The Dashboard is often used in Business Intelligence or Executive Information systems to allow easy monitoring of key performance indicators; A Data Collection Strategy is an framework that supports the collection and reporting of performance information. Typically, a Data Collection Strategy should identify and document data sources, data types, data collection frequency, data reporting frequency, and other information necessary to begin actual data collection.

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 1.



**Figure 1: Balanced Scorecard 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 measures are considered lagging indicators in the sense that they are the results of other actions both qualitative and quantitative. 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).

Definitions of culture generally apply to groups of people whose thinking and behaviour share something in common. (Schein, 2004) explained that the level of organizational culture discussed most frequently is values: Values are at the heart of organizational culture. They are made up of the key beliefs and concepts shared by an organization’s employees. Successful organizations are clear about these values and their managers and leaders publicly reinforce them. Often values are unwritten and operate at a subconscious level (Noviantoro, 2014). Organizational culture has a strong impact on organization performance, which emerges from its nature and its content. Organizational culture is defined by Noviantoro (2014) as a system of assumptions, values, norms, and attitudes, manifested through symbols which the members of an organization have developed and adopted through mutual experience and which help them determine the meaning of the world around them and how to behave in it. Assumptions, values, norms, and attitudes that the members of an organization share significantly shape their interpretative schemes.

This concept includes shared values, unwritten rules and assumptions within the organization as well as the practices that all groups share. Organization cultures are created when a group of employees interact over time and are relatively successful in what they undertake. The fit perspective argues that the culture is good only if it fits the industry or the organizations strategy. Within the industry, the competitive environment, customer requirements and social expectations may determine the culture (Gavrea, Ilies & Stegorean, 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 systems and process, workers will get a better insight into their work. This ensures uniformity in the workplace and it will bring problems to light easier thus people will work more towards the organizational objectives and goals.

## **RESEARCH DESIGN AND METHODOLOGY**

The study was conducted using a descriptive research design. The study was carried out in state-owned corporations located in Nairobi and the outlying counties. All the 30 agricultural SOCs sampled for this study are headquartered in Nairobi with operations across all the counties. 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 262 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). 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. The study collected primary data using a questionnaire. 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, multiple regression 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.

## RESEARCH FINDINGS AND DISCUSSION

A total of 150 questionnaires were distributed out of which 108 questionnaires were fully filled and returned giving a response rate of 72%. From the findings, 56% of the respondents were male while 44% were females. On highest level of education attained, 10% of the respondents indicated that they had diploma level of education level, 14% had HN diploma, 37% had first degree and 39% had master's degree. On the period worked in the state corporation, 20% of the respondents have been working in their state owned corporations for period of 1-4 years, 40% indicated between 4-8 years, 19% indicated between 8-12 years and 20% indicated 12 years and above.

### 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 1.



**Figure 2: Scree Plot for aspects of Organizing**

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

### **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 table 1.

**Table 1: Major Communalities for Organizing**

<b>Variable</b>	<b>Statement (for the Variable)</b>	<b>Initial</b>	<b>Extraction</b>
O22	Organizing ensures that internal processes run smoothly	1	0.740
O11	Adequate organization in the corporation ensures constant availability of goods and services to the customers	1	0.726
O15	Organizing ensures correct levels of expertise are developed through training for high quality output	1	0.700
O2	Our functions are organized in strategic business units for ease of accountability	1	0.628
O10	Adequate organization in the corporation ensures sufficient availability of goods and services to the customers	1	0.601
O4	Organizing business function in strategic business units has improved overall corporate profitability	1	0.559
O5	Organizing roles in strategic business units eliminates duplication of roles for optimal profitability	1	0.492
O1	Organizing in our state corporation aligns processes in the right departments	1	0.443
O19	Organizing promotes the use of standards and systems for operation	1	0.350

Extraction Method: Principal Component Analysis.

The findings indicated that the most influential component for organizing was O22 (Organizing ensures that internal processes run smoothly) with a communality of 0.740. This means that 74.0% of any change in O22 is accounted for by the extracted factors. The other three influential components for organizing were: O11 (Adequate organization in the corporation ensures constant availability of goods and services to the customers), O15 (Organizing ensures correct levels of expertise are developed through training for high quality output) and O2 (Our functions are organized in strategic business units for ease of accountability) with communalities of 0.726,



0.700 and 0.628 respectively. This means that the extracted factors in organizing influenced 72.6%, 70.0% and 62.8% of the changes in O11, O15 and O2 respectively.

### **Influence of Organizing on Organization Performance**

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.

### **Financial Perspective on Organizing**

From the responses organizing in our state corporation aligns processes in the right departments had a mean of 5.34 with a standard deviation of 1.261. The respondents agreed with the statement which is consistent 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. Organizing in strategic business units makes it easy to track performance of each business function had 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 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.

### **Customer Perspective on Organizing**

From the research findings, 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 and this is consistent with Willmott (2012) 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 respondent were in agreement with the statement which is consistent with 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 had a mean of 4.38 with 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.

### **Learning and Growth on Organizing**

From the findings organizing function ensures that knowledge in the corporation is well stored for future use had a mean of 3.63 with a standard deviation of 1.921. This contradict with Bloisi (2007) 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 had 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

### **Internal Processes on Organizing**

Research findings indicated that 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-base 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.

### **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 -5 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. From the finding, 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 Lebars 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, Odetayo and Sajuyigbe (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.

## **CONCLUSIONS**

From the findings, 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.

## **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 to 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 study also recommends that Leaders should be empowered to allocate appropriate resources towards influencing and motivating workers to achieve shared goals. This would enable employees to know where the organization is headed and consequently motivate them to perform. Leaders should also be empowered and supported to create a culture where

proper organizational planning can take place. This would encourage everyone feel part of the decision making process, and also feel valued by knowing that their views and contributions are considered by management.

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