INFLUENCE OF STRATEGIC PLAN IMPLEMENTATION DRIVERS ON THE PERFORMANCE OF AUTOMOBILE COMPANIES IN KENYA

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ABSTRACT

Strategic planning provides a framework for management's vision of the future. The strategic planning process is used by management to establish objectives, set goals and schedule activities for achieving those goals. Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. Implementing the strategic plan is as important, or even more important, than the strategy. In spite of the significance of the implementation procedure inside strategic management, this is an area of study frequently dominated by emphasis on the strategy formulation process. Numerous institutions confront critical challenges with respect to policy implementation as most strategies flop to deliver better performance for the firm due to poor implementation. The process determines how the organization will change to take advantage of new opportunities that help meet the needs of their clients. This study seeks to establish the influence of strategic plan implementation on the performance of automobile companies in Kenya. The specific objectives are influence of information technology, human resource management, organization structure and resource allocation. The design of this study was be descriptive research method. In addition, both qualitative and quantitative methods were applied in data collection and analysis. The descriptive design was used because it would address major objectives and research questions proposed in the study adequately. The study gathered primary data through questionnaires given to 85 randomly selected employees from the selected companies. The use of questionnaires is recommended since it guarantees confidentiality to the respondents thus they acted without any fear or embarrassment. Data was then summarized, coded and entered in a computer aided tool for analysis that is; Statistical Package for Social Sciences (SPSS) which generated descriptive statistics such as means, standard deviation and frequency distribution. ANOVA and multiple regression analysis was used to establish the relationship between variables on the dependent variable. The regression equation for the study is, $Y = 5.056 + 0.422\ X_1 + 0.207\ X_2 + 0.178\ X_3 + 0.161 X_4$. Where $X_{1,}$ X_2, X_3 and X_4 are communication, human resource management, organization structure and resource allocation respectively. The study established that taking all the factors at constant at zero, the organisational performance is 5.056. The findings presented also show that holding all other independent variables at zero, a unit increase in Communication, human resource, organization structure and resource allocation would lead to 0.422, 0.207, 0.178 and 1.161 growth in organization performance. All the four variables contribute to a positive growth in the organisation performance.

Key Words: *strategic plan implementation drivers, performance, automobile companies, Kenya*

INTRODUCTION

Organizational performance relates to how well an organization achieves successful outcomes in relation to its set objectives. It is the Ability of an organization to acquire and utilize scarce resources in the most cost effective manner to achieve its operational and strategic objectives (Murugi, 2015). The earliest form of strategic planning implementation was attributed to the Military as far back in the early Greece (Manana *et al.*, 2014). The use of strategic planning in the Military continued through the 2,000 years which lead to World War II which served as the impetus for shifting strategic planning implementation into the business sector. The automotive industry is a term that covers a wide range of companies and organizations involved in the design, development, manufacture, marketing, and selling of motor vehicles, towed vehicles, motorcycles and mopeds (Maungu, 2014).

Technological breakthroughs that occurred in Europe during the early 1800's and continued a century later with the pioneering efforts of American manufactures to begin mass-producing cars. According to Kinyanjui (2014) strategic planning practices enhance employee performance and the ability of agencies to achieve their mission. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives. Strategic financial allocation, strategic expansion, strategic alliances and strategic collaboration, have a positive effect on performance. The aim of strategy implementation is to turn plans into actions in order to accomplish strategic objectives and goals of the organization. According to Lynch (2012) elements of implementation include identifying strategic objectives, formulating specific plans, allocating resources and budgets and monitoring and controlling the procedures. Implementation requires carefully planned activities for the organization to achieve its objectives.

Currently, Kenya is viewed as an ideal base for regional East African market. According to Hannigtone (2012), the delay in lead time for orders has made it strategically important for automobile manufacturers to have a solid base in Kenya. The Automotive industry in Kenya is primarily involved in the retail and distribution of motor vehicles. There are a number of motor vehicle dealers operating in the country, with the most established being Toyota (East Africa), Cooper Motor Corporation (CMC), General Motors (GM), Simba Colt and DT Dobie Kenya. There are also three vehicle assembly plants in the country, which concentrate on the assembly of pick-ups and heavy commercial vehicles like the automobile vehicle assemblers. Half of the Kenyan motor vehicle market is commercial, mainly made up of pick-ups, trucks and buses. However, the buses and trucks business is dominated by established players such as CMC, General Motors, Simba Colt, and DT Dobie (Nyotta, 2014). The Kenya Motor Industry Association (KMI) established in 1989, is the body that represents the corporate motor dealers in the country. The body coordinates commercial realities and national policies.

According to Ngweh (2018) business performance measures market-related items such as market share, growth, diversification and product development. The organizational performance measures include excellence in internal business processes and effective timely and accurate data collection, quality workforce, quality work environment. The world today has an increasing need for the enhancement of businesses due to the inconsistency of the business world. Today, the world has become a global village giving opportunities for businesses to grow and get new markets all over the world. Strategic management is a young discipline celebrated 30 years ago. It is based on developing new ways of thinking that is needed by the issues facing the field of business policy. Muogbo (2013) studied the impact of strategic management on organisational growth and development and found that that adoption of strategic management had significant effect on competitiveness and significantly increases organizational productivity.

A successful strategy implementation requires that the organizations administrative elements have a strategy supportive structure, a supportive budget, competent employees in right jobs, well laid down performance targets, internal supportive administrative systems, and visionary leadership that motivates and manages the change process in a conducive, innovative and responsive work environment (Rotich, 2013). The strategy to be implemented should be realistic in relation to available resources. Human capital is an important resource in the organization, therefore training and development is very important for improved performance. Such training is important for enhancing ability to develop and strategy implementation. The human element is key in strategy implementation; by providing performance enticements to workers during the enactment phase business performance would be positively influenced. In order to enhance effective strategy implementation, there is need to have adequate administrative process and procedures in place (Kirui, 2013). The strategy implementation challenges will depend on the type of strategy, the organization and prevailing circumstances (Musyoka, 2011).

Strategy implementation is inextricably connected with organizational change and people working in an organization sometimes resist change proposals and make strategy difficult to implement. According to Berman (2009) strategy implementation is the process through which a chosen strategy is put into action. It involves the design and management of systems to achieve the best integration of people, structure, processes and resources in achieving organizational objectives. Once strategies have been developed, they need to be implemented; they are of no value unless they are effectively translated into action. This is necessary if organizations are to remain competitive and relevant to current market trends. The strategy implementation process turns strategy into series of action and the result ensure the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned.

Organizational performance remains of great concern today to all organizations including private, public, and profit or not for profit (Mkalama, 2014). The role of strategy implementation in strategic management process and by extension organizational performance is gradually creating interest in management research. Previously, emphasis has been more on strategy formulation more than implementation. It was established that strategy implementation had a significant influence on all the indicators of performance. Strategy implementation accounted for 91.3 percent of performance of organizational performance (Njoroge *et al.*, 2015). Strategy implementation involves a number of practices such as resource mobilization, restructuring, cultural changes, technological changes, process changes, policy and leadership changes. There is also training of staff and communication of strategic plans and the expected changes to prevent resistance to change.

An organisation which is competing in fast changing markets with fast changing technology must make things happen, it must innovate. If it does not innovate it risks being overtaken by competitors. The innovation process includes a set of activities that contribute to increase in the capacity to produce new goods and services or to implement new forms of production (Kimingi, 2010). Organisations are increasingly using information technology to develop solutions to business problems, to improve both the efficiency and effectiveness of the decision-making process, to enhance productivity and service quality, to achieve dynamic stability, and compete for new markets (Munywoki, 2016). According to Kimani (2015) technology alone would not have provided the solution but Toyota carefully revised its business processes to support a build-to-order production model that based vehicle production on actual customer orders rather than the best guesses of customer demand. This resulted in Toyota building only the cars customers have ordered, its vehicle order management system reduces inventory costs, because the company and its dealers do not have to pay for making and storing vehicles customers did not want. The system also increases customer satisfaction by making it easier for customers to buy exactly the model.

STATEMENT OF THE PROBLEM

The Automotive industry in Kenya is primarily involved in the retail and distribution of motor vehicles. The motor industry in Kenya contributes to at least 6% to the GDP. The established dealers face intense competition from imported second-hand vehicles, mainly from Japan and United Arab Emirates. These imports now account for about 74% of the market (Mwangi, 2013). The last couple of years for instance has witnessed a significant decline when it comes to the number of new vehicles being sold in the Kenyan market. This therefore indicates a steady recovery in the last four years however these numbers are still fall far short of the numbers recorded a decade ago. The automotive industry faces many challenges. It suffers from long-term over capacity, with the inevitable depressing effect on profitability. A spate of mergers and acquisitions in the industry, amongst both vehicle manufacturers and component makers, is one consequence of this. Rationalization amongst incumbents in the developed world seems inevitable, especially as new entrants in the developing world continue to create new capacity. General Motors East Africa Limited applied various measures to improve the planning process and get optimal results from strategic planning process. They include strategy development, combined with capital allocation, and management team treats strategic planning as part of its daily responsibilities respectively. In such an environment, anything that risks damage to brand value or drives up operating costs is obviously highly undesirable. Good strategies alone will not work without appropriate implementation processes in place. Strategy implementation is a critical component of strategic management (Ombui, 2014). According to Ombui (2014), lack of funds impedes strategic implementation, lack of competency in the organisation are barriers which hinder strategy implementation, coordination and reward system affect strategic implementation. According to Shollei (2012), competition in the automotive industry; technological changes, political influence, legal forces and employee turnover were hindering strategic marketing practices in their companies to a moderate extent. Information technology is at the core of many business functions, operations, products and services. Today, organisations worldwide spend over 50% of their new investment funds on IT and related communications (Kariuki, 2015). The researcher therefore narrowed the gap to the automotive industry in order to evaluate the influence of strategic plan implementation on the financial performance of the automobile companies in Kenya (Kinoro, 2013).

GENERAL OBJECTIVE

To establish the influence of strategic plan implementation drivers on the performance of automobile companies in Kenya.

SPECIFIC OBJECTIVES

1. To establish the influence of communication, on the performance of Automobile Companies in Kenya.
2. To determine the influence of human resource management, on the performance of Automobile Companies in Kenya.
3. To examine the influence of organization structure, on the performance of Automobile Companies in Kenya.
4. To evaluate the influence of resource allocation, on the performance of Automobile Companies in Kenya.

THEORETICAL FRAMEWORK

Agency theory

Agency theory is concerned with the conflicting interests of principals and agents. Jensen’s and Meckling’s (1976) theory on agency costs and ownership structure holds a central role in the corporate governance literature. In its primitive shape, agency theory clarifies the circumstances in the agent is locked in by the principal to follow up for it sake based upon an assigned expense plan. Since both individuals are assumed to be utility maximizer, and motivated by pecuniary and non-pecuniary items, incentive problems may arise, particularly under the condition of uncertainty and informational asymmetry. That is, the objective function of the principal and the agent may be incompatible, thus the agent may take actions which jeopardize the principal's benefits. In addition, an agency operates under the condition of risk and uncertainty. The agent along these lines propels both the principals' advantages and his own particular advantages in the association. A balance of these interests should be merged in order to arrive at the corporate objectives of the organization through the agent because it is in charge of the vast resources of the organization. The agent is in charge of strategy implementation.

Douglas McGregor, Theory X and Y

Theory X and Theory Y are theories of human work motivation. They were created by Douglas McGregor while working at the MIT Sloan School of management in the 1950s and developed further in 1960s. Theory X assumptions include that people dislike and avoid work, people are lazy, people must be coerced to be productive thus need a carrot and stick approach. Where sticks are the legal compliance through rules, close supervision, and sanctions; while carrots are rewards. People are security driven; they want to be told what to do they also avoid responsibility. Theory Y assumptions include; work is natural, people desire self-direction and self-control. Also people seek responsibility. Problem solving should be widely distributed. Worker ability is not utilized. People want to do good work, need to grow, want to make contributions. Theory X assumptions agrees with the research objective that people need rewards for the purpose of being productive in a company, enhancing the overall profitability.

Systems Theory

In a systems theory point of view, strategic planning should be a bastion of longterm thinking, but instead is often short-term and reactive in scope, for instance maximizing near-term profits at the expense of long-term shareholder value. Systems thinkers view the organization as an organism, with each part dependent on the others to function, and the organism as a part of the larger system which includes its external environment. Organizational activity is understandable in terms of its relation to the external environment which provides the resources and conditions on which the organization depends for its survival or the realization of its purposes. strategic leaders need to learn to set goals that are worthy of commitment to create a shared vision for the organization. Without involvement of people throughout the organization, the strategic vision cannot come alive, or reflect personal ownership by all whom it affects. Unique attributes of interactive planning include a system where by every employee as the opportunity to be involved in making decisions which affect him or her. Involvement is accomplished by a network of interlocking boards composed of the manager, the manager's manager, and the people reporting to the manager.

Resource Based Theory

Edith Penrose’s contributed to the resource based view as early as 1959 when she argued that a firm is more than an administrative unit, it is also has a collection of productive resources at its disposal with different users and over time is determined by administrative decision. She came to the conclusion that the existing theory of the firm was inadequate to explain how firms grow. Her insight was to realize that the 'Firm' in theory is not the same thing as 'flesh and blood' organizations that businessmen call firms. Barney (1991), as the father of modern Resource Based view of the firm emphasized that in this theory there is heterogeneity or firm level differences among firms that allow some of them to sustain competitive advantages. Therefore the theory emphasizes strategic choice changing the firms' management with the important task of identifying, developing and deploying key resources to maximize returns.

The competitive advantage in the firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal, (Penrose, 1959). The theory suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors, (Barney, 1986). These resources and capabilities can be important factors of sustainable competitive advantage and superior firm performance if they possess certain special characteristics. They should be valuable, increasing efficiency and effectiveness, rare, imperfectly imitable and non-substitutable, (Barney, 1991). These resources if protected by firms can earn sustainable supernormal returns if and only if they have superior resources by some form of isolating mechanisms diffused on throughout the industry. In this research the resource in consideration is the financial, human resource and ICT.

EMPIRICAL REVIEW

Poku (2012) researched on the effect of strategic planning on the performance and operations of the Agricultural Development bank. The study established that corporate performance is dependent on policies and planning for every corporate body. The study reveals that, a thorough support of strategic planning and its execution leads to greater performance within the industry. The result and quality dimension shows that, customers of the bank show a satisfaction level of service delivered by the bank and hence helps the bank to achieve its targets which is part of its performance measure. Hence a positive strategic planning was found to affect corporate body performance. The study by Rintari *et al.,* (2014) established that insufficiency in resources and funding leads to inadequate budget systems and processes which subsequently lead to inadequate salaries, also a budgetary issue. The study focuses on the strategic planning and little has been given in regard to the implementation.

The highest form of human capital development results in enhanced individual performance leading to successful strategy implementation and stakeholders' participation in change management process has a positive impact on its success. Human resource are key to strategy implementation and their skills and knowledge need to be developed and sharpened continuously to gain competence in order to successfully implement the desired change (Maithya, 2016). The level of knowledgeable, competent and skilled workforce is a competitive advantage of any organization as no organization can have a workforce with the same capabilities with another organization. Kihara (2016) argues that firms that give information and trains staff on important issues of the strategy performs better. Leaders in these firms need to be in the forefront in demonstrating how to implement the new strategy and motivate employees through incentives upon achieving the set targets. Employees also need to be given an opportunity to make their individual contributions and suggest how strategy implementation efforts can be made better.

The findings by Rotich (2013) revealed that lack of the right skills and abilities for strategy implementation, ownership of the strategy and related implementation activities, disconnect between strategy formulation, high staff turnover rate and the reporting and decision making structure were identified as having posed a challenge to the implementation of the strategies. The findings of the study on disconnect between strategy formulation and strategy implementation reveals that however much that there is the implementation plan by the use of Gantt chart, there is no concrete evidence to link the strategy implementation activities with the strategy formulation because there is a mixture of the operational and strategic related projects. There were some resistances from some of the employees because they were reluctant in participating in strategy related projects. This could be attributed to the weak ownership strategies that the company used when they were building commitment and ownership from the staff. This study focused on staff training and leadership, it shows that with the right skill strategy implementation would lead to positive performance of the organization.

The study by Kirui (2013) found that employees' understanding and support towards attainment of corporate mission was marginally above average. This implied that although all employees worked for the authorities, some of them did not understand core corporate objectives underlying their individual responsibilities. Some rules and regulations originated from the top echelon of management. The shop-floor employees were rarely or hardly involved in making or contributing to essential rules and regulations that governed their relationships. Majority of the authorities did not have operational manuals for most of the technical undertaking delegated to them. Only a smaller portion saw the need to incorporating manual documentations in guiding staff towards achieving common goals. This probably denied the organization's employees efficiency of synchronizing their focus towards realization of strategic goals. This was explained that some employees did not know what was contained in the authority's capacity building policies. Recognition of talent and minimum training time were dismally rated.

Smart strategies are worthless if not implemented (Musalika *et al.,* 2016). The structure of the organization must to be flexible to permit implementation, resource must be available and adequately allocated, control and evaluation tools have to exist not only in policies but communicated to all employees in the firm and properly implemented. Strict follow up is indispensable to make sure that developed strategies are accurately implemented. Muthoni (2015) researched on the status and challenges in implementation of strategic plans in public secondary schools in Kiambu county, Kenya. The study established that most schools used several documents to guide them as they formulated the strategic plans. Most schools were yet to start implementation phase and those undertaking the process were encountering problems for it to be effective. It was noted, monitoring and evaluation were not carried out in most schools. The study by Musalika *et al.,* (2016) has outline importance of resource allocation while that by

Muthoni (2015) show that implementation of the strategic plan is more difficult than its development.

RESEARCH METHODOLOGY

Research Design

The study use a descriptive research design. Descriptive research involves obtaining information about a current status of a phenomenon in order to describe what exists in relation to conditions and variables in a situation without making changes in the variables (Bryman, 2005). This design is ideal as it provides room for feasible evaluation of the results. In addition, it is the best method to for collecting information to demonstrate relationships and describe a situation as it exists (Greener, 2008).

Target Population

Greener (2008), describes population as the set of all groups of individuals, objects, items, cases, articles or things with common attributes or characteristics. According to Kothari (2004), a population consists of all items in any field of inquiry. The target population of this study was the employees in the five organisations in the automobile companies these include Toyota Kenya, CooperMotor Corporation (CMC), General motors (GM), Simba colt and DT Dobie Kenya. The strategic team is distributed across various departments include finance, procurement, workshop, human resources, audit and administration. The target population is therefore 566 staff in the above mentioned departments in the various organisations.

Sample Size and Sampling Techniques

The sampling frame describes the list of all population units from which the sample is selected. In this study, the sampling frame consisted of staff working in the six departments in the five organisations. The General Managers of all the 5 organisations were accounted amongst the administration department. According to Kothari (2004), a sample is usually drawn because it is less costly and less time consuming to survey than the population, or it may be impossible to survey the entire population. The sample size was determined using Yamane (1967) formula. This formula was used to obtain a representative sample of the target population. The total population is estimated at 1,160 employees while the target population is 566 employees.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, e is the level of precision. In this study e was be equal to 10%. The sample size was therefore be determined as follows:

$$n = \frac{566}{1 + 566\,(0.1)^2}$$

$$n = 85$$

The study used stratified random sampling to select 85 staff in the five companies from the target population. In this technique, a population is stratified first and then random sampling is done. Stratification is done when members of a target population are divided into homogeneous groups before sampling. After the members have been put into homogenous groups, they are randomly picked using the simple random sampling. This process is preferred because no element of the population is left out. The strata are collectively exhaustive. Sampling error is reduced if the procedure is used, (Greener, 2008). The sample size of this study was therefore 85 employees.

Data Collection Instrument

The two types of data include primary data and secondary data. This study made use of primary data. The main advantage of using primary data is that data is collected specifically for the purpose of this particular study, (Bryman, 2005). Essentially, the questionnaire is tailored to obtain data that helped in meeting the objectives of the study. Primary data can be collected by use of questionnaires, interview guides, focused group discussions and observation guides. This research study used semi structured questionnaires to collect data primary data from the staff in the six departments in the five organisations. On the other hand, the unstructured questions were used as they encourage the respondent to provide an in-depth response without feeling held back in revealing of any information. The questionnaire were divided into six sections that include demographic information and the rest covering the four independent variables and the dependent variable. The structured questions used nominal scale, ordinal scale and likert scale.

Data Collection Procedures

The researcher obtained a letter of introduction from the university. The researcher also wrote a letter of transmittal of data collection instruments to individual respondents. The researcher then booked appointments with the respondents and agree on the timings for filling the questionnaires. The questionnaires were both hand delivered or emailed to the respondents. Follow-ups were then made on to monitor the progress of the respondents in filling up the questionnaires. The researcher also hired a research assistant to help collect the filled questionnaires.

Data Analysis and Presentation

The semi structured questionnaire generated both qualitative and quantitative data, which was analyzed differently using different methods. Qualitative data was analyzed by use of thematic content analysis and the results were presented in a prose form. Quantitative data was by use of both inferential and descriptive statistics with the help of statistical software known as Statistical Package for Social Sciences (SPSS version 22). Before analysis, the completed questionnaires was edited for completeness and consistency. Descriptive statistics was used to summarize the background information. Descriptive statistics include percentages, and frequencies, measures of central tendency (mean), measures of dispersion (standard deviation). The data was presented using tables and figures which include bar charts and pie charts. Multiple regression analysis was used to establish the influence of the independent on the dependent variable. The multiple regression analysis take the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y= Performance; β_0 = Constant ; β_1 - β_4 = Beta coefficients ; X_1= Information Technology; X_2= Reward Management; X_3= Human Resource Management; X_4= Resource Allocation; ε = Error term

RESEARCH RESULTS

Influence of Communication on the Performance of automobile companies

This study established that communication strongly influence the strategic plan implementation. The management has to invest in information technology and support in strategy implementation. The management must have adequate communication to other staff during the implementation of strategy. Both the horizontal and vertical communication is effective in strategy implementation. The management has to put measures on the system to prevent fraud so as to ensure that all the controls are in place. The operating system is user friendly and efficient for a successful strategy implementation.

Communication, affects strategy implementation directly through its impact on the individuals involved in implementation. It encourages participation in strategy formulation, refinement and implementation, as well as enabling direct communication of corporate strategies once formulated. By indicating upper management’s involvement and belief in the strategic vision, it can create enthusiasm and motivate personnel. The study by Olang (2015) established that as part of ensuring effective implementation of strategy, communications had been outlined as a key component. Further, the organization has an internal communications unit that is actively functioning, and aims to engage audiences, and key stakeholder strategically, in order to further the mission of the organization. The organization’s communications unit is in-charge of ensuring proper messaging to audiences and stakeholders, and advising on proper tools, and communication channels.

Influence of Human Resource management on the Performance of automobile companies

The study established that human resource management is very necessary in the strategic plan implementation. Management of human resources in an organization is very crucial for the survival and proper functioning of an organization and recent studies have shown that human resource practices play an important role in formulating and implementing strategy. Human resource management should be looked at as part of the overall organizational strategy of a firm and its importance has made human resource managers to be part of decision making process during strategy formulation and implementation. Lee *et al.,* (2010) indicated that there is a direct relationship between a firm's strategy and the use of human resources.

According to Kihara (2016) a significant positive influence exists between attention to human resource requirements during strategy implementation and the performance of the manufacturing SME's in Kenya. From this finding, it can be concluded that those firms that give information and trains staff on important issues of the strategy performs better. Leaders in these firms need to be in the forefront in demonstrating how to implement the new strategy and motivate employees through incentives upon achieving the set targets. Employees also need to be given an opportunity to make their individual contributions and suggest how strategy implementation efforts can be made better. On the other hand, leaders should match their strategy requirements with human resource needs, set targets and give timely feedback. Also make sure that performance appraisals are unbiased and promotion is given on merit basis based on objectives achieved.

Influence of Organisation Structure on the Performance of automobile companies

Organizational structure is the main key element in improving the efficiency of all organizations. It is considered as the framework of the organization providing a foundation through which organizations functions; but translating strategic thought into organization action is the most difficult phase of strategic management, and without successful implementation of strategies the organization will not achieve its objectives. Thus this study concluded that the organisation structure should be looked into before the plan to implement strategies. The importance of leadership to the implementation of strategic plans is underscored by the fact that this process entails formulation and institutionalizing the whole process.

Influence of Resource Allocation on the Performance of automobile companies

Resource allocation plays an important role on the performance of an organisation. For companies to remain competitive, there has to be a clearly formulated strategic plan and ways of implementing it. According to Omollo (2017) it is important for the organisation to modifying its way of allocating resources so as to enable the implementation of strategic plans successfully. The organization has to allocated adequate funds in strategic plan implementation, management has to review the budget allocated for the purposes of strategic plan implementation annually and adequate annual provisions for the staff trainings are very important in strategic plan implementation.

REGRESSION ANALYSIS

The general objective of this study was to determine the influence of strategic plan implementation on the performance of automobile companies in Kenya. The four specifc objectives were to determine the influence of communication, human resources management, organization structure and resource allocation on the performance of automobile companies in Kenya.

Table 1: Regression Coefficients

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta		
Constant	5.056	3.061		1.652	.104
Communication	.422	.079	.623	5.344	.000
Human Resource Management	.207	.039	.472	5.328	.000
Organization Structure	.178	.058	.375	3.063	.003
Resource Allocation	.161	.073	.204	2.221	.030

$p<0.05$, Independent variable; communication, human resource management, organisation structure and resource allocation

From the table 1 above the coefficients of the regression are used to come up with the following regression equation:

$$Y = 5.056 + 0.422 X_1 + 0.207 X_2 +0.178 X_3+ 0.161X_4$$

Where: $X_{1,}$ X_2, X_3 and X_4 are communication, human resource management, organization structure and resource allocation respectively

The study established that taking all the factors at constant at zero, the organisational performance is 5.056. The findings presented also show that holding all other independent variables at zero, a unit increase in Communication would lead to 0.422 growth in organization performance, a unit increase in human resource management would lead to 0.207 in organization performance. A unit increase in organisation structure would lead to 0.178 growth in organization performance, a unit increase in resource allocation would lead to 0.161 in organization performance. All the four variables contribute to a positive growth in the organisation performance.

Table 2: Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.803(a)	0.644	0.618	0.78381

Independent variable; communication, human resource management, organisation structure and resource allocation

The table 2 above indicates that the coefficient of regression, R= 0.803 shows a good strength of the relationships between independent variables and the dependent variable. The coefficient of determination R2= 0.644 shows the predictive power of the model and in this case 64.4% of variations in the company performance is explained by the independent variables. The adjusted coefficient of determination R2 shows the predictive power when adjusted for degrees of freedom and sample size. In this case, after the adjustments 61.8% of the variations in the company performance is explained by the independent variables.

Table 3: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	61.144	4	15.286	24.882	.000(a)
	Residual	33.789	42	0.614		
	Total	94.933	46			

Dependent variable; Performance of Automobile Companies, Independent variable; communication, human resource management, organisation structure and resource allocation

ANOVA findings as explained by the P-Value of 0.000 which is less than 0.05 (significance level of 5%) confirms the existence of correlation between the independent and dependent variables. The model shows the model fitness i.e. how well the variables fit the regression model. From the results, the F ratio of 24.882 and the significance of 0.000 shows that there was not much difference in means between dependent and independent variables. The sum of squares gives the model fit and hence the variables fit the regression model.

CONCLUSIONS

The study concluded that all the four independent variables influence performance of the organization. These are communication, human resource management, organisation structure and resource allocation positively influences the performance of automobile companies in Kenya.

RECOMMENDATIONS

The automobile companies in Kenya should improve the leadership structures and have more staff trainings especially on strategy implementation.

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