

# **IMPACT OF STRATEGIC CHANGE ON THE PERFORMANCE OF STATE OWNED CORPORATIONS IN KENYA: A CASE STUDY OF KENYA RAILWAYS**

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## **ABSTRACT**

Public sector performance is extremely vital for growth of the economy in addition to the general interests of its people. Although it is not easy to measure this performance directly, it is feasible to find causes of good or bad performance. The objectives of the study were to find out the effects of strategic change on the performance of state owned corporations, to determine the effects of downsizing in state-owned corporations, to determine the effects of downsizing in state-owned corporations, to assess the effects of service delivery of the performance. This study employed a case study research design since it is an in depth investigation of an individual group of employees or firm. The study was conducted in Nairobi County. The study targeted Kenya Railways. The researcher targeted management and subordinates in HR & Administration, Finance, Concession, Business, Corporate affairs, ICT, Security, Risk and Audit, procurement and legal department. Simple random sampling was employed. The researcher used a questionnaire as an instrument for data collection. The data was analyzed using SPSS software of analysis. Quantitative techniques such as frequencies, percentages, bar graphs, tables and pie charts were used to analyze the data. At the same time, qualitative techniques such as narratives, explanations and discussions were also used. In the major findings, the researcher found that the effects of strategic change played a key role in the organizational restructuring because corporate image had been enhanced and employee satisfaction observed. The study also exposed that downsizing had enhanced efficiency since a lean workforce is simple to run and expenses were significantly reduced. The study also established that service delivery had significantly (68%) played a key and positive part in the organization's performance. The researcher found that there was an increase in the organization performance and the service delivery had led to excellence in customer service due to training, hence enhancing professional skills, improving connection among the organization and the suppliers and improving relationships among the organization and its customers. The findings will be helpful to state-owned corporations as well as the government in improving on areas that lead to poor performance and rewarding areas that lead to good performance. The major recommendations are that the government ought to privatize state owned corporations that are loss making so that they are not a cash drain on the taxpayer and a burden to the country. There ought to be a conscious attempt by the government to find out what are the causes of the non- performing state-owned corporations and as a result find solutions and take steps to ensure that state owned corporations are not mismanaged. This study will contribute to knowledge in that state corporations will gain knowledge of business strategies with a view of improving on efficiency and organization skills for performance as well as growth.