Effect Of Strategic Plan Implementation On Organizational Performance Of Energy Companies In Somalia

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ABSTRACT

The main purpose of this study is to investigate the effect of strategic plan implementation on organizational performance: a case study of Banaadir Electric Company (BECO).The specific objectives are to analyze the effects of strategic leadership, structures, strategic resource allocation and strategic policies on organizational performance and to measure the combined contribution of four factors (strategic leadership, structure, strategic policies and strategic resources allocation) on organizational performance. A descriptive research design will be adopted for this study. The dependent variable of the study is organizational performance while the independent variables of the study were Leadership, structure, policies factors and resource allocation effect of organizational performance. Most companies struggle with implementation of strategic plans and therefore fail in performance enhancement and it appears that BECO has had serious problem in implementing the strategic plan and it is not yet understood how the key components of strategic implementation including leadership, functional policies, organization structure and resources allocation are responsible the performance of the company. This study Sought to establish the effect of strategic plan implementation on organizational performance in electric companies by answering the following research question; how strategic plan implementation affects the electric companies in Mogadishu? The population consists of the Banaadir Electric Company (BECO) Employees: and target populations were the Top Managers, Middle Managers and first line Managers. 79 of the Banaadir Electric Company (BECO) managers were used as the sample size representing the total population. Proportionate stratified random sampling technique will be used for this study. The primary data collection tool was used administered questionnaires. A pilot test was conducted with a few respondents before the questionnaire will be reviewed and then was distributed to the selected sample. The data collected in this study was analyzed using descriptive statistics through SPSS version 22 for windows to provide simple summaries in form of tables, figures and explore relationships between responses to different questions. The results reveal that strategic Leadership, structure, strategic policies and strategic resource allocation have significant and positive effects on organizational performance of energy companies in Mogadishu-Somalia. The study recommended that managers of energy companies in Mogadishu -Somalia should nurture and develop strategic Leadership, structure, strategic policies and strategic resource allocation. The areas for further research include a comparative study between a public enterprise and a private enterprise to find out best practices that can be incorporated in the other sector.

Keywords: strategy, strategic plan implementation, leadership, organization performance

1. INTRODUCTION

Strategic is more important for any company to success according to (Porter 1980, in Aremu, (2010), Kazmi, 2008).Strategy is a broad based formula for how business is going to compete and what policies will be needed to carry out the goals in order to achieve success. Strategy is needed to focus effort and promote coordination of activities and without strategy an organization becomes bunch of individuals, hence strategy is required to ensure collective actions and concentration of efforts towards achieving organizational plans and objective(Aremu , 2010). It must be noted that the hardest part of strategic planning is implementation, that is to effect what is planned and to be alert to the event of any opportunity for action that is clearly better than that in the original plan and then to adjust the plan accordingly to fit emerging circumstances (Uvah, 2005).

Implementing of strategic is more important than strategic plan According to Thompson and Strickland (2003) Implementation is an integral component of strategic management process and it is viewed as the process that turns the formulated strategy into series of action and the result ensure the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned. Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. 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 (Bhasin, 2009).

Both managers and employees should be involved in the implementation decision and adequate communication between all parties is important for successful implementation. Elements that require consideration during the implementation process include annual objectives, policies, resource allocation, management of conflict, organization structure, managing resistance to change and organizational culture (David 2003). Successful strategy implementation depends on working through others, organizing, motivating, culture-building and creating strong fits between strategy and how the organization does things. Ingrained behavior does not change just because a new strategy has been announced (Thompson & Strickland, 1993).Strategic plan is a document used to communicate with the organization the goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise (Balance Scorecard Institute, 2002).

Strategic plan implementation is the backbone of strategic management according to (Blahová & Knápková, 2010). Strategic plan implementation is related to translation of chosen strategy into the action and correct implementation should lead to achieve the organizational objectives. For strategic management to result to superior performance, all the steps in the process need to be effectively managed. A bright strategy may put a company on the competitive advantage and increase its performance. Unfortunately, most companies struggle with implementation and therefore fail in performance enhancement .Strategic plan implementation is not a top-down-approach. Consequently, the success of any implementation effort depends on the level of involvement of top managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Rapa & Kauffman, 2005). Many companies who have strategic plans nine out of ten fail to implement their strategic plan for many reasons. Approximately 60% of organizations do not link strategy to budgeting, 75% of organizations do not link employee incentives to strategy, 86% of business owners and managers spend less than one hour per month discussing strategy, 95% of a typical workforce doesn't understand their organization's strategy Implementation of strategy A Fortune cover story (1999).

In America according to Olsen (2006).Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. A strategic plan provides a business with the roadmap it needs to pursue a specific strategic direction and set of performance goals, deliver customer value, and be successful. However, this is just a plan; it doesn't guarantee that the desired performance is reached any more than having a roadmap guarantees the traveler arrives at the desired destination. The strategic plan addresses what and why of activities, but implementation addresses who, where, when, and how. The fact is that both are critical to success. According to Lorange (1998) stated that human resources are becoming the key focus of strategy implementation and reiterated that people, not financial resources, are the key strategic resources in strategy implementation. In a study involving 172 Slovenian companies, Cater and Pucko,

(2010) demonstrated that managers mostly rely on planning and organizing activities when implementing strategies, while the biggest obstacle to strategy implementation and execution is poor leadership. Their results showed that adapting the organizational structure to serve the execution of strategy has a positive influence on performance. Fulmer (1990) mentioned that human resources management plays an important role in the effective implementation of strategic plans. It is important for both organization departments and employees to be enthusiastic about the strategy implementation. Getting people involved and having a motivating reward system will have a positive influence on the implementation of strategy. .

In South Africa according Toolsee (2011) the implementation of a strategy takes the organizational structure into account, with special regard for the identified lines of authority and communication. Most companies have the know-how to create a strategy, but a holistic approach is needed to execute it. This could include quantifying the company's vision, communicating the strategy through short, meaningful phrases, planning for results and sharing the strategy with the organization. The implementation of a strategy is also dependent on the attitude, personality and actions of leaders and managers. Different strategies require different manager behaviors, but this could become a challenge for companies when resources are limited. Furthermore, most organizations are structured in such a way that a strategy is completely divorced from its execution. The responsibilities of a strategy management office are to support the alignment of the company, review strategy, develop strategy and communicate strategy. It appears as though companies are not concerned about whether or not the strategy gets implemented or if performance actually improves due to the successful implementation of a strategy. Strategic implementation as a procedure that is directed by a manager to deliver planned change in an organization or a process of encouraging and leveraging targeted organizational members' appropriate and committed use of innovation. Some authors view implementation as being completed when change is occurring, while others see it as continuing until the intended benefits have been realized (Toolsee, 2011).

In Somalia according to Nour (2013) Strategy implementation is described as an action phase of the strategic management process. In order to ensure success, strategy must be translated into carefully implemented actions. Strategy implementation is carefully considered processes of ensuring strategies that have been formulated within the organization are executed in order to achieve organizational goals and objectives. As a result of the prolonged period of conflict, all systems of control had broken down. The current administration is making efforts to rebuild the systems of internal control so there is no research made by the private companies and their strategic management there is some improvement in adherence to systems of control in contrast to the recent past, although, a lot more needs to be done to strengthen the overall systems of internal control (Farah, 2012). So this study investigated the impact of strategic management and organizational performance in Mogadishu-Somalia.

BECO is electric power Supply Company and was founded in 2014 in Mogadishu - Somalia, by three local electricity suppliers who understood the importance of joining forces in order to better serve their clients. These companies have decided to unite under a single, bigger & more resourceful entity called BECO creating the largest electricity company in Somalia. The company is owned by Somalis mainly those companies who got together and their shareholders. The headquarters of the company is Mogadishu, Somalia with 15 operational and customer services branches in and around the capital of Mogadishu –Somalia and most population in Mogadishu are clients of BECO.

1.2 Statement of the Problem

Strategic management is very important for organizational performance and Strategic plan implementation is related to translation of chosen strategy into the action and correct implementation should lead to achieve the organizational objectives. For strategic management to result to superior performance, all the steps in the process need to be effectively managed. A bright strategy may put a company on the competitive advantage and increase its performance. Unfortunately, most companies struggle with implementation and therefore fail in performance enhancement (Blahová & Knápková, 2010).

Unfortunately, industries in developing countries are lagging behind in the adoption of energy efficiency and management measures and as such missing the benefits of implementation. Most of these industries are limited by some critical factors, which mainly stem from a combination of market failures (related to energy-efficient goods and services), organizational failures and irrational human behavior. These factors (barriers) inhibit the adoption or encourage the slow adoption of cost effective energy efficient technologies. These barriers continue to persist in developing countries(despite having been known for years) because of the prevalence of lack of information, poor decision-making and choices, lack of financing and many hidden costs (UNIDO,2011)Many researchers conducted studies in the world about strategic management such as strategic planning, strategic formulation and others but the effect of strategic plan implementation on organizational performance in electric companies in Mogadishu did not make previous study in Somalia and where there is not theoretical and empirical review about strategic plan implementation in the electric industry in relation to performance in Mogadishu –Somalia.

BECO is electric power Supply Company and was founded in 2014 in Mogadishu - Somalia, by three local electricity suppliers who understood the importance of joining forces in order to better serve their clients. These companies have decided to unite under a single, bigger & more resourceful entity called BECO creating the largest electricity company in Somalia. The company is owned by Somalis mainly those companies who got together and their shareholders. The headquarters of the company is Mogadishu, Somalia with 15 operational and customer services branches in and around the capital of Mogadishu –Somalia and most population in Mogadishu are clients of BECO. But this is not sufficient in meeting the demands of the expanding population and still depends on the old machines, traditional workers and it appears that BECO has had serious problem in implementing the strategic plan and It is not yet understood how the key components of strategic implementation including leadership, functional policies, organization structure and resources allocation are responsible the performance of the company.

This study seeks to establish the effect of strategic plan implementation on organizational performance in electric companies by answering the following research question; how strategic plan implementation affects the electric companies in Mogadishu?

1.3 Objectives of the Study

1.3.1General Objective

To determine how strategic plan implementation Affect the organizational performance of Banaadir Electric Company (BECO) in Mogadishu-Somalia.

1.3.2 Specific Objectives

1. To evaluate the effect of strategic leadership on organizational performance of Banaadir Electric Company.

2. To evaluate the effect of organizational structure on organizational performance of Banaadir Electric Company.

3. To investigate the Strategic policies has influenced on organizational performance of Banaadir Electric Company.

4. To assess the effect of strategic resources allocation on organizational performance of Banaadir Electric Company.

2.1Theoretical frameworks

2.1.1 Competence-based theory

As we know, “competency based approach” has been extended at the beginning of the XXI century in connection with discussions about problems and ways of modernization of the education. Innovative education–is not only a new way of teaching, but also a new way of thinking. This education is focuses not on the transfer of knowledge, which constantly outdates, but on mastering the core competences that allow then to acquire knowledge on their own. Competency based approach in education is well-known to the educators and scientists all over the world, and today it is discussed from different angles and is being viewed from different perspectives. First of all, this is due to the definition of the terms “competence” and “competency”. According to the dictionary Webster, the term “competence” appeared in 1596. And in the United States it was firstly used in the 60s in the context of performance-based education, which purpose was to train specialists who can successfully compete in the labor market (Berkaliev, 2007). The dictionary of Ozhegov adheres to activity-based description of the concepts: 1) Competence–a capacity, an area of issues, phenomena to be controlled by somebody; 2) competency–awareness; 3) competent–is a recognized expert in a particular issue (in the insurance issue), who has competence, and 4) willingness–consent to do something (risk assessment), the desire to contribute something (risk spreading). Here the word “willingness” is considered on the one hand, as a state of readiness of a person, who is able and willing to fulfill something. On the other hand, willingness–is consent to do something, a condition in which everything is done, everything is ready for something (Ozhegov & Shvedova, 1993).)

2.1.2 Contingency Theory

Contingency theory is an approach to the study of organizational behavior in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations. The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. Contingency theories were developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by (Reid & Smith, 2000; Chenhall, 2003; and Woods, 2009). These studies postulated that organizational structure was contingent on contextual factors such as technology, dimensions of task environment and organizational size. In some other literature, contingency between organizational context and design but did not analyze organizational performance. Using this approach, both task and technology were defined in two dimensions (Dewar & Hage, 1978). These researchers found that there was a strong relationship between various characteristics of technology and structure in the organization (Marsh & Manari, 1981). However, these studies did not provide evidence on whether different types of structures in different tasks or technological conditions were effective.

2.1.3 Resource-Based Theory

Organizational resources as important to a firm's success it was not until the 1980s that the resource-based view of the firm began to take shape (Hesterly, 2012). Even if these two assumptions are met though, not all resources are sources of SCA.

The VRIO framework includes four conditions for assessing whether a resource has the potential to generate SCA. Specifically, Barney and Hesterly, (2012) argue that SCA results only if resources are simultaneously valuable, rare, imperfectly imitable, and exploitable by the firm's organization. Firm resources are valuable if they "enable a firm to develop and implement strategies that have the effect of lowering a firm's net costs and/or increase a firm's net revenues beyond what would have been the case" without these resources (Barney & Arikan ,2001). In the parlance of a traditional strength, weakness, opportunity, threat (SWOT) framework, resources are valuable if they enable the firm to exploit an external opportunity and/or neutralize an external threat (Barney & Hesterly, 2012). However, exploiting a valuable resource is not sufficient for achieving a competitive advantage, because other firms may possess it too.

The second condition states that a resource is rare if it is controlled by a small number of competing firms (Barney & Hesterly, 2012). If a resource is valuable but not rare, exploiting it will result in competitive parity, because other firms that possess the resource also have the capability of exploiting it. A resource is imperfectly imitable if it is substantially costly to obtain or develop for competing firms (Barney & Hesterly, 2012). Imperfectly imitable resources suggest that firms without that resource cannot obtain it through direct duplication or substitution. If a resource is valuable and rare but not costly to imitate, then exploiting it will result in a temporary competitive advantage for the firm. Once other competing firms obtain and exploit this resource (at a minimal cost disadvantage), any competitive advantage dissipates. However, if a resource is valuable, rare, and imperfectly imitable, exploiting it

2.2 Conceptual Framework

In this study performance is the dependent variable and independent variable includes strategic leadership, strategic policies, structures and strategic resource allocation.

Independent variables

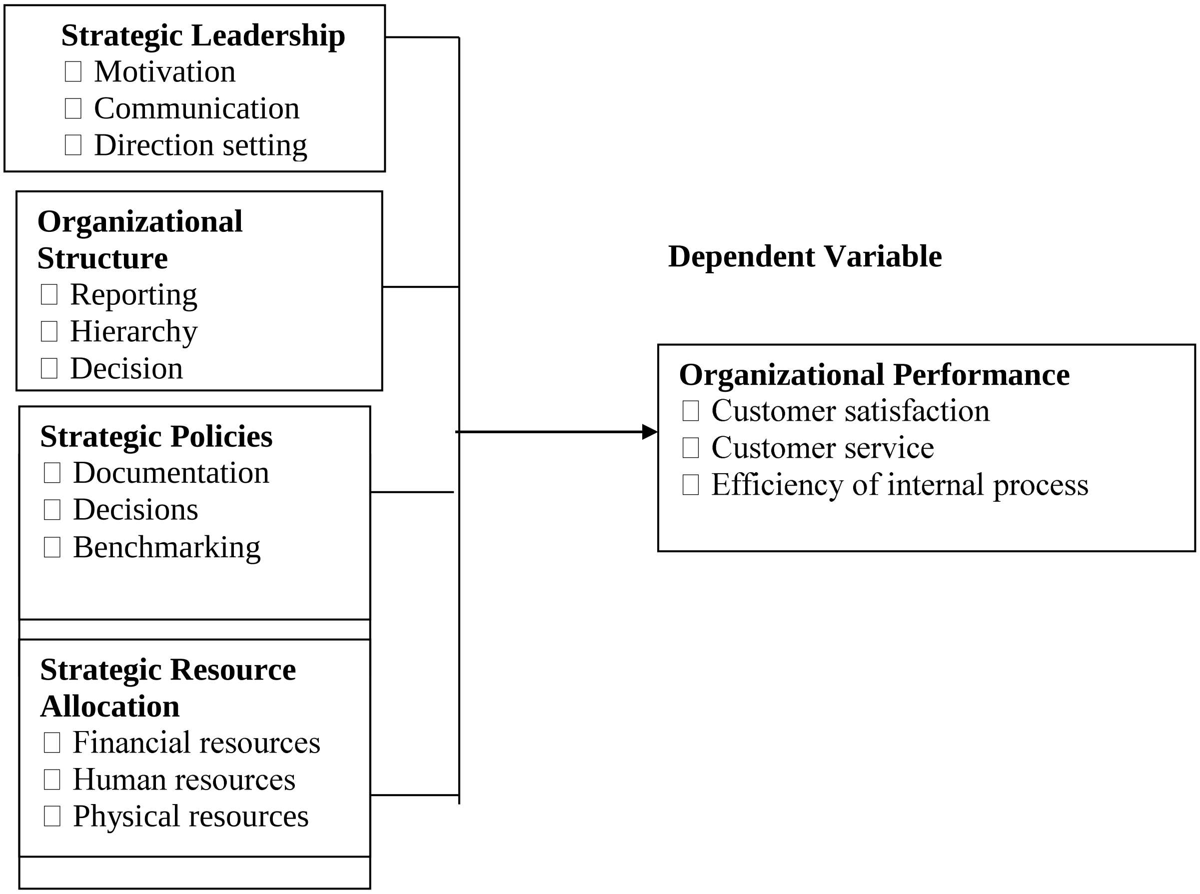

Figure 2.1 conceptual framework

2.3 Review of variables

2.3.1 Strategic Leadership

Strategic Leadership is a critical management skill, involving the ability to encourage a group of people towards common goal. Leadership focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills (Ismail, 2009).It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Azka, 2011).

Strategic leadership basically means using strategy in the management of workers by motivating, directing, innovating and communicating with employees in order to achieve certain organization goals. Leadership focuses on the development of followers and their needs. Managers exercising transformational leadership focus on the development of value system of employees, their motivational level and moralities with the development of their skills (Ismail, 2009).It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Azka , 2011).

According to Michael (2011) leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are not exclusive to management. Successful leaders do, however, have one thing in common. They influence those around them in order to reap maximum benefit from the organization’s resources, including its most vital and expensive. Postulates that leadership style refers to a kind of relationship whereby someone uses his ways and methods to make many people work together for a common task. In modern leadership theories, five leadership styles have been presented, including (i) charismatic leadership, (ii) transactional leadership, (iii) transformational leadership, (iv)visionary leadership, and (v) culture-based leadership (Fiedler, 1969).

2.3.2 Organizational structure

An organizational structure defines the scope of acceptable behavior within an organization, its lines of authority and accountability, and to some extent the organization's relationship with its external environment. More specifically, it shows the pattern or arrangement of jobs and groups of jobs within an organization and yet it is more than an organizational chart. The organizational structure pertains to both reporting and operational relationships, provided they have some degree of permanence. The individual elements of an organizational structure typically include a variety of components that one may usefully see as building blocks: 1) departments or divisions; 2) management hierarchy; 3) rules, procedures, and goals; and 4) more temporary building blocks such as task forces or committees (Chandler, 1988)..

According to Jeannette (2006), Organizational structure is a system used to define a hierarchy, allocate tasks, coordinate, decision making within an organization and refers to the way that an organization arranges people and jobs so that its work can be performed and its goals can be met. Vroom (2002) provides an overview of organization structure characteristics that are typically addressed in literature: differentiation and coordination, standardization (i.e. existence of standards or routines), formalization (i.e. the degree of writing down information and procedures), centralization (i.e. the level of decision power), and configuration (i.e. hierarchy). According to the study, organization structure refer to the formal allocation of work roles and the administrative mechanisms to control and integrate work activities including those that cross formal organizational boundaries at BECO.

2.3.3 Strategic policies

Policy is a law, regulation, procedure, administrative action, incentive or voluntary practice of governments and other institutions. Policies generally operate at the systems level and can influence complex systems in ways that can improve the health and safety of a population. A policy approach can be a cost-effective way to create positive changes in the health of large portions of the population. There are several types of policy, each of which can operate at different levels (national, state, local, or organizational) Legislative policies are laws or ordinances created by elected representatives. Regulatory policies include rules, guidelines, principles, or methods created by government agencies with regulatory authority for products or services. Organizational policies include rules or practices established within an agency or organization (The Magenta Book, 2011).

According to (GlenBullivant) policy is necessary to show the company's intended way of doing business and avoids confusion and potential misunderstanding. The need for company policies in respect of health and safety, smoking, employment etc., are well founded and accepted as both normal and necessary, and this should apply equally to the credit operation. Successful companies have long set down their preferred operational approaches to the Credit function and how it fits into the organization.

A set of policies are principles, rules, and guidelines formulated or adopted by an organization to reach its long-term goals and typically published in a booklet or other form that is widely accessible it shows organization decisions, measurement, benchmarking and documentation of organization procedures (Wolosz, 2007).

2.3.4 Strategic Resource Allocation

According to David (2003) describes resources Allocation that an organization has at its disposal as mandatory in implementing the strategy. Resources include financial, physical, human and technical. Thompson (1990) observed that a strategy is presumed to be realistic if the required resources are available. The allocation of resources is an indicator of management commitment to strategy execution. Allocation of resources entails availing of material and human resources required for the strategy implementation. Pearce and Robinson (1988) regard the annual budget as a major channel for resource allocation. Align the budget with strategy to imply providing adequate people and funds. Implementing teams must be deeply involved in the budget process with such budgets being flexible enough to take into account evolving changes. Taylor (1986) contents that there should be staff development programs to build capacity, reward and incentive systems and performance evaluation program that will motivate and identify capability gaps. In a survey carried on firms by Lusterman (1988) established that training of workers enhances strategy implementation. Resources are tangible or intangible assets semi-permanently linked to the organization (Toni & Tonchia, 2003).

According to the study, resource allocation refers to how resources, including human resources, finances, capital and informational resources are divided among the various departments of the organization to help with strategy implementation.

2.3.5 Organization Performance

Organizational performance refers to the effectiveness of the organization in fulfilling its set goals (Porter, 2003). Accounting to Armstrong (1994) defines performance as the record of outcomes produced on a specified job function or activity during a specified period of time. Therefore performance is measured in terms of output and outcome, profit, internal processes and procedures, organizational structures, employee attitudes, and organizational responsiveness to the environment among others (William, 2002). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

According to the study, organization performance refers to the achievement of the strategic Objectives of BECO, including customer satisfaction, financial results and meeting Electric demands among others. Good performance influences the continuation of the firm and can be divided to financial or business performance (Gibcus &Kemp, 2003). Financial performance is at the core of the organizational effectiveness domain. Accounting-based standards such as return on assets (ROA), return on sales (ROS) and return on equity (ROE) measure financial success. Business performance measures market-related items such as market share, growth, diversification, and product development (Gibcus & Kemp, 2003).

While being a popular concept in literature, most authors rather describe organizational performance rather than really providing a well-founded definition of it (Maltz, 2001). Kanter and Brinkenhoff (1981) though tried to conceptualize "performance", while using it synonymously with "effectiveness" They found that performance concepts increasingly move away from rationalistic assumptions of common goals, unity of purpose, and universal performance standards. Performance often becomes a rather political model, where multiple stakeholders both inside and outside an organization try to set performance standards in order to advance their interests.

3. RESEARCH METHODOLOGY

3.1 Research Design

The research design used for this study was descriptive in nature.

The regression model is indicated as shown as

Follows: $Y=\beta 0+\beta 1x1+ \beta 2x2+ \beta 3x3+ \beta 4x4+e$

Where:-

Y = represents the dependent variable, organizational performance

$\beta 0 \ldots \beta 4$ are the Regression Coefficient

X1 = leadership

X2 = structure

X3 = polices

X4= resource allocation

E=error

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Study Variables Findings

The following presents the findings on the various study variables.

4.1.1 Organizational structure on organizational performance

The study sought to investigate the effects of Organizational structure on organizational performance. Table 4.6 summarizes respondents' level of agreement on how Organizational structure affects organizational performance. Most of the respondents agreed that the organizational has simple layer of reporting as shown by a mean of 2.35. Most of the respondents also agreed to the fact that BECO is flexible for quick decision making, reporting a mean of 3.15. The BECO has hierarchical levels involves in decision making reported a mean of 2.25.

Table 4.6 Structure

Statement	N	Mean	Std. Deviation
The organization has simple layer of reporting which enhances efficiency.	79	2.35	1.155
The organization structure in BECO is flexible for quick decision making.	79	3.15	1.178

The organization has many hierarchical levels involved in decision making.	79	2.25	.980

4.1.2 Strategic leadership on organizational performance

The study sought to establish the effects of Strategic leadership on organizational performance. From the findings indicated in table 4.7 most of the respondents agreed that the leaders at BECO motivate employees towards achievement of organization set goals with a mean of 2.05 being obtained. These results are consistent with the findings obtained on the question on whether

The leaders at BECO communicate to the employees about the organizations day to day Business. This question obtained a mean of 2.09. The results also conquer with the findings on the question that was asked whether the leaders at BECO, supports employees and inspires them towards achieving organization Strategic directions. The findings on this question obtained a mean of 1.18.

Table 4.7 Strategic leadership

Statement	N	Mean	Std. Deviation
The leaders at BECO motivate employees towards achievement of organization set goals.	79	2.05	1.154
The leaders at BECO communicate to the employees about the organizations day to day Business.	79	2.09	1.064
The leaders at BECO, supports employees and inspires them towards achieving organization Strategic directions.	79	1.86	.902

4.1.3 Strategic policies on organizational performance

The study sought to establish the effects of Strategic policies on organizational performance .From the findings indicated in table 4.8 most of the Respondents agreed that the organization has clear set policies on how decisions are made as depicted by a mean of 2.24, most of the respondents agreed that the organization has well documented procedures on how employees in the organization are supposed to operate as depicted by a mean of 2.48 and a mean of 2.13 was obtained on the question whether The organization has well laid policies on how they intend to benchmark themselves with other Electric Services providers globally.

Table 4.8 Strategic Policies

Statement	N	Mean	Std. Deviation
The organization has clear set policies on how decisions Are made.	79	2.24	1.123
The organization has well documented procedures on how employees in the organization are supposed To operate.	79	2.48	1.096
The organization has well laid policies on how they intend to benchmark themselves with other Electric Services providers globally.	79	2.13	1.042

4.1.4 Strategic resources allocation on organizational performance

The study sought to establish the effects of Strategic resources allocation on organizational performance. From the findings indicated in table 4.9 Most of the respondents agreed that the organization provide for proper utilization of Physical resources that is available were handled obtaining a mean score of 2.16. The other questions that were asked were the organization allocates sufficient financial Resources for strategic implementation obtained a mean of 2.18. The last question was if the organization has well trained human resource to Support strategic implementation the result was obtained a mean of 2.42.

Table 4.9 strategic resource allocation

Statement	N	Mean	Std. Deviation

The organization provide for proper utilization of Physical resources that is available.	79	2.16	1.372
The organization allocates sufficient financial Resources for strategic implementation.	79	2.18	1.248
The organization has well trained human resource to Support strategic implementation.	79	2.42	1.105

4.1.5 Organizational performance

A number of questions were asked to determine how Organizational performance was conducted in the BECO. Respondents agreed that the customer satisfactions improve the organizational performance obtaining a mean of 2.23. The other respondents agreed with the customer service influences the organizational performance by mean of 2.58. And a mean of 2.25 was obtained on the question whether the internal process influences the organizational performance.

Table 4.10 Organizational Performance

Statement	N	Mean	Std. Deviation
The customer satisfactions improve the organizational performance.	79	2.23	.816
The customer service influences the organizational performance.	79	2.58	1.346
The internal process influences the organizational performance.	79	2.25	1.138

4.2 Multiple Regression Analysis

Multiple regression analysis was performed to evaluate the relationship between the dependent variable (strategic plan implementation) and the independent variables (strategic leadership, organizational structure ,strategic polices ,resource allocation) and to test the research on effect of strategic plan implementation on organizational performance of energy companies in

Somalia. While stepwise multiple regression analysis wasconducted in order to establish the best combination of independent (predictor) variables would be to predict the dependent (predicted) variable and to establish the best model of the study (Cooper & Schindler, 2013). In this study, a multiple regression analysis was conducted to test the effect of strategic plan implementation on organizational performance of energy companies in Somalia. The research used statistical package for social sciences (SPSS V 20) to code, enter and compute the measurements of the multiple regressions.

4.2.1 Model Summary

Model summary is a summery that describes how far the independent variables explain the dependent variables that mean the greater R value has the great number the greater independent variables explain with dependent variable. In order to test the research, a standard multiple regression analysis was conducted using strategic plan implementation as the dependent variable, and the four independents variable of strategic plan implementation: strategic leadership, structure, strategic police, resource allocation as the predicting variables. Tables 4.11, 4.12 and 4.13 present the regression results. From the model summary in table 4.11, it is clear that the adjusted R2 was 0.746 indicating that a combination of strategic leadership, structure, strategic police, and resource allocation explained 74.6% of the variation in the Organizational performance.

Table 4.11 Model Summary

Model	R	R2	Adjusted R 2
1	.871[a]	.759	.746

4.3. Correlation Analysis

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (organizational performance) and the independent variables (strategic leadership, structure, strategic police, and strategic resource allocation). According to Sekaran (2008), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari, 2013). From table 4.14, the results generally indicate that independent variables ((strategic leadership, structure, strategic police, strategic resource allocation) were found to have positive significant correlations on organizational performance at 5% level of significance.

There was a weak positive but insignificant Performance correlation structure ($r = 0.451$, $P < 0.05$). There was a weak positive and significant correlation between leadership and performance ($r = 0.723$, $P < 0.05$). There was a strong positive and highly significant correlation between strategic police and performance ($r = 0.548$, $P < 0.05$). There was a moderately positive and highly significant correlation between strategic resource allocation and organizational performance($r = 0.450$, $P < 0.05$). The results imply that strategic leadership, structure, strategic police and strategic resource allocation significantly influenced organizational performance of energy companies in Mogadishu – Somalia.

Table 4.14 Correlation

		STRUCTURE	LEADERSHI	POLICIES Resource	Performance
STRUCTURE	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	79			
LEADERSHIP	Pearson Correlation	.342**	1		
	Sig. (2-tailed)	.002			
	N	79	79		
POLICIES	Pearson Correlation	.847**	.717**	1	

	Sig. (2-tailed)	.000	.000		
	N	79	79	79	
RESOURCE ACALOCATION	Pearson Correlation	.409**	.856**	.780**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	79	79	79	79
Performance	Pearson Correlation	.451**	.723**	.548**	.450**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	79	79	79	79

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter accordingly summarizes the findings in line with the objectives, draws conclusions and makes the necessary recommendations. Areas of further study that may enrich the study area are also suggested.

5.2 Summary of Findings

The general objective of this study was to investigate effect of strategic plan implementation on organizational performance of energy companies in Mogadishu – Somalia. Specifically, this study investigated the effects of strategic Leadership, structure, strategic policies and strategic resource allocation on organizational performance of energy companies in Mogadishu – Somalia. The study employed a survey research design in data collection. This research employed quantitative data collection method whereby data was gathered by the use of closed ended questionnaires which were self-administered. Factor analysis was used to assess the validity and Cronbach alpha to assess reliability of the questionnaire. Multiple regression analysis was performed to assess the relationship between the dependent variable (Organizational Performance) and the independent variables (strategic Leadership, structure, strategic policies and strategic resource allocation) and to test the research hypotheses on the investigated effect of strategic plan implementation on organizational performance of energy companies in Mogadishu – Somalia. Standard multiple regression analysis was conducted for hypotheses testing (Cooper &Schindler, 2013; Sekaran, 2008), while stepwise multiple regression analysis was conducted in order to establish the best combination of independent (predictor) variables would be to predict the dependent (predicted) variable and to establish the best model of the study (Cooper & Schindler, 2013).

Results confirm the varying importance of investigate effect of strategic plan implementation on organizational performance of energy companies in Mogadishu – Somalia. In general, the results reveal that strategic Leadership, structure, strategic policies and strategic resource allocation have significant and positive effects on organizational performance of energy companies in Mogadishu – Somalia.

The study recommended that to improve organizational performance in energy companies in Mogadishu – Somalia, managers of energy companies in Mogadishu – Somalia should nurture and develop strategic Leadership, structure, strategic policies and strategic resource allocation.

5.3 Conclusions

Based on the findings of this study, the following conclusions were drawn. The results reveal that strategic Leadership, structure, strategic policies and strategic resource allocation

Have significant and positive effects on organizational performance of energy companies in Mogadishu – Somalia. Stepwise regressions revealed that four strategic plan implementation effects on organizational preferment including strategic Leadership, structure, strategic policies and strategic resource allocation explained statistically significant portion of the variance associated with the extent of Organizational performance of energy companies in Mogadishu – Somalia, managers of energy companies in Mogadishu – Somalia should nurture and develop strategic Leadership, structure, strategic policies and strategic resource allocation.

5.4 Recommendations

Based on the findings of this study and the conclusions drawn, the following recommendations were made:

5.4.1 Managerial Recommendations

1. The existing strategic Leadership, structure, strategic policies and strategic resource allocation should be modified towards modern strategic Leadership, structure, strategic policies and strategic resource allocation in order to improve organizational performance of energy companies in Mogadishu – Somalia.
2. BECO should simplify its hierarchy structures to ensure easier information flows,more collaboration among the personnel, and teamwork. This likely to help improve staffunderstanding of the strategic objectives and align their efforts towards attainment ofthose goals.
3. BECO should undertake policy modifications that are geared towards devolving decision making and authority to staff at all levels so that they feel empowered to act in areas of their expertise for the benefit of the organization as a whole. This is because empowered employees are likely to be more satisfied and committed to the organization.
4. BECO needs to provide strict accountability measures for its staff so that allresource allocation decisions are thoroughly vetted, and that there is monitoring systemfor all allocations. This would also ensure that all resource allocation decisions serve thebest interest of the organization.

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