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STRATEGIC STAKEHOLDER'S POLICY AND SUSTAINABLE PERFORMANCE OF PARASTATALS IN KENYA

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ABSTRACT

The objective of the study was to establish the effect of strategic organization stakeholder policy on sustainable performance of parastatals in Kenya. The stakeholder theory was used. The study undertook a descriptive research design using a quantitative technique. The study population was 231 Parastatals in Kenya. The research sample size was determined using slovin's mathematical formula, where 146 parastatals made up the sample for the study. One respondent from selected parastatals was selected using stratified random sampling. Data was collected using closed ended questionnaires which were analyzed using Statistical Package for Social Sciences. A pilot study of 20 respondents was done to test for validity, reliability and diagnostics. From a sample of 146 respondents, 97 respondents filled and submitted the results representing 66% response rate. The results from the multiple regression analysis indicated that there was indeed a significant relationship between the two variables ($\beta = 0.894$, $p < 0.05$). This led to the view that Strategic Stakeholder policy was a factor affecting sustainable performance of parastatals in Kenya. The study also recommended the need for the management of the parastatals to enhance stakeholder engagement through transparent communication and regular consultations and establish frameworks for evaluating and monitoring the impact of stakeholder policies on sustainable performance.

Key Words: *Stakeholders, Policy Formulation, Communication, consultations*

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INTRODUCTION

Globalization is the new trendy idea and policy effects of globalization are linked with the snowballing acceptance of market practices for the provision of services which were one time controlled by the state and supported via taxation (like education or health). There is the heightened 'commodification' of these services and their infiltration by a private sector philosophy, in provision (e.g., contracted out cleaning and catering services) or in support, or over the alignment of services in relation to market ideologies by the introduction of end user choice (Lall, 2007).

Strategic coordination that can examine which categories of corporate culture and strategic alignment add to better financial performance, founded on the concept that, to obtain a competitive advantage in the aggressive competitive environment and take full advantage of performance, the blend of corporate inner competitiveness and a suitable action strategy is vital. Corporate culture does directly affect financial performance (Han, 2012). Despite substantial scholarship being dedicated to the study of corporate political actions, conflicting communications surface concerning its influence on public policy results and firm performance. It was discovered that in the United States, corporate political activity merely feebly affects public policy and at finest has a (straight) frail influence on corporate results (Hadani, Bonardi, & Dahan, 2016).

In the last decade, the Kenyan Government has introduced numerous far-reaching transformations at the Nairobi Stock Exchange (NSE) in order to rally domestic investments and invite foreign capital ventures. The measurements consist of privatization of parastatals over the stock exchange and letting foreign stakeholders to own stocks in the registered companies. Study findings advocate that the level of voluntary revelation is swayed by a firm's corporate governance features, ownership structure and company characteristics. The existence of a review team is an important element connected with the level of intentional expose, and the percentage of non-policymaking directors on the board is established as being considerably undesirably linked with the level of deliberate revelation. The heights of institutional and foreign ownership have a considerably positive effect on intentional disclosure. Big corporations and companies with high debt willingly divulge extra information. In dissimilarity, board leadership structure, liquidity, turnover rate and type of outside audit company doesn’t have noteworthy impact on the level of voluntary revelation by firms in Kenya (Barako, Hancock, & Izan, 2006)

Policy issues affecting SCs in Kenya, include: no clear role that State Corporation should play in the economy; disconnect between Parastatals’ activities and national development goals among others hence no accurate database on the number of Parastatals and lack of adequate framework on performance management to effectively link performance of SCs to national development and individual performance to organizational performance. GOEs still have an important role to play in Kenya and Kenya’s Vision 2030 needs a transformational approach on how to conduct business (Executive Office of the President, 2013).

The Kenyan government does not have a policy which can move investment towards a precise location geographically though it supports investments in sectors which provide employment opportunities, yield foreign exchange, and nature forward and backward connections in rural areas (State Departments Office of Investment Affairs’, 2017). Koech, Namusonge, & Mugambi, (2018) stated that topmost management of parastatals must establish and implement policies that back positive practices of governance and to have legal framework which guarantees effectiveness and efficacy in parastatals in Kenya so as to grow shareholder worth. Without policy interventions, growth and rejuvenation of our economy will be weak (Kiriga, et al., 2018).

The Kenya public sector has been consumed by mal performance hampering economic growth sustainability (Ogolla & Nzulwa, 2018). Public service performance generally and that of state corporations specifically has over the years been condemned for unstable and disappointing performance (Gikonyo, 2018).

Statement of the Problem

As a result of their growing reliance on budgetary support from the government in the form of grants, subsidies, government loans, and debt guarantees, many parastatals financial performance and operational efficiency have been declining in recent years, placing a significant burden on the public budgets. These payments from the government to parastatals are no longer in line with the social and economic gains made by these firms, which in turn reduces the amount of public funds that can be used to fund other crucial areas of national development (National Treasury, 2021). The vision 2030 in Kenya delivers the comprehensive long-term national development agenda as the Constitution of Kenya allows for the development of the quality of life of the people of Kenya. These high-level ambitions can be attained via a transformative environment in where policy reform initiatives, actions, programs and projects are executed flawlessly and reliably, by a public sector that is geared up for, and well-focused on service delivery (GOK, 2021).

The Kenyan government admits that the achievement of sustainable economic growth has been hampered by the public sector's poor performance over the years, particularly in the management of public resources. According to World Bank analysis, the overall amount of outstanding bills rose from 0.9% of GDP in the fiscal year 2015–16 to 1.6 % in the fiscal year 2017–18 (Kimia, 2019). State-owned companies in Kenya spend roughly Kshs. 180 billion on purchases annually. However, due to practices like inflating procurement quotations, the national government loses over Ksh. 76 billion annually, or 17% of the national budget (Mutua & Moronge, 2018).

Previous researches investigated in Kenya on perfomance of strategic corporate policies revealed that the studies analysed milieux issues that affected perfomance of corporate policies but not strategic corporate policies. Otieno, Linge, & Sikalieh, (2019) assessed Influence of idealized influence on employee engagement in parastatals in the energy sector in Kenya. Koech & Namusonge, (2018) examined determinants of effectiveness of corporate governance in parastatals in Kenya. Ogolla & Nzulwa, (2018) analysed the influence of perfomance contracting on service delivery in parastatals in Kenya: A case of the Kenya National Examination Council. Gikonyo, (2018) investigated employee engagement and performance of research and training in parastatals in Kenya. Kyereboah-Coleman, (2007) assesed the relationship between corporate governance and firm performance: An African perspective. Sasaka, Namusonge, & Maurice, (2016) investigated Strategic Management Practices on the Performance of Corporate Social Responsibility of State Parastatals in Kenya. Munyoki,(2015) analysed competitive strategies, organizational autonomy, positioning and performance of Kenyan parastatals. Muraga, (2015) examined Strategic Human Resource Management Practices and Perfomance of Parastatals in Kenya. It is against this background that this study filled the knowledge gap.

Objectives of the Study

The objective of this study was to establish the effect of strategic stakeholder’s policy on sustainable performance of parastatals in Kenya. The study was guided by the following research hypothesis;

- **H_{01}:** Strategic Stakeholder has no significant effect on sustainable performance of parastatals in Kenya.

LITERATURE REVIEW

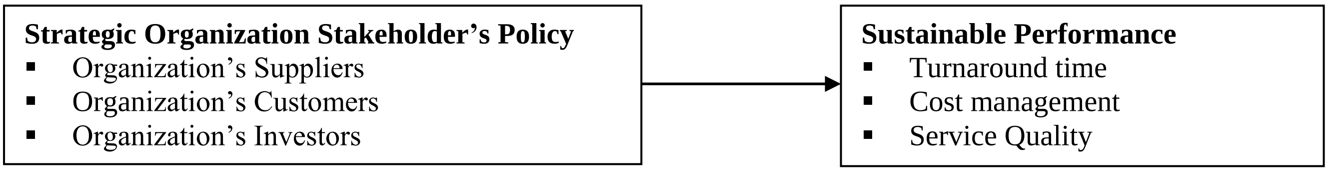
Theoretical Framework

Stakeholder Theory

Business organizations have become amongst the most powerful social bodies in the planet. They are certainly the big social institutions of our time, maybe the only enduring effective social institutions, anticipated to not only fuel free-market economies, but rather to shoulder the burdens once assumed to be the domain of government and religion (e.g., health care, childcare, privacy protection, education). Businesses control massive resources, cross national borders, and touch all aspects of human life. Organizations have constituencies. Moreover, organizations are dependent upon these constituency groups for their own success. This much is uncontroversial. These constituencies as stakeholders, nevertheless, disagreements seem ceaseless (Phillips, 2010).

Stakeholder theory can be viewed as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Different from agency theory which the managers are serving and working for the stakeholders. According to stakeholder theorists, managers in organizations have a network of relations to serve – they include the employees, suppliers and business partners (Abdullah & Valentine , 2009).

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

Strategic Organization Stakeholders Policy and Sustainable Performance

It is a fact that stakeholders have no interest in running the company even if they have important information. In countries like States, United Kingdom and Australia, directors have been given wide ranging powers, that no one else can exercise, and the only power that shareholders might have been to pass a special resolution to change company’s articles of association; the shareholders cannot get in the way of the management power except in very limited circumstances (Keay, 2015).

Employee communication and training; mobilization of finance and the relationship between the supplier and buyer, are all important and significant factors of the performance of procurement role in parastatals in Kenya (Waichahi & Machoka, 2019). Development of suppliers, building staff capacity, regulatory and institutional structure and Information Communications Technology have an important and substantial impact on execution of Public Procurement Preference and Reservation Policy in the public sector in Kenya. They recommended that public parastatals ought to improve their supplier development programs in order to increase implementation of the policy ; public parastatals should advance their staff capability in order to develop implementation of the policy ; public parastatals ought to progress actual and helpful institutional framework in order to advance implementation of the policy ; public parastatals had better improve their Information Communications Technology infrastructure to be used in procurement activities to allow improvements in implementation of the policy (Tomno & Gichana, 2020)

Expectations of the customers differ from consumer to consumer and culture to culture. These anticipations are fluctuating from high to low, idyllic expectations are high level expectancy and tiniest bearable expectancy are low level expectations. Perceptions of the clienteles concerning service excellence are the evaluations of their anticipations and their actual experience, meaning perceptions are essentially their real experiences which they encounter at the time-of-service delivery. A gap in service quality is the difference between perceptions and expectations (Reena & Singh, 2017). Improving service excellence needs nurturing customer fulfilment. To raise customer satisfaction, it is necessary to be conscious of consumer insight of service experience. A profound consciousness of consumer perception cannot be gotten devoid of recognizing customer expectations (Thai, 2015).

Expectation-performance compatibility is the fresh concept during customer's intention conduct. This compatibility can be assessed by means of combination operatives, giving two substitute tactics, i.e., the naive approach and the uniform approach. It has been proved empirically that the compatibility processes are positively linked with the customer's intents. It implies that both positive and negative in compatibility between the customer's expectancy and the perceived performance, has an undesirable consequence on customer loyalty and recommendation (Depaire, Vanhoof, & Wets, 2006). Corporations can profit from knowing in what way consumers perceive their service quality and having the knowledge on how quantity service quality. Consequently, the organization might use the precise numbers gotten from quantifying service excellence in their strategies and plans. In this way companies will comprehend better numerous service quality scopes which affect general customer service satisfaction. Hence, businesses can allocate resources in a better way to deliver improved service to their clienteles. Appreciating customer fulfilment in terms of service quality is very challenging and significant (Angelova & Jusuf Zekiri, 2011).

Policy Framework for Investment in policy investment is related to laws and regulations of a country, and activities that either allow or depresses investment and enhances benefits from the investment to the public. Some of the aspects that it covers are policies that encourage open and non-discriminatory behavior to investors, laws on appropriation and compensation and how to go about handling disputes. The strengths of investment policies of a country quality of a country’s investment policies unswervingly impact investor decisions, whether big or small, foreign or local. Openness, protection of property and non-discrimination constitute key investment policy principles which reinforce determinations to develop an excellent investment climate for everyone (Organization for Economic Co-operation Development, 2011). Foreigners seeking to invest in Kenya basically get similar treatment as Kenyan investors, and there is a high percentage of international companies in the Kenya's business sector. There is ease of access to state-financed research, and export promotion programs by government for foreign investors that don’t differentiate between goods and services that are produced by local and foreign investors. The Kenyan government gives more priority to retention of investment and sustains a continuing discussion with investors. Every bill passes via a period where there is consultation with the public where investors get a chance to give their feedback (State Department's Office of Investment Affairs’, 2017).

Kenya has no clearly defined policy purely targeting investment creation and retaining. Although the Kenyan government has developed numerous strategies and policies that aim at growing investment and supporting investment, this has been documented in numerous policy documents like Sessional Papers, National Development Plans and Master Plans, even the Constitution 2010 which have had limited impact. These initiatives steered the government to the adoption of numerous fiscal and non-fiscal motivations, investment related changes in regulations and establishment of a number of government agencies carrying the responsibility for promotion of investment and enabling, others with intertwining obligations causing replication of efforts and needless stress on inadequate public resources. In order to counter the limited effect of investment plus other certain issues related to the arrival and handling of investment, the Kenyan government has come up with Investment Policy. The development process of this policy took an all round focus to give an understanding of Kenya’s setting and global finest activities to enlighten the policy’s proposals. Thre are six core principles that guide the policy which put emphasy on the need for openness and transparency, inclusivity, sustainable development, economic diversification, domestic empowerment, and global integration.Kenya Investment Policy handles private investments at the state and county. This is a complete and synchronized policy to lead pulling, enablement, holding, checking and assessment of private investment. The plicy has additionally recognized the vital role of Kenya’s Constitution (2010) which visibly demarcates the corresponding duties that national and county governments perform in investment advertising (Ministry of Industry Trade and Co-operatives, 2017)

Measurement of Sustainable Performance

Organizational performance evaluation is a practice-based outline that constructs on the interaction between planning and assessment, and outcomes in the judgment of influence and significance. It endorses a set of practices that enable the organizations to successfully assimilate planning, strategy, performance, assessment, and organizational advancement (Bowlby, 2014) Good governance has always been coupled up with soundly run and successful businesses. Nations known for their huge governance institutions attract investment capital (Clarke, 2017). Properly governed organizations experience higher firm performance. Maladministration, bureaucracy, over expenditure, pilferage, lack of ability and carelessness by employees and directors are the core glitches that have rendered Parastatals (SCs) unsuccessful in achieving their set performance goals. Meagre performance of SCs in Kenya by 1990 steered high expenditure from the Kenyan government to parastatals an equal to 1 percent of the GDP in 1991 (Miring'u, 2009).

Constant performance is the goal of any business since only via this, can organizations develop and advance. Additionally, organizational performance is a key concept in management study. Knowledge of the determinants of organizational performance is significant particularly in the setting of the present economic catastrophes as it allows the identification of those factors that should be treated with greater interest than before in order to advance the performance (Ondoro, 2015). Performance measurement models have progressed from a cybernetic outlook where performance measurement was founded mostly on financial parameters and well-thought-out as a constituent of the planning and control cycle to a whole view grounded on various nonfinancial measures where performance measurement stands as an independent procedure encompassed in a wider set of actions (Henri, 2002).

The pointers to quantity and assess the performance are used devoid of a distinct understanding round what and how to measure and, subsequently, what to improve and consequently a chance to figure out how the findings limit the optimization of the most significant proofs associated to competitiveness and success (Felizardo, Félix, & Thomaz, 2009). Organization perfomance and organization excellence can be measured by combining performance variables, using two diverse methods: performance measurement by an average of the performance variable scores, and excellence measurement by an average of the associations of performance variable scores. The result is a new general meaning for organizational excellence suggested, as "the outstanding measure of relationship of all performance variables influencing an organization's functioning" (Anthony & Bhattacharyya, 2010). Growth of business is associated with productivity, growth for turnover rate is a key issue of concern, toting that productivity still is the key measure of business performance (Garg *et al*, 2014).

There is a significant connection assosiation among turnover rate, the firm size, growth, fixed assets and working capital. The usual tax rate and the financial leverage variables demonstrate a undesirable association with turnover rate. This connection is however important for the financial influence variable. Big developing companies with professionally managed assets increase revenue and eventually increase turnover rate (Al-Jafari & Samman, 2015). While export intensive companies in Colombia have underwent lower profit development with actual conversation rate gratefulness, there is a strong indication that actual appreciation has, on regular, damagingly affected the turnover rate of industrialized firms; on the other hand, real appreciation may have amplified firms' success by dropping the cost of imported contributions as Colombian manufacturing firms are becoming more locally adapting. At thre same moment, some organizational changes (related to trade disruption with Venezuela and bigger trade competition from China) appear to partly explain the flaw of the manufacturing sector since 2008 (Griffin, 2015). In European Union (EU) countries firm effects are way more significant than industry structure in defining food industry turnover rate. To be precise, firm size and industry concentration are catalysts of turnover rate while business risk and age as well as industry evolution have a adverse influence (Hirsch, Schiefer, Gschwandtner , & Hartmann, 2014). There is an indication that while firm size, lagged turnover rate, growth, and productivity affect turnover rate positively, firm age and industry association undesirably influenced turnover rate. Productivity is the most important basis of turnover rate. The outcomes are impartially strong across the various industry sectors (Yazdanfar, 2013).

Cost management has remained a major concept in strategic management and business policy as from the beginning of the field. Though Cost management has frequently remained considered as a result and measure of competitive performance and achievement in a business, it has also been measured as a driver of accomplishment and profitable performance. Causality has comprised both effectiveness and market control descriptions of how Cost management can push turnover rate. A few emphases on Cost management have reduced with the rise of global competition and the supposed decrease of domestic market authority that tags along with competition. Lately, in strategic management, Cost management has been well-thought-out in new topics of domination, multi-point competition and platform competition (Bush, 2016).

The Cost management –turnover rate relations have remained one of the most extensively studied topics in management work. Though it has extensively been claimed that companies with high-Cost management s are generally with high turnover rate, discussions and differences occur mostly due to test group, definitional, and measurement glitches in prevailing studies. Cost management and the growing of Cost management are confidently related with firm turnover rate (Chu, Hung Wang, & Nan Chen, 2008). Growth is constantly categorized in the minds today's business leaders at the top. Though, growth efforts do not all the time go together with contribution to a company's turnover rate. Price is frequently used as a tool to increase Cost management, inadvertently causing downhill price twists and compromising probabilities of achievement. This development route relates to products that have not reached their full potential in the market space they currently serve and target. The fundamental supposition is that consumers, who form a portion of the corporation's warranted Cost management, have not yet selected to purchase this product since they were either not yet touched or have remained convinced to purchase a substitute and are thus less, or not anymore, motivated to buy. Attaining a product's merited Cost management will necessitate to depend on a keen mixture of sales and promotional undertakings (Driehuis & Cheng, 2013).

Customer satisfaction is an evaluative conclusion of the variable kind or quality and strength which a product or service itself, or an aspect of it, fulfills expectations. Customer satisfaction is a consumption-related contentment reply stretching between points of impeccable fulfillment and over fulfillment. Characteristic indicators of customer satisfaction are desire, enjoyment, satisfaction, and reprieve. Under-fulfillment of anticipations is thought to cause customer displeasure. Creation of customer (dis)satisfaction needs at least a minimum amount of unswerving encounter with a product or service (Bosnjak, 2014).

Empirical Review

Despite, serious economic and political circumstances, excellent corporate governance practices are important to the performance of companies working in Sri Lanka. Though, for corporate governance to be powerful on firm performance in Sri Lanka, boards must reflect on CSR strategies that are relevant and of interest to all stakeholders and to the business. Corporate governance has significant implications for the growth prospects of an economy. Positive corporate governance practices are considered as essential in decreasing risk for stakeholders, appealing to capital investment and making company performance better. Though, systematization of corporate governance varies between countries, it is dependent on their social, economic and political settings (Heenetigala, 2011).

Due to extensive corporate scandals and fiascos around the world, there has been a refreshed interest on corporate governance and firm performance. Notable studies concerning corporate governance and the effect on firm performance are undertaken in developed countries and markets, predominantly the UK and the US, little evidence is given in the Middle East, specifically Jordan. Outcomes are not showing any significant impact of board size on firm's performance. CEO duality tends to show a positive effect on the firm performance, which indicates that the Jordanian firms perform well when the chairman and the CEO roles are combined to one. In addition, there is positive and negative impacts of managerial ownership and ownership concentration on firm performance (respectively). There is a positive relationship between foreign ownership and firm performance (Marashdeh, 2014).

METHODOLOGY

The study used descriptive research design using quantitative method. There were 231 parastatals (SCAC, 2022). The target population therefore was all parastatals in the country, respondents being the managers and administrators in the parastatals. The sampling frame for this study was a list of all parastatals in Kenya from different government ministries, these were: Industrialization and Enterprise development, Health, Sports and Heritage, Tourism and Wildlife, Energy, Information, Communication and Technology, Education, Science and Technology and Agriculture and Irrigation. The sample size of the study was 146 while data was collected using both primary and secondary data sources. Questionnaires were submitted via Google forms. The data was then be coded and entered the statistical package for social sciences (SPSS) for analysis. Quantitative analysis was used to test theories in the theoretical framework behind the study and prove or disapprove it.

RESULTS AND DISCUSSIONS

Descriptive Statistics

Organization Stakeholder's Policy and Sustainable Performance in Parastatals

The objective of the study was to assess the extent to which organization stakeholders' policy affects sustainable performance in Parastatals in Kenya. The objective was determined by posing several statements related to the Organization's stakeholders, that is, organization's supplier, customer and investor in Parastatals in Kenya. A five-point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed based on the mean score and standard deviation. The ranges of interpreting the Likert scale mean score was given as follows: 1.0-2.49 (Disagree), 2.5-3.49 (Neutral attitude), and 3.5-5.0 (Agree). The findings were presented in Table 1.

Table 1: Organization Stakeholder and Sustainable Performance in Parastatals

Organization Stakeholders	SD %	D %	N %	A %	SA %	Mean .	S.Dev .	Disposition
Organization's Suppliers affect turnaround time.	4.1	10.3	6.2	49.5	29.9	3.91	1.071	Agree
Organization's Suppliers affect cost management.	1	6.2	11.3	54.6	26.8	4.00	0.854	Agree
Organization's Suppliers affect our service delivery.	4.1	4.1	9.3	52.6	29.9	4.00	0.968	Agree
Our organization's customers affect turnaround time.	1	12.4	4.1	44.3	38.1	4.06	1.008	Agree
Our organization's customers affect cost management.	1	12.4	10.3	48.5	27.8	3.90	0.984	Agree
Our organization's customers affect service delivery.	2.1	9.3	4.1	51.5	33	4.04	0.967	Agree
Our organization's investors affect turnaround time.	1	7.2	17.5	56.7	17.5	3.82	0.842	Neutral
Our organization's investors affect cost management.	5.2	7.2	25.8	42.3	19.6	3.64	1.043	Neutral
Our organization's investors affects service quality.	3.1	6.2	14.4	55.7	20.6	3.85	0.928	Agree
Aggregate	.	.	.	.	.	3.913	0.963	Agree

Key Scale for Interpretation

Strongly Disagree (SD) - Mean: <2.0

Disagree (D) - Mean: 2.0-2.9

Neutral (N) - Mean: 3.0-3.4

Agree (A) - Mean: 3.5-4.4

Strongly Agree (SA) - Mean: 4.5-5.0

The findings in Table 1 showed that with an aggregate mean of 3.913; SD = 0.963 that the mean was high indicating that there was agreement on the effect of organization stakeholders on sustainable performance in Parastatals in Kenya. The standard deviation is also below 1 suggesting that there were low variations on the agreement with is construct. There were indications that organization's suppliers had considerable effects on turnaround time (Mean = 3.91), cost management (Mean = 4.00) and service quality (Mean = 4.00) with turnaround receiving lower ratings than the other two performance constructs as indicated by the mean of 3.91. The parastatals' customers also impacted performance through turnaround time (Mean = 4.06), cost management (Mean = 3.90) and service quality (Mean = 4.04). This was corroborated by the finding that most of the respondents (38.1%) strongly agreed that organization's customers had the largest effect on turnaround time compared to the other two constructs of cost management and service quality. The findings also indicate that organization's investors had slightly more effect on service quality (Mean = 3.85) compared to turnaround time (Mean = 3.82) and cost management (Mean = 3.764) as also indicated by 20.6% of the respondents who strongly agreed that organization's investors had the strongest effect on service quality in the parastatals.

Evidently, majority of the respondents were of the view that organization stakeholders' policy had considerable effect on sustainable performance in Parastatals in Kenya. However, on average, organization's customers as a subset of organization stakeholders received higher ratings compared to organization's Suppliers and organizations investors respectively. Organization stakeholders also impacted service delivery more than customer satisfaction and cost management. The findings concur with Waichahi and Machoka (2019) who found that the relationship between the supplier and buyer, are all important and significant factors of the performance of procurement role in parastatals in Kenya. The findings on customer policy agree with Depaire, Vanhoof and Wets (2006) who established that corporations can profit from knowing in what way consumers perceive their service quality and having the knowledge on how quantity service quality. Angelova and Jusuf-Zekiri (2011) also asserted that businesses can allocate resources in a better way to deliver improved service to their clienteles. Appreciating customer fulfilment in terms of service quality is very challenging and significant.

Sustainable Performance of Parastatals

The study finally determined the sustainable performance of parastatals in Kenya. The status of this variable was described in terms of turnaround time, cost management and service delivery A five-point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed based on the mean score and standard deviation. The range of interpreting the Likert scale mean score was given as follows: 1.0-2.49 (Disagree), 2.5-3.49 (Neutral attitude), and 3.5-5.0 (Agree). These results were presented in Table 2.

Table 2: Sustainable Performance of Parastatals

Sustainability Performance	SD %	D %	N %	A %	SA %	Mean .	S. Dev .	Disposition
Our turnaround time has increased.	3.1	13.4	17.5	48.5	17.5	3.64	1.023	Agree
Our cost management is efficient.	3.1	13.4	25.8	45.4	12.4	3.51	0.98	Agree
Our service quality level has gone up	7.2	9.3	20.6	47.4	15.5	3.55	1.09	Agree
Aggregate	.	.	.	.	.	3.567	1.031	Agree

Key Scale for Interpretation

Strongly Disagree (SD) - Mean: <2.0

Disagree (D) - Mean: 2.0-2.9

Neutral (N) - Mean: 3.0-3.4

Agree (A) - Mean: 3.5-4.4

Strongly Agree (SA) - Mean: 4.5-5.0

With an aggregate mean of M =3.567 and a standard deviation, SD = 1.031, it is evident that most of the respondents agreed that the parastatals had a positive sustainable performance. However, the standard deviation is greater than 1 suggesting that there was considerable variation in their responses on the performance status of the parastatals. In terms of turnaround time, there were indications that most parastatals had increased their service turnaround time (Mean = 3.64). There were also indications that the parastatals' cost management had improved and become more efficient (Mean = 3.51). Also, the levels of service quality in the parastatals had gone up (Mean = 3.55). Overall, the findings suggest that the parastatals had become more efficient owing to the improving cost management efficiencies and that had resulted in improved service quality. The findings, however, suggest there was an improvement in performance contrary to the findings of earlier studies by Gikonyo (2018) who found that public service performance generally and that of parastatals specifically has over the years been condemned for unstable and disappointing performance. The findings also fail to concur with Ogolla and Nzulwa (2018) who found that the Kenyan public sector has been consumed by mal performance hampering economic growth sustainability.

Inferential Statistics

Correlation Analysis

In this subsection a summary of the correlation analyses is presented. It sought to first determine the degree of interdependence of the independent variables and show the degree and strength of their association with the dependent variable separately. These results were summarized in Table 3.

Table 3: Summary of Correlations

		STP
STP	Pearson Correlation	1
	Sig. (2-tailed)	
	N	97
SUP	Pearson Correlation	.700**
	Sig. (2-tailed)	0.004
	N	97

Key Scale for Interpretation

Strongly Disagree (SD) - Mean: <2.0
Disagree (D) - Mean: 2.0-2.9
Neutral (N) - Mean: 3.0-3.4
Agree (A) - Mean: 3.5-4.4
Strongly Agree (SA) - Mean: 4.5-5.0

The correlation summary shown in Table 3 indicated that the associations between the independent variables and the dependent variable were significant at the 95% confidence level. Therefore, further analysis of the variables was carried out as follows.

The study sought to determine whether strategic stakeholder had a significant effect on sustainable performance of parastatals in Kenya. The correlation analysis showed that there was indeed a significant relationship existing between the two variables ($r = 0.700$, $p = 0.004 \leq 0.05$). This result indicated that the way things were currently, there was a lot more emphasis on strategic stakeholders in the parastatals in the country. Further, the very strong and positive correlation shows that sustainable performance of the parastatals largely depended on the stakeholders than other variables examined in this study. The findings were in support of Waichahi and Machoka (2019) who found that development of suppliers, building staff capacity, regulatory and institutional structure and Information Communications Technology have an important and substantial impact on execution of Public Procurement Preference and Reservation Policy in the public sector in Kenya.

Hypothesis Testing

H_{01}: Strategic Stakeholder has no significant effect on sustainable performance of parastatals in Kenya.
From the results, the study rejected the null hypothesis and concluded that Stakeholders policy was a factor affecting sustainable performance of parastatals in Kenya. The study therefore predicted that Sustainable Performance of Parastatals in Kenya can be predicted based on the strategic stakeholder policies.

In the realm of Stakeholders, the influences of supplier, customer, and investor on performance cannot be ignored. While public policy broadly impacts performance metrics, tax and regulatory policies necessitate strategic focus. Specifically, tax policies predominantly affect cost management, and regulatory policies tilt the scales of customer satisfaction. The Industry Policy, acting as a moderator, introduces an additional layer of complexity. Tax incentives, financial incentives, and subsidies, as components of this policy, can amplify or attenuate the effects of the variables. For instance, tax incentives might bolster the positive impact of sound organizational design or leadership policies on cost management. Conversely, the absence of financial incentives could undermine the effectiveness of anti-corruption initiatives, given the entrenched corruption culture highlighted by Taaliu (2017). Parastatals must, therefore, strategically navigate this moderator to harness its potential benefits.

CONCLUSIONS AND RECOMMENDATIONS

The descriptive analysis revealed that stakeholders policy, encompassing aspects like supplier, customer, and investors, have a substantial impact on various areas of sustainable performance. The importance of customers was emphasized as having the highest rating, particularly affecting service quality within parastatals. The inferential analysis demonstrated a significant relationship between Organization Stakeholders and sustainable performance in parastatals in Kenya ($\beta = 0.894$, $p < 0.05$). The null hypothesis suggesting no significant effect was rejected. This finding reinforced the importance of stakeholders in affecting sustainable performance, and it was in line with the broader literature highlighting the role of corporate governance in reducing risks for stakeholders, attracting capital investment, and improving company performance.

The complete examination of Organization Stakeholders policy indicated that it plays a pivotal role in shaping the sustainable performance of parastatals in Kenya. The alignment between the descriptive and inferential findings stresses the key function of various stakeholders in service quality, risk mitigation, capital investment, and overall corporate sustainability. The findings add weight to the argument for strategic alignment between different stakeholders' interests and organizational goals to foster a conducive environment for sustainability within the public sector. Implementing and maintaining positive and inclusive stakeholders' policies appear to be vital for the thriving and long-term success of parastatals.

The findings affirmed the vital role of Strategic Stakeholders policy in shaping the sustainable performance of parastatals in Kenya. The data demonstrate a significant relationship, emphasizing the necessity of positive corporate governance practices in areas such as risk reduction, capital investment attraction, and overall organizational performance improvement.

The study recommended that there is need for the management of the parastatals to enhance stakeholder engagement through transparent communication and regular consultations. The management of the parastatals should also establish frameworks for evaluating and monitoring the impact of stakeholder policies on sustainable performance. They should also encourage collaboration between different stakeholder groups to foster a unified approach to sustainability.

Suggestions for Future Research

Future research should; Investigate the underlying factors that influence the effectiveness of ethics, including cultural, political, and social dynamics. There is need to conduct comparative studies across different countries or industries to understand the universality of these findings. There is also need to explore the potential impacts of emerging trends such as digitalization and globalization on sustainable performance in parastatals.

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