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CORPORATE GOVERNANCE PRACTICES AND THEIR EFFECT ON STRATEGIC PLAN IMPLEMENTATION AT ISUZU EAST AFRICA

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ABSTRACT

This study focused on identifying corporate governance practices and their effect on strategic plan implementation at Isuzu East Africa. Dynamic capability theory, agency theory and stakeholder theory were used to guide the study. The research was conducted at Isuzu East Africa, a private manufacturing company and respondents were employees working in the organization. IEA had a total of 474 employees and the targeted sample size was 30% of the total, equivalent to 143 employees. Descriptive research design that is cross sectional and stratified random sampling was used when collecting responses. A questionnaire was used for data collection and both close and open ended questions were used. The questionnaires were administered to employees online through google forms. A 5-point Linkert scale was used for close ended questions. The research instrument was tested to ensure reliability and validity. Reliability was determined using Cronbach's alpha coefficient. Responses were kept anonymous to ensure confidentiality of information given by participants of the study. Data collected was analyzed using SPSS and relationship between the various variables determined using correlation and regression analysis. The study found that there was statistically significant relationship between change management, resource management and risk control and strategic plan implementation. The research concluded that resource management had the greatest impact on strategic plan implementation. The study recommended that organizations adopt practices that positively affect implementation of their strategic objectives. Organizations need to maintain a score card of their change management, resource management and risk control strategies to ensure they are aligned to achieve effective implementation. Additional research should be conducted in organizations in different sectors to determine the corporate governance practices most critical for their strategic plan implementation and other variables such as communication and organization structure studied.

Key Words: *Change Management, Resource Management, Risk Control, Corporate Governance*

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INTRODUCTION

Corporate governance is most of the times viewed from the board level. However, corporate governance practices focus not only on the board, but also on other key stakeholders in an organization which includes managers and employees. Boards set up a pathway to be followed by an organization and tasks the management team with the role of driving those objectives to ensure they are met. Management on the other hand are mainly focused on getting things done. Little or no attention is given to how employees receive, perceive and action these objectives. A gap is thus created between the creators of objectives and implementors of the objectives. There is need to dig into the roles employees play as stakeholders in corporate governance in order to propel organizations towards meeting their objectives (Pillai et al., 2018)

The sustainable development goals were set to be met by 2030 but according to recent UN reports, the world is not on track to meet these goals by 2030 (Division, 2022). There was an effective setting of goals by the United Nations Assembly but the process of implementation of these goals was not clearly indicated. The goals were communicated to member states, and everyone was made responsible for attainment of these goals. The problem is that no specific person was held responsible. The result is that some of the goals such as access to education have seen major developments and are geared towards being met while there have been major setbacks on issues such as climate change and human rights. There should have been a focus on key states to implement certain key goals that were critical for their countries.

The country's leading airline (KQ) has continuously failed to meet its strategic objectives. According to Mungai et al., (2018), failure of the airline is mainly attributed to lack of implementation of set objectives. Strategy formulation by the board is done effectively, the implementation process of these strategies is however ineffective. The airline's failure is largely attributed to mismanagement of resources. This indicates a lack of sync in board management and the operational management of the firm. The board should be at the fore front in ensuring that good governance practices are maintained in all operations of the business.

The Kenya national police service has in the past established strategic plans. The first strategic plan was developed in 2004, the Kenya Police Force Strategic Plan (KPFSP) 2003-2008, the second strategic plan in the year (2008-2012), the third strategic plan 2013-2017 but all have seen inefficiency and lack of implementation. The greatest factor to failure in implementation is the lack of management direction, insufficiency of resources and lack of stakeholder engagement in the implementation process (Mutua, 2016). These strategies were set with no clear guidelines on accountability for management and no initiatives to ensure communication reaches employees at the grassroot level. The result was uninformed or misinformed employees who do not understand the objectives of the strategic plan.

According to Van derKolk and Schokker (2016), strategic management is the most challenging part of leadership. Coordination of all resources in an organization is mandatory for successful implementation (Misankova and Kocisova, 2014). In essence, an organization needs to ensure that there is a clearly laid out strategic plan implementation process. This enables an organization to identify and find ways of managing obstacles they may encounter during implementation. Successful strategic plan implementation requires active linking of different factors and appropriate coordination to ensure that each works to complement the other thus propelling the organization to meeting its goals (Khalifa 2020).

Kenyan government developed the big 4 agenda that was meant to develop various sectors of the economy as well as propel the country towards being more sustainable. These touched on food security, affordable housing, manufacturing, and affordable healthcare. According to the 2018/2019 state department status report (2020), the projects were below average or clearly missed targets. The main reason is the lack of an effective implementation process. Most projects simply never took off or slowed down after launch despite having adequate budget allocation. This indicates that the implementation process must be clearly outlined for a strategy to be successfully implemented.

Isuzu East Africa has set strategic plans before, due to some reasons, they hardly achieved 100%. Isuzu motors aimed at introducing SUVs into the Kenyan market as part of its 2015-2020 strategy. The vehicle models did not however pick up because of the company's dominance in the trucks and heavy commercial vehicles market. The Kenyan market was also filled with a wide variety of cheaper imported vehicles curtailing the organization's plan. This resulted into failure to launch SUVs forcing the company to refocus its energies on the trucks market (Isuzu, 2018). The company had not established a clear implementation plan and did not foresee the external effects of government regulations and employees' attitudes towards the pricing of the SUVs. There was a need to refocus and find ways of working on ensuring government regulations favored their business prospects and retraining employees to shift attitudes.

Statement of the Problem

Organizations are established with an objective (Peele et al., 2019). An elaborate plan is required for organizations to achieve their objectives. This informs why strategic plans are formulated. Strategic plans are set as formal documents that organizations adhere to for them to follow (Bryson et al., 2018). These act as a guide which leads the organizations towards achieving their objectives. The strategic plan consists of the short term, midterm, and long-term goals. Most companies have adopted 5-year strategic plans. The relevant teams get together to come up with a well stipulated roadmap of where the company wants to be in a certain number of years. The aim is to make use of the available resources for maximum output.

Strategic plan implementation is dependent on both internal and external factors. Internal factors play a major role in ensuring implementation. Mckinsey 7S model highlights the internal factors in an organization that determine strategy implementation as; strategy, structure, systems, style, shared values, staff, and skills ("The McKinsey 7-S Framework: - Making Every Part of Your Organization Work in Harmony", 2022). Palinkas et al., (2015) further states that people, resources, structure, systems, and culture are key in strategic plan implementation. An organization's human capital is key to an organization's success as they are the drivers and enablers of all plans (Powell et al., 2015). Without goodwill from employees, a strategy is as good as dead.

Objectives of the Research Study

The study was guided by the following specific objectives:

- To determine the effect of change management on strategic plan implementation
- To assess the effect of resource management on strategic plan implementation
- To establish the effect of risk control on strategic plan implementation

LITERATURE REVIEW

Empirical Literature Review

Effect of Change Management on Strategic Plan Implementation

A study by Flevian (2017) on the effect of change management practices on the implementation of Enterprise Resource Systems at the UN office in Nairobi aimed at identifying whether change management practices had a significance in implementation of ERP systems. The research found that change management practices greatly contributed to the success of the implementation of ERP systems. Staff empowerment as an element of change management was recommended to be considered immensely when introducing new systems. The study mainly focused on change management practices such as strategic vision, strategic leadership, communication, and staff empowerment. It did not capture other aspects of change management such as training which this study aimed at analyzing.

A study by Mohammed (2021) on the impact of user centered change management for CPOE implementation aimed at identifying ways of reducing complexities of the system by developing acceptance habits in the people using the system. The study found that organizations mainly focus on the systems instead of focusing on the users. The study recommended that healthcare organizations should establish a road map to prepare users for the change and enhance their acceptance of the CPOE system. Meeting the needs of users lead to effective implementation of the system. The study focused on a healthcare environment, service delivery while this study was applied in a manufacturing set up.

A study was conducted on the impact of change management strategies on implementation of security controls by Adegbemle, (2019). The study aimed at determining whether leadership, culture, and resistance had an impact in implementation of the systems. The study found that for implementation to be effective, good leadership cultivates good corporate behavior thus successful implementation. A culture of collaboration ensures efficiency in implementation and removes barriers to implementation. The study recommended that involvement of all stakeholders in an organization was critical for effective implementation. Aspects such as communication and training were not captured in this study.

Effect of Resource Management on Strategic Plan Implementation

A research was conducted to identify the relationship between resource allocation and strategy implementation in Presbyterian church of East Africa in Nairobi County (Harun et al., 2019). The study sought to investigate resource allocation as a key determinant for strategy implementation and found that resource allocation is paramount to strategy implementation. It recommended that there was need for adequate and timely allocation of financial, human, technological and physical resources for successful strategy implementation. The study only focused on resource allocation as a determinant for strategy implementation.

Lemarleni, et al. (2017) conducted a study on the effects of resource allocation on strategy implementation at Kenya Police Service in Nairobi County. The study found that insufficiency in financial resources curtailed development of services delivered. The study focused on both internal and external factors on strategy implementation and did not focus on specific internal factors.

A study by Mohamed (2019) was conducted to identify the effect of resource allocation on the performance of water services board of Kenya. The study aimed at identifying whether staff development, financial resources, infrastructural developments, and technological developments influenced performance of the organization. It was found that proper management of these factors had a positive influence on the performance of the organization. It was recommended that management find ways of allocating resources at the right time and encouraging staff development initiatives by leadership helped in empowering employees thus leading to enhanced attainment of goals. The study did not capture aspects such as change management and risk control.

Effect of Risk Control on Strategic Plan Implementation

Malik et al.; (2019) conducted a study on enterprise risk management and firm performance. The study aimed at examining whether firm performance is strengthened or weakened by the establishment of board level risk committee. The study found that enterprise risk management had a significant positive effect on firm performance. The existence of a strong board level risk management committee increases firm performance as there is clear oversight.

Peljhan and Marc (2021) conducted a study on risk management and strategy alignment. The study aimed at investigating the impact of risk management on new product development. The study found that there is a significant positive relationship between risk management and new product development. A risk management system ensures better structures when introducing new products, thus enabling an organization to assess changes and adapt to external changes that would otherwise hinder implementation. The study focused mainly on strategies related to the introduction of new products and did not focus on overall organization strategies.

Corporate Governance Practices and their Effect on Strategic Plan Implementation

Obine (2022) conducted a study on corporate governance practices and implementation of universal healthcare strategy in Machakos County- Kenya. The study aimed at establishing whether corporate governance practices such as board structure, internal controls, transparency and risk management had an influence in implementation of the universal healthcare strategy. It was found that the variables were important and contributed to implementation of the universal healthcare strategy. It was recommended that a clear line of communication and automation of internal control systems be implemented to counter the challenges faced in implementation.

A study by Kobuthi (2018) on corporate governance, strategy implementation, industry competition and performance of companies listed on the Nairobi Securities Exchange aimed to establish the mediating effect of strategy implementation and industry competition, respectively, on the relationship between corporate governance and firm performance. The study focused on corporate governance practices such as board operations and control, rights of shareholders, stakeholder relations, ethics and social responsibilities, accountability, risk management and internal audit, transparency and disclosure, and supervision and enforcement. It was found that adopting good corporate governance practices results to good performance by organizations.

Emodia and Mwanzia (2021) conducted a study on the effect of corporate governance practices on organizational performance of state corporations. It was aimed at establishing whether accountability and board responsibility significantly influenced organizational performance. It was found that these variables had a significant positive influence on organizational performance. The study recommended that corporate governance practices be employed in state corporations to ensure positive results.

Theoretical Framework

Dynamic Capability Theory

The theory was developed by David Teece, Gary Pisano and Amy Shuen in 1997. This theory emphasizes the need for senior managers to develop strategies that enable adaptation to radical change, while maintaining minimum capability standards to ensure competitive survival. Organizations therefore have to ensure that their internal systems and processes are aligned when introducing new technologies when changes occur in their industries.

The theory emphasizes that for a firm to remain competitive, the internal systems must work together. This includes the technological, managerial, and organizational processes. This is particularly applicable to private organizations which are in constant competition and need to continuously innovate to maintain relevance in the industry. Dynamic capability theory emphasizes that a firms' competitive advantage is a factor of its ability to coordinate its resources to counter competition. A firms' human resources function is critical as the introduction of new changes and technologies require support of those involved in the functions for successful implementation.

The theory is applicable in strategic plan implementation in that it emphasizes the need for resilience and addictiveness in the internal environment when setting new strategies Kleiner (2013). Dynamic capabilities are otherwise referred to as signature processes of the company and are not easy to copy or replicate in other companies. When a company's dynamic capabilities are understood, an organization can tap into its internal processes and culture to ensure that it works for its advantage. The phrase 'This is the way things are done here' can be detrimental to an organization's strategy thus the need to ensure that the team is reliable and dynamic to changes. The dynamism and reliability of employees is enhanced by affecting effective communication, training, and appropriate goal setting to align employees to the strategic vision. Strategic plan implementation becomes easy when members are willing to accept change.

Agency Theory

This theory was developed by Jensen and Meckling (1976). It describes the relationship between a firm's owners and that of its managers as a principal and agent relationship. The principals are the owners of the company. They appoint managers who act as their agents to satisfy their goals. The theory emphasizes the need for managers to act in the best of interest of the company's owners. There is need to find a balance between interests of the owners and those of its agents.

This theory is applicable in strategic plan implementation in that it highlights the conflicts that exist between management and employees. Top management set strategic goals which they cascade to employees. Their expectation is that the employees work towards achieving the set objectives on order to maintain the organization's status and reputation (Jenkins et. al 2016). Employees on the other hand want to maintain earnings from their jobs and remain relevant within their departments. This may hinder 100% commitment from the employees creating a barrier to attainment of these goals. Employees may feel that their jobs may become obsolete if all goals set are achieved within shorter time frames. They may prolong the speed at which these goals are attained.

Stakeholder Theory

This theory was developed by Edward Freeman in 1984. The theory emphasizes the need for firms to ensure the needs of all stakeholders associated to it are met. An organization consists of internal and external stakeholders. Employees, managers, and directors constitute the internal stakeholders of a firm. External stakeholders include the community within which the firm operates, government, suppliers, creditors, and customers. Corporate managers need to identify and develop frameworks that mitigate conflict of interest between the different types of stakeholders in an organization.

This theory is applicable in corporate governance in that good governance ensures all stakeholders' needs are put into consideration. Employees as internal stakeholders are vital in ensuring the goals of an organization are met. There should be effective management of employees' goals and needs for an organization to work efficiently. When communicating strategic goals, the board and management need to ensure that employees' perceptions and expectations are taken into consideration. Feedback from employees is vital after the strategic plan launch. Since employees are the key enablers of a strategy, care should be taken to avoid miscommunication and manage conflicts that may arise. Employee involvement is also key to ensuring a firm's objectives are met.

Conceptual Framework

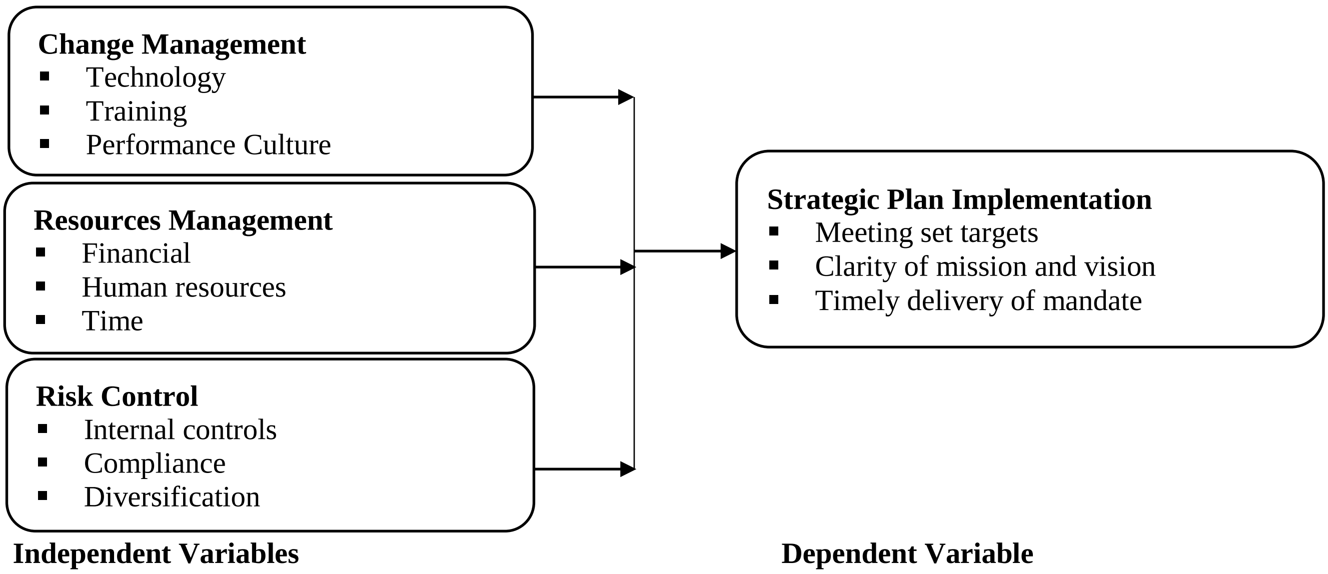

Figure 1: Conceptual Framework

Source: Researcher (2022)

METHODOLOGY

The research used descriptive research design that is cross sectional. The study targeted 474 employees of Isuzu East Africa. The study was conducted across all departments in the organization. This research used stratified random sampling in determining the sample population. Total sample size was 30% of all employees which comprised of 143 respondents. The researcher used a questionnaire for data collection. For an instrument to be considered reliable, Cronbach's alpha must be 0.7 and above (Cronbach, 1951). SPSS software was used to analyze the data.

DATA ANALYSIS

Change Management

The study aimed at identifying whether change management strategies were effective in ensuring implementation of the strategic plan. The responses analyzed the level to which change management strategies applied by the organization affected implementation of the strategic plan.

Descriptive Statistics for Effect of Change Management on Strategic Plan Implementation

Responses were collected using a 5-point Likert's scale. The ratings ranges from the lowest (Strongly Disagree) to the highest (Strongly Agree). Table 1: presents the findings.

Table 1: Descriptive statistics for change management and strategic plan implementation

Statement	1	2	3	4	5	Mean	Std Dev.
Isuzu constantly looks for ways of improving technologies for the organization	0.7%	3.4%	8.21%	51.4%	36.3%	4.19	0.782
IEA understands the impact of technology to the strategic objectives and periodically aligns its technologies	1.4%	0.7%	6.2%	55.5%	36.3%	4.25	0.720
IEA offers training to equip with new skills required for strategic plan implementation	2.7%	0.7%	2.7%	53.4%	40.4%	4.28	0.794
Management team are knowledgeable on required technical skills and can train team members to ensure strategic objectives are met	2.1%	2.7%	11%	54.8%	29.5	4.07	0.836
The management team enforces a culture of collaboration to meet strategic objectives	1%	1.36%	10.27 %	60.27%	27.4%	4.12	0.694
My organization has enforced an organization culture necessary for strategic plan implementation	0.7%	2.1%	6.8%	56.2%	34.2%	4.21	0.716
Average Mean						4.19	

Source: Research Data

From table 1: respondents agreed that IEA constantly looks for ways of improving its technologies (Mean=4.19, SD.782). They also agreed that the organization understands the impact of technology to its strategic objectives (Mean=4.25, SD.720). Participants also agreed that IEA trains employees to equip them with skills necessary for implementation of the strategic plan (Mean=4.28, SD.794). They also agreed that management team are knowledgeable on required technical skills for strategic plan implementation (Mean=4.07, SD.836). In addition, respondents agreed that the management team enforces collaboration to help attain strategic goals (Mean=4.12, SD.694) and IEA has enforced an organization culture necessary for strategic plan implementation (Mean=4.21, SD.716). The overall mean was 4.19 which indicates that change management is an important factor in strategic plan implementation.

Correlation Between Change Management and Strategic Plan Implementation

Table 2: Correlation

		Change Management	Strategic Plan Implementation
Change Management	Pearson Correlation	1	.658**
	Sig. (2-tailed)		.000
	N	146	146
Strategic Plan Implementation	Pearson Correlation	.658**	1
	Sig. (2-tailed)	.000	
	N	146	146

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data

From table 2: the findings signify a high correlation between change management and strategic plan implementation (r=.658 N=146 p<.01). This is supported by a study conducted by Chepkwei (2020) which found that organizations need to adapt to changes within their environment to ensure survival. Change management is critical for the success of an organization as an organization plans are constantly affected by changes within and outside its environment. Since an organization has control over its internal environment, training and developing employees to adapt to a culture of success helps the organization in achieving its set objectives.

Regression Analysis for Change Management and Strategic Plan Implementation

In order to establish the level of influence of change management to implementation of strategic plan, regression analysis was used.

Table 3: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.658[a]	.433	.429	.42192	.433	110.132	1	144	.000

a. Predictors: (Constant), Change Management

Source: Research Data

According to Table 3: R value is 0.658 which shows a significant influence of change management on strategic plan implementation. R^2 value is 0.433 which indicates that 43.3% change in strategic plan implementation is accounted for by change management. Change management has significant impact on strategic plan implementation.

Anova of Change Management

Anova test was done to demonstrate whether change management was a significant factor in implementation of strategic plan.

Table 4: Anova for Change Management

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.605	1	19.605	110.132	.000[b]
	Residual	25.634	144	.178		
	Total	45.240	145			

a. Dependent Variable: Strategic Plan Implementation

b. Predictors: (Constant), Change Management

Source: Research Data

According to Table 4: [F (1,144) =110.132, P<0.05)] shows that change management affects strategic plan implementation at Isuzu East Africa. Change management is therefore a significant predictor of strategic plan implementation.

Resource Management

The study aimed at identifying whether resource management at Isuzu East Africa affected implementation of the strategic plan. The responses analyzed the level to which resource management strategies applied by the organization affected implementation of the strategic plan.

Descriptive Statistics for Resource Management and Strategic Plan Implementation

Table 5: Descriptive Statistics for Resource Management and Strategic Plan Implementation

Resources Management	1	2	3	4	5	Mean	Std Dev
IEA has adequate finances for new projects required to attain strategic goals	2.1%	2.1%	11%	58.9%	26%	4.05	0.799
There is proper allocation of budget and monitoring of expenditure for projects	1.4%	2.7%	12.3%	56.8%	26.7%	4.05	0.791
IEA has competent personnel to meet its strategic objectives	1.4%	1.4%	6.8%	47.3%	43.2	4.29	0.772
Each person is accountable and takes responsibility for their actions in strategy attainment	2.1%	2.1%	8.9%	48.6%	38.4%	4.19	0.841
The time frame given for strategic goals attainment is reasonable	0.7%	1.4%	13%	58.9%	26%	4.08	0.710
Timelines and progress of set goals is periodically reviewed at IEA	2.1%	2.1%	7.5%	54.1%	34.2%	4.16	0.814
Average Mean						4.17	0.788

N=146

Source: Research Data

From Table 5: respondents agreed that IEA has adequate finances required for new projects to ensure strategic plan implementation (Mean=4.05, SD.799). They also agreed that there is proper budget allocation and monitoring of expenditure (Mean=4.05, SD.791). Respondents agreed that the organization has competent personnel to ensure strategic objectives are met (Mean=4.29, SD.772). Participants agreed that each person in the organization is accountable and takes responsibility for their actions in strategy attainment (Mean=4.19, SD.841). In addition, respondents agreed that the time frame given for strategic plan implementation is reasonable (Mean=4.08, SD.710) and tielina and progress of set goals is periodically reviewed (Man=4.16, SD.814). The composite mean is 4.17 which indicates that most participants felt that resource management was significant in strategic plan implementation.

Correlation Between Resource Management and Strategic Plan Implementation

Table 6: Correlation Between Resource Management and Strategic Plan Implementation

		Resource Management	Strategic Plan Implementation
Resource Management	Pearson Correlation	1	.805**
	Sig. (2-tailed)		.000
	N	146	146
Strategic Plan Implementation	Pearson Correlation	.805**	1
	Sig. (2-tailed)	.000	
	N	146	146

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data

From table 6: the findings signify a high correlation between resource management and strategic plan implementation (r=.805 N=146). This means that resource management is a key determinant for strategic plan implementation. A study by Anene (2021) recommended that organizations should realign and leverage internal resources across the spectrum for better performance. Development of human resources can be done through training on customer management, emerging trends in the market and upskilling available workforce. This goes a long way in ensuring that the organization retains key people for implementation of projects. A high turnover may hinder the strategy implementation process of a company.

Regression Analysis for Resource Management and Strategic Plan Implementation

Table 7: Regression Analysis for Resource Management and Strategic Plan Implementation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.805[a]	.647	.645	.33283	.647	264.384	1	144	.000

a. Predictors: (Constant), Resource Management

Source: Research Data

According to Table 7: R value is 0.805 which shows a high significant influence of resource management on strategic plan implementation. R^2 value is 0.647 which indicates that 64.7% change in strategic plan implementation is accounted for by resource management. This leads to the conclusion that resource management has significant impact on strategic plan implementation.

Anova for Resource Management

Table 8: Anova for Resource Management

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.288	1	29.288	264.384	.000[b]
	Residual	15.952	144	.111		
	Total	45.240	145			

a. Dependent Variable: Strategic Plan Implementation

b. Predictors: (Constant), Resource Management

Source: Research Data

According to Table 8: [F (1,144) =264.384, P<0.05)] shows that resource management affects strategic plan implementation at Isuzu East Africa. Resource management is therefore a significant predictor of strategic plan implementation.

Risk Control

The study aimed at identifying whether risk control at Isuzu East Africa affected implementation of the strategic plan. The responses analyzed the level to which resource management strategies applied by the organization affected implementation of the strategic plan.

Descriptive Statistics for Risk Control

Table 9: Descriptive Statistics for Risk Control

Risk Control	1	2	3	4	5	Mean	Std Dev
There are policies and procedures the organization adheres to for its operations	2.7%	0	0.7%	50.7%	45.9%	4.37	0.761
Internal controls are supported by management and independent to monitor strategic performance	1.4%	0.7%	6.2%	58.2%	33.6%	4.22	0.709
The organization is regularly audited to ensure compliance	2.1%	0.7%	1.4%	48.6%	47.3%	4.38	0.745
IEA strategy takes into consideration all compliance aspects to ensure no setbacks on strategy attainment	1.4%	0.7%	6.8%	61%	30.1%	4.18	0.702
IEA strategy is flexible and looks into all aspects of organizational development	1.4%	1.4%	13%	56.8%	27.4%	4.08	0.762
IEA strategic goals are diversified to minimize risks	1.4%	2.1%	16.4%	52.7%	27.4%	4.03	0.805
Average Mean						4.21	

N=146

Source: Research Data

According to table 9: participants agreed that the organization has policies and procedures it adheres to for its operations (Mean-4.37, SD.761). They also agreed that internal controls is independent and is supported by management (Mean=4.22, SD.709). Participants agreed that the organization is regularly audited to ensure compliance (mean=4.38, SD.745). They also agreed that the organization takes into consideration all aspects of compliance to ensure no setbacks in strategy attainment (Mean=4.18, SD.702). In addition, participants agreed that IEA strategy is flexible and looks into all aspects of organizational development (Mean=4.08, SD.762). Participants also agreed that IEA goals are diversified to minimize risks (Mean=4.03, SD.805). The average mean is 4.21 which shows that participants agreed that risk control is an important aspect in strategic plan implementation.

Correlation Between Risk Control and Strategic Plan Implementation

Pearson correlation coefficient was used to measure the relationship between risk control and strategic plan implementation. Risk control was used as the independent variable and strategic plan implementation used as the dependent variable.

Table 10: Correlation Between Risk Control and Strategic Plan Implementation

		Risk Control	Strategic Plan Implementation
Risk Control	Pearson Correlation	1	.798**
	Sig. (2-tailed)		.000
	N	146	146
Strategic Plan Implementation	Pearson Correlation	.798**	1
	Sig. (2-tailed)	.000	
	N	146	146

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data

From table 10: the findings signify a high correlation between resource management and strategic plan implementation (r=.798 N=146). This concurs with a study done by Kimetto (2018) which found a positive relationship between risk control and financial performance of cooperative societies. Risk control enables organizations to reduce on loses and foresee and plan for uncertainties. Mitigation measures are then taken to minimize impact to the organizations if risks occur. This ensures high performance of firms.

Regression Analysis for Risk Control and Strategic Plan Implementation

Table 11: Regression Analysis for Risk Control and Strategic Plan Implementation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.798[a]	.637	.634	.36064	.637	252.312	1	144	.000

a. Predictors: (Constant), Strategic Plan Implementation

Source: Research Data

According to Table 11: R value is 0.798 which shows a significant influence of risk control on strategic plan implementation. R^2 value is 0.637 which indicates that 63.7% change in strategic plan implementation is accounted for by resource management. This leads to the conclusion that resource management has significant impact on strategic plan implementation.

Anova for Risk Control

Table 12: Anova for Risk Control

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.816	1	32.816	252.312	.000[b]
	Residual	18.729	144	.130		
	Total	51.545	145			

a. Dependent Variable: Risk Control

b. Predictors: (Constant), Strategic Plan Implementation

Source: Research Data

According to Table 12: [F(1,144)=252.312, P<0.05)] shows that risk control affects strategic plan implementation at Isuzu East Africa. Risk control is therefore a significant predictor of strategic plan implementation.

Regression Model

Multivariate linear regression was used to measure how relevant the independent variables were to the dependent variable.

Regression model employed is $Y= \beta_0 +\beta_1X_1+ \beta_2X_2+ \beta_3X_3+\varepsilon$

Where

Y= Strategic Plan Implementation

β_0 =Y intercept

β_1 β_2 β_3 = The slope of the regression line for each independent variable

X_1 =Risk Control

X_2=Change Management

X_3= Resource Management

ε= Error

Table 13: Regression Model Summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.836[a]	.699	.692	.30988	.699	109.711	3	142	.000

a. Predictors: (Constant), Risk Control, Change Management, Resource Management

R value shows the correlation between independent and dependent variables. R value was 0.836 which shows a strong relationship between change management, resource management and risk control on strategic plan implementation. The percentage of variance on the dependent variable is directly accounted for by the independent variables studied in the research represented by R^2. R^2 was .699 which means 69.9% of the variance in strategic plan implementation is accounted for by the independent variables. The model therefore fits the data.

SUMMARY

The study found that change management strategies such as technological advancements, training employees to align skills to market changes and periodic alignment to performance culture had significant effect on implementation of the strategic plan at Isuzu East Africa. Respondents agreed that the organization needs to have proper change management strategies in order to ensure it meets its objectives. The findings show a positive correlation between change management and strategic plan implementation at Isuzu East Africa. The regression analysis also shows that 43.3% change in strategic plan implementation is accounted for by change management. Organizations need to constantly scan their internal and external environment to ensure they are aware of new processes being adopted in the market. Technological advancements are rampant especially in vehicle manufacturing industries and IEA has to constantly upgrade to ensure it retains its market share. Both employees and management should undertake continuous professional and technical training to equip them with relevant skills. Management should be at the forefront in ensuring upskilling of staff. A performance culture must be developed if an organization is to meet its strategic goals. This instills a culture of results and employees and departments will work together to ensure the overall objective is met. Performance culture also ensures that every employee is held accountable for their role.

Proper management of organizational resources such as financial resources, human resources and time was also found to be critical for implementation of the strategic plan. There was a high correlation between resource management and strategic plan implementation indicating that the organization need to ensure it properly and efficiently allocates its resources to ensure strategic objectives are met. 64.7% change in strategic plan implementation is accounted for by resource management indicating that Isuzu East Africa needs to ensure it takes into consideration how resources are managed for successful strategic plan implementation. Financial resources are critical for implementation of strategic plans as undertaking new projects can be costly. Organizations have to ensure that sufficient budgets are allocated to projects. Use of financial resources should be clearly outlined and monitored to ensure that finances are channeled for the right use and minimize wastage. This also helps in monitoring the financial impact of different projects geared toward enabling implementation of the strategy. Proper management of human resources is important as people are the key drivers for any strategic plan. An organization has to ensure that it has the right people with the right skills and attitudes to ensure implementation of the strategic plan. Management should keep I touch with its lowest level employees to ensure they comprehend the strategic objectives and understand how they play a role to the overall goal. IEA should also find ways of ensuring work is done faster and more efficiently. Clear timelines should be given as a guideline to when implementation for different projects should be done. This gives a sense of direction as per where people should start and be at any given time. Progress updates should also be done so that people work within given deadlines.

It was also found that risk control is important in ensuring successful strategic plan implementation. Participants agreed that internal controls, compliance to regulations and diversification of strategic goals are necessary to ensure successful implementation. There is a significant positive correlation between risk control and strategic plan implementation. The regression analysis shows that 63.7% change in strategic plan implementation is accounted for by risk control. Internal controls lay a critical factor as it ensures that employees work within required guidelines of organizational policies and procedures. Top management should support the internal controls team. This goes a long way in making sure that things are done right and proper procedures laid out for each project being undertaken. Internal controls ensure there is always a step by step process to avoid haphazard decisions being made which may have a negative effect on strategic plan implementation. Due to the dynamic changes in the business environment, organizations need to keep up to date with compliance issues to protect it from litigation issues. Lack of compliance may result to an organizations products being taken off the market because they fail to meet certain standards. Strategic objectives should also be diversified to enable the organization capture all critical aspects to its development. Diversification is important to implementation of the strategic plan as it enables the organization to explore different options thus ensuring successful implementation.

CONCLUSIONS

According to the findings from the study, change management, resource management and risk control have a significant effect on strategic plan implementation. Most times, organizations lay out a well-defined strategic plan but never achieve its implementation. This is because they ignore critical elements such as change management which come in handy if implementation is to be achieved. Strategic plans usually come with new goals, level or types of work to be done and employees' perceptions must be changed to ensure they buy into the strategic plan. A one hundred percent buy in by employees ensures one hundred percent implementation of the strategic plan. IEA should ensure that it prepares its employees for any new goals it sets. IEA should also ensure that employees at all levels are continuously guided on ways they contribute to the overall strategy. Each individual in an organization is important as far as strategy implementation is concerned and it is critical to ensure employees are well equipped to handle and achieve strategic objectives.

IEA should always channel its resources towards strategic plan implementation. An organizations resources are vast and what differentiate organizations that meet their mandate to those that do not is how resources are utilized. Maximum and efficient utilization of time, financial and human resources helps an organization to attain its targets. IEA needs to ensure that allocation and distribution of resources is properly done. Shared resources should be well controlled to prevent setbacks in implementation of the strategic plan.

The risk control process for any organization also needs to be well managed. Uncertainties in the internal and external environment should be identified and documented. Appropriate risk mitigation and prevention measures should be taken to secure the future of the organization. This plays a role in ensuring strategic plan implementation is successful. IEA should continuously review its risk control process to ensure that all risks are captured as they emerge.

Successful strategic plan implementation is a collaboration of various factors in an organization and at any given time, all functions should work together.

RECOMMENDATIONS

The study found that the variables of change management, resource management and risk control all play an important role in ensuring implementation of the strategic plan. Change management strategies such as technological change management, training and performance culture management should be incorporated into organizational processes. Whenever new strategic plans are introduced, employees' preparedness to take up the change should be ensured. Introducing new technologies to employees may be met with resistance therefore organizations need to have proper guidelines as to how change is introduced. Having a culture of performance makes it easy to manage change as people are always looking for better ways to do their work making implementation easy. IEA should always have in place change agents who will drive how employees receive and perceive organizational changes.

Optimal management of resources should be ensured for successful implementation of the strategic plan. IEA should at all times ensure that all resources are working at their optimal level. IEA should list done all its resources and find the optimum working levels for each when assigning roles. This is key and greatly contributes to implementation of the strategic plan.

Risk control should always precede any major projects or investments being undertaken. IEA management needs to ensure that the internal controls department is empowered to carry out risk analysis and mitigation. This protects the organization and helps drive implementation of strategic plans.

Suggestions for Further Research

The study focused on corporate governance practices such as change management, resource management and risk control affect strategic plan implementation. The study recommends that further studies be conducted to cover other variables such as communication and organizational structure and how they affect strategic plan implementation. Questionnaires were used as the research instrument. Other studies can be conducted to incorporate different study instruments such as focus group discussions, and open ended questionnaires to enable collection of a wide range of data.

This study was done at IEA, a private manufacturing company. Similar studies can be conducted in organizations in different sectors and assessment done as to whether the findings wil still apply in sectors such as hospitality and banking.

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