An Assessment Of Strategic Initiatives On Organisation Performance: A Case Of 
Kenya Power And Lighting Company

by

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APPROVAL

AN ASSESSMENT OF STRATEGIC INITIATIVES ON
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AND LIGHTING COMPANY

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In accordance with Daystar University policies, this thesis is accepted
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AN ASSESSMENT OF STRATEGIC INITIATIVES ON ORGANISATION PERFORMANCE: A CASE OF KENYA POWER AND LIGHTING COMPANY

I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

Signed: ____________________________
Date: ________________

George Mokua Kembero 08-0705
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# LIST OF ABBREVIATIONS AND ACRONYMS

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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>African Development Bank Group</td>
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<tr>
<td>DC</td>
<td>Domestic Consumers Tariff</td>
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<tr>
<td>EAP&amp;L</td>
<td>East Africa Power and Lighting Company Limited</td>
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<tr>
<td>ERB</td>
<td>Electricity Regulatory Board</td>
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<td>ERC</td>
<td>Energy Regulatory Commission</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<td>FCC</td>
<td>Fuel Cost Charge</td>
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<td>FERFA</td>
<td>Foreign Exchange Rate Fluctuations Adjustment</td>
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<td>FIT</td>
<td>Feed-In-Tariff</td>
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<td>FOS</td>
<td>Fuel Oil Surcharge</td>
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<td>GDC</td>
<td>Geothermal Development Corporation</td>
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<tr>
<td>GPOBA</td>
<td>Global Partnership on Output Based Aid</td>
</tr>
<tr>
<td>IPPs</td>
<td>Independent Power Producers</td>
</tr>
<tr>
<td>KNEB</td>
<td>Kenya Nuclear Electricity Board</td>
</tr>
<tr>
<td>MVA</td>
<td>MegaVolt Amperes</td>
</tr>
<tr>
<td>MV</td>
<td>Medium Voltage</td>
</tr>
<tr>
<td>MW</td>
<td>MegaWatt</td>
</tr>
<tr>
<td>REFiTs</td>
<td>Renewable Energy Feed-in Tariffs</td>
</tr>
<tr>
<td>TANESCO</td>
<td>Tanganyika Electricity Supply Company Limited</td>
</tr>
<tr>
<td>TTDI</td>
<td>Toshiba Transmission &amp; Distribution Systems (India) Ltd</td>
</tr>
<tr>
<td>WARMA</td>
<td>Water Resource Management Authority</td>
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ABSTRACT

The purpose of this research was to assess the effect of strategic initiatives adopted by Kenya Power and Lighting Company on its overall organization performance. This study was largely centered on both secondary and primary data where qualitative and quantitative secondary data were analyzed for the last four financial years, 2013/2014 to 2016/2017. This was an exploratory study conducted by administering seventy-nine (79) semi-structured questionnaires to employees of Kenya Power. Data was analysed using Statistical Package for Social Sciences (SPSS) version 22. The findings of this study revealed that Kenya Power and Lighting Company adopted and embraced innovative ideas designed at enlightening the reliability and worth of power supply as well as expansion of the customer base. The company also set an aggressive target to connect one million customers in each financial year as part of its business growth strategy and in line with the Government’s plan to achieve over 70% electricity access by 2020. The study concluded that Kenya Power and lighting Company’s strategic initiatives were reliably effective and efficient in enhancing the company’s overall organizational performance for the last four years. The company’s enhanced performance was supported by the fact that there was a rise in innovativeness and utility of modern technology, increase in customer base, growth in profitability, increase in electricity unit sales and sales revenue. The study recommends that organisations should assess both national and global political climate in relation to the business entity and sector in order to implement relevant strategic initiatives.
CHAPTER ONE
INTRODUCTION AND BACKGROUND OF STUDY

Introduction

Africa is endowed with vast and diverse energy means. Although it is evident that Africa’s growing population is regularly and poorly affected by energy poverty hence 70% of its population does not access clean and modern forms of energy (Elmissiry, 2012). Therefore, efficient and effective strategic initiatives should be initiated and adopted purposely to nurture the development of a viable and well-functioning energy sector (African Development Bank Group, 2013).

Connectivity is widespread deployment of an electrical infrastructure and equipment(s) along the energy value chain system which involved power distribution from power plants to consumers’ structures, devices and equipment (Electric Power Research Institute, 2016). Low customer connectivity had been attributed to limited electricity supply because of insufficient power generation capacity hence high costs associated with electricity production were pushing governments to fund electricity consumption purposely to increase electricity generation capacity (African Development Bank Group, 2013). For instance, in 2010 the average electricity tariff which was adopted among African countries was US $0.14 per kilowatt-hour (kWh) contrary to an average production costs of US $0.18 per kWh associated with consumption of US $0.07/kWh in East Asia and US $0.04/kWh for South Asia (African Development Bank Group, 2013).

Sustainably, Elmissiry (2012) recommended that African countries should increase massive energy generation to new decentralized solutions beyond the grid and existing grids. With the prevailing strategic nature of electricity to an economy, African
Development Bank Group (2013) affirmed that countries within Africa should work together with their development-oriented associates to construct a steadfast energy sector for durable benefits of their energy markets and embrace an economy of scale. These would substitute local development, expedite economic expansion and confront both urban and rural poverty related with defective, exorbitant or gradually offensive outdated sources of energy which results into inadequate electricity required (Elmissiry, 2012).

It is now evident that Kenya is at an advanced stage with requirements associated to its domestic energy needs because electricity is one of the leading production costs. This has triggered the government to finance for the establishment of affordable renewable energy foundations such as wind farms, coal and steam wells (Otuke, 2016). In the past decade, Kenya struggled with the difficulties associated with unreliable, unsustainable and expensive energy utility. This is perceived to increase performance stagnation in organisations both in manufacturing and industrial sectors. Performance stagnation is attributed to an out-dated energy structure which frustrates the current energy necessities visualized in Kenya Vision 2030 economic blueprint (Institute of Economic Affairs, 2015).

In addition, it is worth-noting that of late Kenya made astonishing discoveries in form of oil, gas and coal deposits within its boundaries which could significantly transform its economic structure, with key influences on both public income contributions and supplementary economic segments. This presents a rare opportunity to the policy makers, private sector regulatory authorities and, to those who utilize the country’s energy resources the most (Owino, 2015).
Kenya Power, energy regulating authorities, policy makers and the private sector are expected to establish strategic initiatives to establish a sustainable energy sector to transform the country’s economy whose largest energy source are biomass, fuel and wood (The Institute of Economic Affairs, 2015). To achieve this, Owino (2015) encouraged for regular utility for sources of renewable energy which are regarded too costly because of the technology redeployed in unearthing coal and oil which are readily available, despite the acknowledged special paraphernalia on the atmosphere.

In addition, this difficulty requires a very careful implementation of strategic initiatives in the energy sector in Kenya. This will present an investment structure towards an enriched organization’s performance which will ensure sources of energy diversification with a major focus on an energy matrix which will make renewable sources competitive. Establishment of strategic initiatives requires an upper understanding of the energy sector’s dynamisms in (Owino, 2015).

In this study, consumer connectivity means supply, accessibility or availability of electricity to an end-user and a consumer is any person provided with electricity by Kenya Power and it excludes an individual supplied with electrical energy for distribution purposes (Government of Kenya, 2014). Therefore, Kenya Power Lighting Company Limited (2017) acknowledged two types of new consumers’ connections, that is, ordinary and premium. The company further defined ordinary customers as those consumers who needed supply of below 25 Kva. These customers include both domestic and small commercial customers. On the other hand, premium consumers are large-power-consuming customers requiring supply above 25 Kva (Kenya Power Lighting Company Limited, 2017).
Consumer connectivity was one of the performance indicators in assessing the level of customer service by establishing the number of customers connected, sales growth and profitability increase over a given period (Chumo, 2016). Other parameters of organisational performance organizational performance included the level of innovation and technology advancement within the Company (Kenya Power and Lighting Company, 2017). This study assessed the strategic initiatives adopted by Kenya Power and Lighting Company on its overall organization performance. This chapter focused on the background of the study, problem statement, objectives, significance, limitations and delimitations of the study and definition of terms.

Background of the Study

When the Kenyan government established the Rural Electrification Authority (REA) in order to target and connect rural homes, Kenya Power’s business focus shifted towards conducting commercially sustainable electricity connections by adopting viable strategic initiatives in order to improve on its overall organizational performance (Chumo, 2015). As a result, this resulted into a big challenge to connect rural households situated in remote areas from the national grid (Herbling, 2013). To effectively signal a withdrawal from the rural electrification, Kenya Power declared to operate as a commercial entity which is quoted on the stock exchange with an objective to come up with sustainable strategic initiatives to improve connectivity in non-commercial areas to boast its overall organizational performance (Chumo, 2015).
Herbling (2013) exposed the contrary reaction which the company demonstrated towards the energy sector’s cabinet directive for Kenya Power and Lighting Company to resume connecting new electricity consumers at a rate of thirty-five thousand shillings only for single-phase consumers and to those households located in rural areas. The firm’s major shocking announcement was that it had shifted focus towards urban consumers in order to improve its overall performance and, that it was exiting the rural market which was unsustainable and uneconomical.

Strategic Initiatives

A strategic initiative is an undertaking envisioned to attain a boundary-spanning vision, present an exceptional experience of important benefits to policymaker, private sector, energy regulating authorities and to transform the overall organization’s performance (Craig, 2010). At Kenya Power and Lighting Company, it basically means coming up with sustainable business processes which improves consumer connectivity in non-commercial areas (Chumo, 2013).

The company provides a world-class power which delights customers by bringing a sense of optimism to consumers and working together as a team to enhance a brighter future for Kenya (Kenya Power and Lighting Company Lighting, 2016). The company is further determined to power entities to better lives and to become the preferred energy solution to both businesses and individuals in order to influence their full potential and accomplish more (Chumo, 2016). To successfully accomplish its vision and mission, Kenya Power and Lighting and Company adopted five core values namely, putting customer’s concerns first, boosting team-work initiative, embracing passion in service
delivery, embracing integrity in discharging organization’s promises and encouraging employees to strive for the best in all their undertakings (Chumo, 2016).

Keya Power and Lighting Company went through a strategic change to seal electricity distribution leakages and losses experienced because of prior illegal and dangerous electricity connections in Kenya (Kenya Power and Lighting Company Limited, 2016). The improved annual trading results are attributed to the increased sales associated with increased power supply and the increased connectivity associated with the implementation of new domestic power tariff.

Kenya Power and Lighting Company’s strategic initiative focused on differentiation and low-cost strategies which led to the increased market share hence, high profitability (Chumo, 2016). The impending drop in domestic consumer’s tariffs saved the large electricity domestic consumers millions of shillings thus increasing their disposable income (Otuke, 2016).

Organisational Performance

An organisation is a well-structured cluster of people with a purpose or intention while performance is the act of executing a function and whose end result is perceived successful (Pitcher Partners, 2016). Therefore, organisational performance is a term used to demonstrate how an organized group of people successfully performed a given function to attain a given result (Pitcher Partners, 2016).

Effective organisations sustained their performance in both favourable and unfavourable economic times (Chartered Institute of Personnel and Development, 2011). Establishments needed to withstand their performance for a while and it is practically achievable if when the in-charge, personnel management and business leaders make it
their top priority to sustain their financial, people, societal and economic contribution over time (Miller, 2011).

Strategic Initiatives and Organization Performance

According to Craig (2010), a strategic initiative is a well-designed programme. However, not every well-designed programme is a strategic initiative. Craig further declared that organizations have many opportunities and challenges which need attention. Craig comprehended that a strategic edge normally seals a company’s performance crack which could be a seizure of a chance or a resolution to a prevailing challenge. Lastly, Craig professed that a strategic initiative demand for superior execution approaches because it is more complex than a project. Therefore, to successfully implement a strategic initiative, a better approach of initiating an idea, planning for the idea, executing the idea, controlling and closing of the idea is required.

Energy Sector in Kenya

In Kenya, the energy segment plays a serious role in the countries’ socio-economic development agenda (GoK, 2014). The sector is steered by Sessional Paper No. 4 of 2004 which is controlled by several parliament acts, predominantly the Geothermal Resources Act No. 12, of 1982, the Petroleum (exploration and production) Act, Cap 308 and Energy Act, No. 12 of 2006 (Triple E Consulting, 2014). Besides, the Ministry of Energy provides a leadership role, oversight directions and guidance on the national energy policy (Njoroge, 2014).

Currently, the energy segment relies on importing of all petroleum products. However, the National Energy Policy asserts that the detection of oil deposits by Tullow
in the Northern part of Kenya is likely to transform this trend (Njoroge, 2014). The energy mix in Kenya is primarily distinct by three energy sources - petroleum, biomass, and hydropower for electricity. Hence, about 70% of the energy consumers use the traditional biomass while electricity and petroleum account for 9% and 21% respectively (Triple E Consulting, 2014).

In the electricity sector, hydropower installation has dominated the generation mix and it occupies 49% of the entire capacity followed by fossil-fuel generating floras at 33.5% of the entire capacity as wind, geothermal and cogeneration occupy an additional lot of renewable sources of energy in the energy mix (GoK, 2014). The energy sector faces dynamic challenges which include small levels of industrialization, marshaling satisfactory financial resources to embark on substantial investment in the power sector, extraordinary initial capital disbursement, cultivating the quantity, attractiveness, consistency and superiority of energy stream, extremely long periods of feasibility research in order to establish energy infrastructure, high energy costs and reduced incomes per capita (Njoroge, 2014).

Currently, the private sector actively participates in the energy sector’s economic undertakings such as power generation, petroleum dissemination, gas, coal and oil probe. Besides, the Ministry of Energy continues to encourage private sector’s continuous participation and provide investment environment which presents opportunities and minimizes challenges to boost performance within the energy sector (Njoroge, 2014).

The energy charge has substantial economic impact on predominant endeavors such as production of paper, pulp, steel and cement (GoK, 2014). For instance, in Kenya it is practically comparable to factor energy charge when determining the affordability of
domestically manufactured commodities to the imports (Njoroge, 2014). Therefore, high costs of energy have a negative impact on stability of payments, unemployment and domestic wealth creation because customers select cheaper imports (Triple E Consulting, 2014). The Kenya Vision 2030 Blueprint accredits the energy segment as one of the boasters of the country’s socio-economic stake thus realigning a competitive focus towards supply of reliable, affordable and sustainable electricity to all Kenyan citizens (Njoroge, 2014).

Kenya Power Profile

According to annual statements by KPLC (2011), in 1891, Sultan Seyyid Bargash bin Said bin Sultan of Zanzibar set the initial record to be the pioneer to utilize electricity to brighten up the nightly atmospheres in Eastern Africa. The Sultan was inspired by his exposure and frequent travel to Europe and therefore decided to substitute the former wasteful colored lights of his palace and adjacent highways by oil floor lamp with well-lit electricity power. On the Zanzibar waterfront, Sultan established and installed a steam-driven electric generating plant which was too advanced by its standards and of a signature kind in the entire Africa, by then.

After several false attempts, an ambitious electrical engineer from Britain, Clement Hirtzel and his innovative team, made it a success in 1906. They further established a limited company which was entitled to a special right to hoard electrical light, to power the urban center of Nairobi and in 1908 they made it a reality to glow and light Nairobi skies (KPLC, 2011).
Kenya Power and Lighting Company (2011) acknowledged that Hassanali Esmailijee Jivanjee, an affluent trader in Mombasa, purchased the Electric Company of Zanzibar which belonged to Sultan of Zanzibar. Later, Mombasa Electric Lighting and Power Company Limited procured Hassanali’s firm when it was still in good condition. The Report further highlighted that in 1922, The East Africa Power and Lighting Company Limited (EAP&L) was formed after Nairobi Electric Power and Mombasa Electric Light and Power Company Limited merged and as a result, this marked a new era in the energy sector. The huge demand for quality electricity power by the two towns and their surroundings made it possible for the amalgamation and the East Africa Power and Lighting Company Limited (EAP&L) was incorporated to serve Kenya, Uganda and Tanzania.

Kenya Power and Lighting Company (2011) declared that in 1983, the name East Africa Power and Lighting Company Limited (EAP&L) was changed to Kenya Power and Lighting Company Limited and, abbreviated as KPLC. The Company’s profile dictates that 50.1% shareholding of Kenya Power is owned by the Government of Kenya while the remaining 49.9% shareholding is held by the private sector (KPLC, 2011). However, in 1932, The East African Power and Lighting Company attained a supervisory stake in the Tanganyika Electricity Supply Company Limited (TANESCO).

In sequence, EAP&L also acquired Uganda licenses to generate and distribute their-by cementing its manifestation in the Eastern Africa. In 1948, the Government of Uganda formed the Ugandan Electricity Board to oversee electricity distribution within its borders. In retaliation, in 1964, TANESCO through the Government of Tanzania bought most of stockholding in EAP&L and this restricted it to operate within the
Kenyan boundaries and, this led to renaming it as Kenya Power and Lighting Company Limited in 1983 (KPLC, 2011).

Kenya Power and Lighting Company (2015) acknowledged that the company is a blue-chip company publically listed at the Nairobi Stock Exchange (NSE) whose obligation is it oversees retail, transmission and distribution of electricity within Kenya. However, prior to a major restructuring exercise in 1997, Kenya Power had the full obligation to manage all generating stations on behalf of the government.

Energy Act 2006 introduced additional restructuring initiatives and enactments. These resulted into the launch of the Rural Electrification Authority (REA), streamlining the Electricity Regulatory Board (ERB) and rebranding it to the Energy Regulatory Commission (ERC). Besides these, according to Ten Year Power Sector Expansion Plan for 2014-2024 (2015), Kenya Electricity Transmission Company (KETRACO) was established to facilitate electricity transmission and network expansion while Geothermal Development Company (GDC) were formed to develop geothermal energy.

Problem Statement

According to Saghir (2006), to date, about half of the 150 emerging nations and evolving economies had initiated lucrative reforms to transform their power markets since the early 1990, some to a significant extent and others more tentatively. This was because of the global movement to reform electric power markets which was conceived during the 1980s (Saghir, 2006). The drivers of this strategic initiatives’ crusade were disenchantment with the need for investment, the desire to help the poor population, energy state-owned utilities with questionable performance track records, fiscal pressure
and the modern huge to encounter quick growth in demand of power (Besant-Jones, 2006).

In developing nations such as Kenya, poor performance of state-run power sector had resulted into high costs of electricity (Besant-Jones, 2006). In most instances, these nations contemplated on reforming their power markets hence, they faced considerable challenges to both complete and sustain their power reform programs (Saghir, 2006). It was evident that much of the population in those countries remained disconnected from the national grid and those who were connected more often received unreliable power connectivity services (Besant-Jones, 2006).

In Kenya, the government aimed at providing 70% households with electricity by 2017, up from the current 55%. This was in line with the universal access by 2020 (Chumo, 2015) yet, a very few research studies have been conducted towards exploring the impact of strategic initiatives adopted at Kenya Power in relation to its performance (Chumo, 2016). Therefore, conducting this study was very crucial in understanding the various strategic initiatives adopted at Kenya Power and their impact on its organization performance.

Purpose of the Study

The purpose of this study was to assess strategic initiatives on organization performance, a case of Kenya Power.

Objectives of the Study

i. To identify various strategic initiatives adopted at Kenya Power.
ii. To establish the organization performance changes realized because of adopting strategic initiatives at Kenya Power.

iii. To establish challenges encountered by Kenya Power in implementing the strategic initiatives.

**Research Questions**

i. What were the various strategic initiatives adopted at Kenya Power?

ii. What were the organization performance changes realized because of adopting strategic initiatives at Kenya Power?

iii. What are the challenges encountered by Kenya Power in implementing the strategic initiatives?

**Justification of the Study**

This study was very crucial because strategies position or directs an organization to be well prepared for its future challenges while at the same time paving way for efficient and effective management to boast the overall organization performance.

**Significance of the Study**

This research study would be of significance to scholars because they would use the findings of this study to conduct more research based on the recommendations of the study or for future academic reference purposes. In addition, this study would be of significance to policy makers in the energy sector because it would make them come up with well-informed policies due to the findings of this study.
Besides, this study would be of significance to Kenya Power top management in decision-making process in terms of its overall performances and aligning its operations appropriately. Additionally, this study would be of significance to the government in developing appropriate strategies and policies for Kenya Power.

Lastly, this research study would be of significance to the energy regulating authorities in its oversight role within the sector by ensuring compliance and ensuring continuous review of energy processes, ideas, initiatives and innovations aimed at improving the overall performance of the Energy Sector in Kenya.

Assumptions of the Study

i. Though the respondents had busy working schedules and they were willing and ready to participate in the research.

ii. There would be availability of credible and relevant secondary data for the purposes of this study.

iii. The respondents would be honest in their answers to give information that is helpful to strategic future of Kenya Power.

Scope of the Study

This research was restricted to four financial years’ timeline (2013/2014 to 2016/2017). This was because both Kenya Power leadership and national government regime transition occurred during this period. The study was conducted at KPLC Head-Office, Stima Plaza in Nairobi.
Limitations and Delimitation of the Study

Some of the data was considered confidential and highly classified to be published for public consumption. This posed a challenge in locating the secondary data, evaluating the data and verifying the authenticity of the data. To overcome this limitation, this study assured KPLC Management that this research study was purely for academic research and, not for other purposes. Also, availability of funds to conduct the research successfully, posed a challenge, due to the scarcity of cash. To overcome this, the university contributed Kshs. 20,000 towards this study and, the researcher endured the remaining costs.

Definition of Terms

*Connectivity* is a widespread deployment of an electrical infrastructure and equipment(s) along the energy value chain system which involves power distribution from power plants to consumers’ structures, devices and equipment (Electric Power Research Institute, 2016).

*Consumer* is any person provided with electricity by Kenya Power and it excludes an individual supplied with electrical energy for distribution purposes (The Kenya Gazette, 2014).

*Consumer connectivity* is the supply, accessibility or availability of electricity to an end-user (Electric Power Research Institute 2016).

*Kenya Power* stands for Kenya Power Lighting Company Limited, a limited liability plant which is publically listed at the Nairobi Stock Exchange and mandated to retail, transmit and distribute electricity to customers across Kenya.
*National grid* is a complex system comprising of electricity distribution and transmission cables which is normally used as an electricity carriage (Kenya Power Lighting Company Limited, 2017).

*Organisation performance* is a term used to demonstrate how an organized group of people successfully performed a given function to attain a given result(s) (Pitcher Partners, 2016).

*Off-grid systems* are a mixture of electrical supply lines and power command centres which are physically and electrically detached from a unified system (The Kenya Gazette, 2014).

*Post-paid consumer* is a consumer supplied with electricity and settles his bill after receiving the bill amount from the Company as per the agreement of supply (The Kenya Gazette, 2014).

*Pre-paid consumers* are customers who pay up-front for electricity through a top-up card or by obtaining electricity tokens from the company as per the agreements of supply through authorized dealers and loads those Units to their prepaid meters for utility (The Kenya Gazette, 2014).

*Tariff* is a charge set, approved and levied by Energy Regulatory of Commission under the energy sector for its own development, business operations and regular maintenance of the power system (Kenya Power Lighting Company Limited, 2017).
Strategic initiatives at Kenya Power are sustainable business processes which improve consumer connectivity in non-commercial areas in order to enhance its overall organization performance (Chumo, 2013).

Summary

This chapter introduced the study by discussing its background. It further stated the problem statement of the study, purpose, objectives, research questions, rationale of the study, significance, assumptions and limitations and delimitations of the study. The next chapter is on literature review.
CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter presented the theoretical framework which discussed four theories: digital marketing, the law of demand, the pure time preference theory of interest and consumer theories or Porter’s generic competitive strategies. It also examined the general literature on matters related to the drivers of organization performance at Kenya Power, Kenya Power strategic initiatives and its organization performance. Lastly, this chapter presented empirical literature and displayed a conceptual framework which formed a strong foundation for this research study.

Theoretical Framework

A theoretical framework is a very specific and well-thought-out collection of interrelated concepts such as a theory which guides a research in establishing the specific objectives a study will focus on and the statistical associations it will be looking at (Borgatti, 1999). A theoretical framework is important in this exploratory study since the participant in this research is not aware of the prevailing effects and is exploring the impact of strategic initiatives adopted at Kenya Power on its organization performance. Borgatti (1999) outlined the two important explanations as to why a theoretical framework is very imperative. First, regardless of how diminutive a researcher thinks he or she is aware about a theme and, how impartial he or she thinks he or she is, it is incredible for a human creature not to have predetermined thinking, even if they are of universal nature.
A theoretical framework is relevant because it tends to guide what the researcher notices, and what the researcher does not notice in the organization’s performance in relation to strategic initiatives adopted at Kenya Power (Borgatti, 1999). Therefore, this study explored the following theories namely: digital marketing theory, law of demand theory, the time-preference theory of interest and consumer theories.

Theory of Digital Marketing

Sarkissian (2018) declared that in modern global village, both telecommunications and information technologies such as the mobile phones, internet and digital television have revealed new marketing networks and that customers are gradually exhausting these new advanced technologies to contact business organisations. In addition, cheap and affordable modern technologies have presented an opportunity to small-business owners towards promoting their companies through strategic initiatives hence basic marketing theories require a reinterpretation in this new era of the new advanced technologies (Sarkissian, 2018). For instance, Kenya Power has established a Call Centre where all customer concerns are handled either over a phone call or through the Company internet platform such as E-mails, Twitter or Facebook accounts. This is aimed at improving the level of customer service at Kenya Power (Chumo, 2015).

The Law of Demand Theory

Ehrbar (2008) declared that the Law of Demand states that when the price of a commodity increases and everything else remains constant, the quantity of the commodity demanded will decrease or the quantity of a commodity demanded reduces as the price increases with all other things remaining constant. The Economic Times (2017)
translated this into a simple understanding that if everything else is held constant and the price of a commodity increases, consumers buy less of that commodity and, when the price drops, people buy the same commodity in bulk. Hence, the law of demand is entrenched on consumers’ perception relating to the daily business environmental changes.

The Pure Time-Preference Theory of Interest

Menger (1976) articulated the two fundamental features of the pure time-preference theory (PTPT) of interest as follows: a contemporary approval is appreciated above a similar satisfaction in the forthcoming capitalization. In his argument, Menger (1976) further stated that an economic growth happens when industrious energy is relayed from “goods to lower order to goods of higher order and thereby, longer, more productive production processes” and the control on economic development originates from a sensation extremely entrenched in human nature’s urge to ensure that present wishes are fulfilled over forthcoming wishes. This arises from both physiological requirements and objectives which back all our individual’s continuous comfort and uniform pleasures of enjoyments. All experiences demonstrate that the present pleasure or any in the close forthcoming ordinarily seem more essential to mankind than any of an equivalent strength at an additional far-off stretch in the future.

Consumers Theories

A consumer theory is very apprehensive with how an irrational end user would create an intake decision (Levin & Milgrom, 2004). This can be condensed by the statement which means consumers choose the best bundle of goods they can afford
Therefore, the Porter’s generic competitive strategies embrace focus strategy, differentiation and cost leadership.

Porter’s Generic Competitive Strategies

A strategy is a mechanism which determines the desired direction the business needs to take and the appropriate systematic processes, procedures, structures, tools or methods to be applied to achieve the organizational desired results to effect desired change (Tanwar, 2013). A competitive edge cultivates when the worth of a firm is gifted to produce for its consumers that which surpasses the firm’s charge of producing it. Value is whatever buyer are able and equipped to pay, and a greater value curtails to subscription of insignificant prices than participants for equal paybacks or providing exceptional paybacks that additional than an equalising sophisticated price. Hence, cost leadership strategy, differentiation strategy and focus strategy (Porter, 1996).

Cost-leadership strategy: In this strategy, the firm prices its products and services low as a source of cost advantage in pursuit of economies of scale (Porter, 1985). As a competitive edge, charging an industry-average price increases profitability by reducing costs. In addition, charging lower prices increases market share while experiencing a reasonable profit on each sale. Therefore, cost leadership is about minimizing the cost associated with delivering products and services (Mind Tool Ltd, 2016).

Differentiation strategy: In this strategy, an organisation pursues to be distinct in its sector based on better initiatives generally perceived more valuable to many consumers within the industry. The firm picks on attributes and adapts superb initiatives which project the firm uniqueness towards a competitive edge, thus a premium price is
factored as a reward in return (Porter, 1985). Therefore, differentiation encompasses making commodities unique and attractive than those of your contenders (Mind Tool Ltd, 2016).

Focus strategy: Under the focus strategy, the firm seeks a narrow competitive range within a sector. This strategy has two variants: the differentiation concentration which pursues differentiation in its objective segment and the cost focus which pursues a cost advantage. Differentiation focus is concerned with special needs of consumers in certain segments (Porter, 1985) by pursuing strategic differentiation within a focused market (Mind Tool Ltd, 2016). On the other hand, cost focus explores the variances in cost behaviour at some segment (Porter, 1985). It basically emphasizes on cost-maximization within a focused market (Mind Tool Ltd, 2016).

Strategic Initiatives

Defined as proactive, temporary group undertakings intended to create economic value for the firm, strategic initiatives are fundamental for strategy instigation, enactment and, for strategic management of the firm (Lechner & Floyd, 2012). Strategic initiatives have developed fundamental strategic management of both contemporary and large corporations (Lechner & Kreutzer, 2011; Nag, Hambrick, & Chen, 2007).

According to Chatterjee (2009), lately, a small number of researchers have initiated to use the concept “programs” to discuss to classifications of various distinct but symbiotic under-takings which follow collective business rationality. Firms launch strategic initiatives to tap into new regional markets coming up with new brands of products (Cardinal, Turner, Fern, & Burton, 2011 McGrath, 2001), starting different
businesses (Keil, McGrath, & Tukiainen, 2009) or transforming and reorganizing existing processes and systems (Webb & Pettigrew, 1999).

Large contemporary corporations frequently take advantage of their flexible nature and introduce strategic initiatives which snatch evolving business prospects or to counter to both competitive and technological compressions (Boppel, 2013). It is worth-noting that each distinct strategic initiative is essential. However, an organization’s premeditated replenishment might be more compared to numerous consecutive or parallel strategic initiatives than a single exertion”s outcome (Burgelman & Grove, 2007; Lovas & Ghoshal, 2000). Research suggests that in business environments, alliances and acquisitions effects exist as specific categories of premeditated initiatives to boost organization performance (Laamanen & Keil, 2008; Wassmer, 2010).

Boppel (2013) indicated that the knowledge gap in strategic initiative in relation to organisation performance is shocking, since the choice to use corporate programs signifies a foremost structural decision regarding the administration of initiatives assortments and the general implementation strategy. This is because operationally, it splits the efforts involved in strategy execution from matters associated with running the organisational operations. According to Boppel (2013), this complements organizational stratum and builds costs in an arrangement of high-remunerative corporate administrators and workforce hence, it is opaque when companies opt for execution corporate pro-grams and if they help from these choices because very studies have been administered on this subject.
Acquisitions and Alliances

Research on acquisitions has scrutinised the paraphernalia of acquisition package pronouncement (Schipper & Thompson, 1983) or the sound effects of acquisitions ratio and variability (Laamanen & Keil, 2008; Shi & Prescott, 2012). Therefore, very little is recognised about the phenomenon of organization’s strategic initiatives or programs which various companies set up to complement their strategic initiative assortments, which correspondingly comprise of alliances and acquisitions of numerous undertakings (Boppel, 2013).

General Literature Review

In the EU, the levels of excise duty and taxation, import variations, severe weather circumstances, environmental protection costs or geopolitical condition influence the rate of energy prices based on diverse fundamental supply and demand conditions (Eurostat, 2015). Besides this, based on the information adapted from Eurostat (2015), the EU-28 average price is EUR 0.211 per kWh and for average consumers, electricity tariff throughout the 2nd semester of 2015 were premier in the EU in Ireland (EUR 0.245 per kWh), Germany (EUR 0.295 per kWh) and Denmark (EUR 0.304 per kWh). The lowest electricity prices in the EU for households were established in Hungary (EUR 0.115 per kWh), Lithuania (EUR 0.124 per kWh) and Bulgaria (EUR 0.096 per kWh). Therefore, the electricity tariff for consumers in Bulgaria was thrice lower than the prices in Denmark (Eurostat, 2015).

According to Eberhard et al. (2011), the demand for electricity in many African countries generally exceeds supply. Therefore, in many public scenes linked to modernity, electricity is perceived as an aspiration towards improved political-economic 24
equality and socioeconomic standards of living (Furguson, 2006 & Winther, 2008). In Kenya, World Bank Group (2013) stated that the energy market structure is a monopoly and this is a fact in public domain. However, the group also appreciates the fact that since the early 1990s and without significantly changing the underlying economic structure, this nation has sporadically implemented progressive energy restructuring initiatives towards improving power suppliers.

Drivers of Organization Performance at Kenya Power

Sustainability is the key concern for human relation management and business leaders across the world and the modern business macroclimate has increased the need for establishments to focus on how they will ensure long-term prosperity (Chartered Institute of Personnel and Development, 2011). In this study, organization leadership, government regulations and politics influence Kenya Power performance (Chumo, 2013).

Organization’s Leadership

According to the Presidency (2016) and the Annual Report and Financial Statements (2014), both national and organizational leadership can be influence the direction through which the Company to effect desired changes that satisfy stakeholders. The Presidency (2016) declared that in 2013, there was a new government regime in Kenya and a new paradigm shift on leadership in Kenya Power.

The Annual Report and Financial Statements (2014) indicated in the past regimes, the Managing Directors cum Chief Executive Officers were appointed on grounds that they were equipped with electrical engineering backgrounds to head the Company. The report showed that unlike his predecessors, Ben Chumo, was appointed in 2013 in the
capacity of the Acting Managing Director (M.D) and, later confirmed as the Chief M.D in 2014. Currently, the new Managing Director is Kenneth Tarus who holds a PhD in Finance. Tarus previously served KPLC as a General Manager, Finance since 2013 (Kenya Power and Lighting Company Limited, 2017).

The annual report and financial statements of 2015 clearly stated that in 2014, the new MD, Dr. Chumo, geared Kenya Power towards service improvement, especially for large power customers to grow the customer base and increase electricity sales. Besides, he championed the Company towards massive network(s) upgrade projects street-lighting projects in 2015 and aggressive consumer connectivity.

Government Regulations

The energy segment plays an acute part in the socio-economic growth in Kenya (GoK, 2014). This sector is directed by the Sessional Paper No. 4 of 2004 and overseen by several acts such as the Geothermal Resources Act No. 12, of 1982, Energy Act, No. 12 of 2006 and the Petroleum Exploration and Production Act, Cap 308 (Triple E Consulting, 2014). Besides, the Ministry of Energy provides both leadership and an oversight responsibility to offer guidance and commands on the National Policy on Energy (Njoroge, 2014).

Politics

In 2013, there was a new regime’s development flagship in relation to electricity connectivity in Kenya which initiated new government policies in favour of the energy sector whose objective was to enable Kenyans access safe, reliable, cheap and affordable electricity (The Presidency, 2016). Politics influence power connectivity initiatives through the Energy Regulation Commission and the Ministry of Energy (Energy Act, 26
2006 and Sessional Paper No. 12, 2004). Politics also influence government and donor funding of significant power connectivity projects in Kenya by fighting corruption and implementing energy policies (Energy Regulation Act, 2006) aimed towards sustainable development goal number seven (7), to access safe, affordable and cheap electricity to the poor (United Nations, 2015).

Availability of Resources

Lastly, availability of resources through the government support and donor funding enhance implementation of the Company’s strategic initiatives such as a review of domestic consumer tariff, Last Mile Connectivity Project, Global Partnership on Output-Based Aid (GPOBA) and Stima Loan Initiative (Kenya Power and Lighting Company Limited, 2016). Therefore, Kenya Power initiated special projects which would ensure availability and accessibility of affordable, quality and constant supply of electricity to households and industries in Kenya.

Kenya Power Strategic Initiatives

When the government through the Cabinet’s directive in 2013, instructed the Company to connect customers at a subsidized price of thirty-five thousand shillings only (Herbling, 2013), the company came up with better and sustainable strategic business initiatives to improve connectivity in non-commercial areas (Chumo, 2015). These include:

Review of Domestic Consumer Tariff

A tariff is a charge set, approved and levied by Energy Regulatory of Commission under the energy sector for its own development, business operations and regular
maintenance of the power system (Kenya Power Lighting Company Limited, 2017). Therefore, this is a pricing model a dealer employs to charge a customer for the energy consumption.

Domestic consumers tariff is applicable to domestic customers whose monthly average intake is less than 15,000 Units for both post-paid billing period and pre-paid units purchase period and their electricity is supplied and metered at 240 or 415 volts (The Kenya Gazette, 2014). For quite a while, Kenya Power has never had a power tariff cut (Oketch, 2015). However, in July 1, 2015, the company made its first ever power tariff adjustment as a strategic initiative in its last level of a billing arrangement which was adopted at the beginning of December 2013 (Oketch, 2015). As a result, electricity costs decreased by about 30% in both domestic and industrial customers thus saving Kenyans $24 million per month (Richardson, 2015).

In effect of the new changes effected on July 1, 2015 consumers utilizing 0-50 units per month of electricity were persistently expected to pay Sh 2.50 per unit, which was introduced in December 2013 from the previous Sh2 per unit households consuming 51-1,500 units of electricity paid Sh12.75 per unit from the previous Sh13.68 per unit. Lastly, households utilizing above 1,500 units within a month were expected to pay Sh20.57 per Unit from the previous Sh21.57 (Otuki, 2015).

Last Mile Connectivity Project (LMCP)

Energy Regulatory Commission (2016) indicated that Last Mile Connectivity program is a government plan to give Kenyans the opportunity to utilize power for both domestic and business purposes. The Commission argued that the initiative endeavors to provide Kenyans within a radius of 600 meters of selected transformers across the nation,
with clean and affordable energy at a flat rate cost of Kshs. 15,000. Energy Regulatory Commission argued that for a period of three years, prospective clienteles would correspondingly be permitted to pay the connection subscription along with their monthly bills. Under this project, Energy Regulatory Commission argued that the Government is delivering electricity closer to homesteads and improving livelihoods by connecting electricity to households.

The last mile connectivity project was designed to increase access of electricity to non-commercial Kenyan households and this project is funded by both the Government of Kenya and donor. The project commenced in September 2015 and its implementation will be conducted in three phases alongside the company’s normal connectivity programs (Energy Regulatory Commission, 2016).

The initial phase targeted approximately 314,000 new households at a cost of Shs.13.5 billion, to provide access of electricity to an extra 1.5 million Kenyans (Chumo, 2015). This phase involved increased procurement of 350,000 poles and addition for a network of low voltage which will reach family units situated within 600metres radius of existing 5,320 transformers billion (Kenya Power Communications Department, 2016). Consequently, the second and third stages will enhance the extension of a network of a low voltage and fixing of new transformers purposely to connect an extra 500,000 million clienteles to the prevailing 2.5 million customers to access power (Chumo, 2015).

Global Partnership on Output-Based Aid (GPOBA)

Kenya Power and Lighting Company Limited (2016) declared that Global Partnership on Output-Based Aid (GPOBA) is an initiative which was propelled in 2014 and it was partly financed by the World Bank and Kenya Power to connect poor Kenyans
living in informal rural and settlements areas. Under the GPOBA initiative, Kenya Power and Lighting Company Limited argued that electricity connectivity fee reduced from approx. US$400 or US$380 per connection to a proposed special fee of Kshs. 1,160 (approx US$ 15) or to about 5% actual connection cost per household.

The Company argued that the proposed special fee of Kshs. 1,160 (approx US$ 15), was payable at a rate of Kshs. 100 monthly for one full year, after the customer has already been connected and the scheme was expected to connect an estimated 800,000 new households to the national grid thus improving connectivity rate and adding Kenya Power’s customer base. Lastly, the Company concluded that special connectivity offer created a funding gap in which the World Bank reimbursed US$125 to Kenya Power once it was verified that relevant households were connected to the national grid (Kenya Power and Lighting Company Limited, 2016).

Corporate Communications Department (2015) comprehended that GPOBA also presented solutions to the perpetual unruly electricity embezzlement in slums thus empowering the Company to collect revenue which was previously lost. In a social setting, the Department declared that the scheme addressed exact encounters such as loss of life, injuries and property because of poor and unlawful connection and it also delivered prospects for microbusinesses to materialize and prosper areas.

Stima Loan Initiative

Corporate Communications Department (2015) declared that Stima Loan initiative was partly funded by both the Government of Kenya through Kenya Power and the French Development Agency (AFD). This initiative aimed at providing new electricity connections to poor families which could not afford to pay in advance the new
connection fees by providing loans to them at 5% administration fee at a one-off payment with customers paying 20% upfront and, spreading out the payment of the balance for a 24 months’ schedule. Chumo (2016) concluded that Stima Loan aimed at reducing the costs associated with connecting new consumers and to aid accelerating electricity access to additional Kenyans as per the Kenya’s Vision 2030 economic blueprint.

Organization Performance Indicators

Pitcher Partners (2016) declared that an organisation is a structured cluster of individuals with a specific purpose while performance is a process of executing a task perceived to be successful depending on how it is performed thus, organisation performance is a term used to demonstrate how an organized group of people successfully performed a given function to attain a given result(s).

Ren and others (2009) declared that globally, different approaches have been presented on how to attain competitive edge by organisations in any industry and this subject has turn out to be an important exploration part in strategic management. For this research, Kenya Power and Lighting Company Limited (2017) utilised the following Organization Performance Indicators to sustain a competitive edge in the Energy Sector in Kenya: high level of customer service, innovations and new advanced technology.

Level of Customer Service

Communication Authority of Kenya (2017) defined quality customer service as the level of performance that a service provider provides to its end users and argues that this relates to the ability of a service provider to give an easy to use, reliable and accessible service. The Authority declares that the provider should provide offer a reliable and effective customer service.
In addition, Disney Institute (2017) declared that exceptional customer service level is a consequence of correctly understanding a client’s anticipations and putting in place the right strategies and service ideals to surpass them. Disney Institute also stated that a proper organizational structure ties people, place and processes by placing customers’ interests first, an outstanding service is realised transversely and this generates a tougher competitive advantage and recommends for a great interest of return.

Kenya Power and Lighting Company Limited (2017) declared that quality customer service has a mandate to embark on customer-related features of an entity and this comprises of an analysis of sales growth (in units) in each blueprint period, sales arising from both fresh and existing innovations, clienteles and service modifications to be enriched with the number of new customers, sales growth, and profitability.

Number of Customers

According to Chumo (2016), increasing the number of customers is part of Kenya Power’s approach to increase electricity sales growth and guarantee a lasting financial soundness of the company. Therefore, the firm has sustained its aggressiveness to advance its network accessibility to strengthen connections and advance the quality of electricity in Kenya (Mwangi, 2016). Thus, both long term financial viability and electricity sales growth rate in Kenya Power relies heavily on the growth of its customers-base. To achieve this, the company aimed at connecting over one million new customers every year basically to achieve the targeted milestones (Chumo, 2016).

Chumo (2016) stated that since 2013, Kenya Power’s customers’ base has been rising steadily. On 20th March 2017, the company established that through the ongoing government-sponsored national electrification initiatives, a total of 5.9 million consumers
had electricity connections in their premises (Tarus, 2017). Besides, as the company moves towards an advanced technology to make it easy for consumers in procuring electricity, it has confirmed that 3.5 million clienteles are on prepaid meters (Kenya Power Corporate Communications Dept., 2017). Currently, 63 per cent of the nationwide coverage represents the total of family unit connected to the national network and the major targets are to connect 70 per cent by 2017 and hit a universal admittance by the year 2020 (Tarus, 2017).

Mwangi (2016) argued that in 2016 the Company had a customer base of 4.9 million household. Ruto (2015) stated that in 2015, Kenya Power connected electricity to 3.3 million customers to the national grid and that was an average of 37% of households in the energy sector in Kenya (Mosoku, 2015). In 2014, the company connected a total of 443,254 new households. This resulted to 2,774,216 customers’ base by 30th June 2014 (Chumo, 2014).

Table 2.1: Number of Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Customers</td>
<td>2,774,216</td>
<td>3,300,000</td>
<td>4,900,000</td>
<td>5,900,000</td>
</tr>
</tbody>
</table>

Source: Tarus (2017)
Electricity Sales Growth

Kenya Power Customer Service Division has a mandate to oversee electricity retailing to almost 4.7 million clientele and it also has a mandate to steer sales growth by facilitating new connections with an objective to achieve 70% access rate by 2017 and hit a mark of 1.2 million new connections each year (Kenya Power and Lighting Company Limited, 2017). To add value to its Customer Service division, Kenya Power and Lighting Company Limited (2017) embraced quality customer service initiative by establishing a National Contact Centre. Currently, customers can engage Kenya Power and Lighting Company limited directly by calling through its Contact Centre hotline numbers 95551 or 0703070707 or 0732170170 or social media platform for service-related enquiries.

Figure 2.1: Number of Customers

Source: Chumo (2016)
In 2017, electricity sales grew to 8,272 million units from 7,912 million units experienced in 2016 (Tarus, 2017). This 4.5% electricity sales growth led to both 5.6% increase in sales revenue and an enriched average yield of KShs. 91,952 million in 2017 (Kenya Power and Lighting Company Limited, 2017), from KShs. 87,081 million in 2016 (Chumo, 2016).

Chumo (2016) also argued that electricity sales growth increased by 5.0% from the previous 6,790 million units in 2014 to 7,130 million units in 2015. In 2014, the second phase of implementing an electricity tariff was effective and this was done to improve efficiency in its distribution and this resulted into a 24.3% in sales revenue of KShs. 77,836 million in 2015 from KShs. 62,597 million in 2014 (Chumo, 2016).

Table 2.2: Electricity Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 (in millions)</th>
<th>2015 (in millions)</th>
<th>2016 (in millions)</th>
<th>2017 (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>6,790</td>
<td>7,130</td>
<td>7,912</td>
<td>8,272</td>
</tr>
<tr>
<td>KShs</td>
<td>62,597</td>
<td>77,836</td>
<td>87,081</td>
<td>91,952</td>
</tr>
</tbody>
</table>

Source: Tarus (2017)
Figure 2.2: Electricity Sales
Source: Tarus (2017)

Profitability Growth

In 2017, the Company’s net profit after tax was KShs. 7,266 million after executing a tax responsibility of KShs. 3,646 million (Tarus, 2017), compared to a net profit after tax of KShs. 7,197 million and a tax charge of KShs. 4,526 million in 2016 (Kenya Power and Lighting Company Limited, 2016). However, during the same period, the Kenya Power experienced a 9.7% drop in the profit before tax to KShs. 10,912 million from the KShs. 12,083 million in 2016 (KPLC, 2017).

Kenya Power and Lighting Company Limited (2017) acknowledged that the profitability decrease was predominantly attributed to increased distribution and transmission costs associated with maintenance activities on the prolonged network.
Contrary, the level of profitability rose in 2016 because of the sustained favorable business environment in Kenya (Chumo, 2016).

In 2015, the Company’s net profit after tax was KShs. 7,432 million after executing a tax responsibility of KShs. 4,822 million (Tarus, 2017), compared to a net profit after tax of KShs. 6,995 million and a tax charge of KShs. 3,742 million in 2014 (Kenya Power and Lighting Company Limited, 2016). This is worth-noting in the same period, the net profit before tax rose to KShs. 12,254 million from KShs. 11,016 million in 2014 (Kenya Power and Lighting Company Limited, 2015) and it was mainly attributed to economic growth experienced in Kenya, review of the tariff that became effective on 1st December 2013 and improved sales growth (Chumo, 2015). The implementation of new domestic tariff appearing in the gazette dated, 1st December 2013 led into 5% annual sales growth from 6,790 million units to 7,130 million units (Chumo, 2016).

Table 2.3: Profitability in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit before Tax</td>
<td>11,016</td>
<td>12,254</td>
<td>12,083</td>
<td>10,912</td>
</tr>
<tr>
<td>Tax Charge</td>
<td>3,742</td>
<td>4,822</td>
<td>4,526</td>
<td>3,646</td>
</tr>
<tr>
<td>Net Profit after Tax</td>
<td>6,995</td>
<td>7,432</td>
<td>7,197</td>
<td>7,266</td>
</tr>
</tbody>
</table>

Source: Chumo (2016)
Figure 2.3: Profitability in Millions

Source: Chumo (2017)

Distribution and Transmission Costs

According to Chumo (2016) distribution and transmission costs rose by 16.6% thus KShs. 33,417 million in 2017 from the previous result of KShs. 28,651 million in 2016. The increase was associated to higher operational and maintenance costs on a broad electricity network amenity, the escalating costs of undertaking business and depreciation because of improved capital investment. In 2016, the Company experienced a high operational expense associated with the expansion of the Company’s electricity network. Besides, depreciation and amortization rose by KShs. 1,491 million and wheeling charges increased by KShs. 1,276 million because of expansion of the transmission network by the Kenya Electricity Transmission Company (Chumo, 2016).
In 2014, the transmission and distribution expenditure rose from KShs. 22,749 million to KShs.24, 217 million in 2015 (Kenya Power and Lighting Company Limited, 2015). This was mainly attributed to an “upgrade of the firm’s electricity network, implementation of power upgrade projects to improve on the quality of customer service and operational expenses associated with business growth (Chumo, 2015). In addition, growth in capital investment increased depreciation charges by KShs. 1,146 million (Kenya Power and Lighting Company Limited, 2015).

Table 2.4: Distribution and Transmission Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>KShs. (in millions)</td>
<td>22,749</td>
<td>24,217</td>
<td>28,651</td>
<td>33,417</td>
</tr>
</tbody>
</table>

Figure 2.4: Distribution and Transmission Cost

Source: Chumo (2017)
New Advanced Technology adopted at Kenya Power

Tarus (2017) declared that Kenya Power’s customer base has been rising steadily since 2013. Tarus declared that the firm had connected 5.9 million homes (63% of the national coverage) through the government’s electrification initiative in order to connect 70% of users by 2017 and attain a world-wide admittance by 2020. Dr. Tarus (2017) further highlighted that the company is shifting towards a progressive technology which makes it easy for clienteles to buy electricity tokens through a prepaid system hence attracting approximately 3.5 million customers on prepaid metering system.

In addition, Marende and Chumo (2016) declared that Kenya power had embraced a new technology known as Live Line Maintenance, an initiative expected to cushion businesses and households from losing millions during blackouts. They explained that this was a system of maintenance of power lines, when undertaking system maintenance, routine maintenance, repair works and connecting new customers without switching them off. Marende and Chumo confirmed that this invention saved Kenya households and companies from losses occasioned by electricity interruptions hence, reducing its energy losses in Company’s network to a single digit figure.

Chumo (2016) professed that Kenya Power would replace transformers which consumed oil with those which entailed gas as its concentrated energies to control vandalism on its network system. Chumo argued that globally, the original gas-insulated transformers would offer a resolution to electricity disruptions associated with transformers vandalism. Chumo explains that this initiative was compelled by the Company’s mission to deliver world class power to its clienteles and the firm’s interest to
minimise leakages in its network by mid-term to a single digit figure from the present 19 per cent.

Toda and Chumo (2017) concurred with the World Bank Reports (2013) which indicated that due to the country’s numerous blackouts on average, Kenyans stay 25 days annually in the dark and, the recent being late July 2016 when the country experienced a 5-hour national black-out. Kenya Power and Lighting Company Limited and Toshiba Transmission & Distribution Systems were in an agreement that TTDI would supply amorphous distribution transformers which were more reliable and efficient in minimising the overall load loss to about 40MW (1 per cent) which is equivalent to Ksh.4 billion ($40 million) annually.

The Technology Report (2014) declared that Kenya Power and Lighting Company Limited implemented a strategic expansion plan designed in 2014. The report further declared that Kenya Power’s management selected and placed NYSE: IBM system into use for an automated system which would provide a real-time position of all business developments. The Technology Report also showed that the new infrastructure utilises an advanced IBM analytics, to enable Kenya Power in studying by comparing real time and historical data basically, to improve in anticipating future electrical needs and, monitoring its business trends, operations and processes.

Finally, Technology Report (2014) indicated that the new technology consolidates data from ten main active bases and provides a sole interpretation of initiative data hence, making it possible for Kenya Power teams to quickly access timely and reliable data on demand from one dashboard, unlike the previous system which made use of 10 different dashboards. The Company officially launched this Business Intelligence System
on Wednesday, March 29th, 2017 to provide a real-time position of all its corporate processes and it permits immediate decision-making to aid efficiency and effectiveness (Tarus, 2017).

Innovations adopted at Kenya Power

Innovation is a very significant process of improving on existing services, creating dynamic products or implementing new ideas to promote the growth and success of business in the marketplace basically to create more effective processes, products and ideas in business world (The Australian Government, 2016).

In an event organised by Africa Investor (Ai) on 19th September 2016 and, dubbed „African Investor’’s CEO Institutional Investment Summit & Awards 2016”, the Company emerged and won „The Most Innovative Ai SRI 50 Company Award” for initiating the Global Partnership on Output-Based Aid (GPOBA) project which was launched in 2014 (Kenya Power and Lighting Company Limited, 2017 & Chumo, 2016) Kenya Power and the World Bank, funded the GPOBA initiative with an initiative to connect low-end-customers living in rural areas and informal settlements (Kenya Power and Lighting Company Limited, 2017).

In GPOBA initiative, each household in need to be connected to the national grid parted with Kshs 1,160/= and to date, about 1.4 million families in several parts of Kenya have directly benefitted from the scheme (Chumo, 2016). The Company recognised that GPOBA increased its customer base and improved its connectivity rate besides providing openings for micro-businesses to materialise and, thrive in slum areas. Finally, the Kenya Power improved its image through its involvement in social responsibilities so as to
support inclusion of the underprivileged to conventional infrastructure at a reduced price (Kenya Power and Lighting Company Limited, 2017).

Kenya Power continues to pursue innovations designed at enlightening the reliability and superiority of electricity supply as well as expansion of the customer base (Tarus, 2017). These innovations are critical for transformative and sustainable growth of the Company’s business as they continue empowering Kenya as a nation to achieve its social-economic goals (Chumo, 2014) as stipulated in vision 2030 (The Presidency, 2016). Therefore, both Chumo (2014) and Tarus (2017) concurred that the Company has “set an aggressive target to connect one million customers in each financial year as part of its business growth strategy and in line with the Government’s plan to achieve over 70% electricity access by 2020”. To achieve these, the Company pursued the following strategies and innovation discussed below:

Review of Reporting Mechanism Framework

Currently, Kenya Power is adopting a reporting mechanism which will establish sustainable pillars of the Company’s business processes and strategies (Tarus, 2017). In this initiative, the Company established an inclusive sustainability structure which would offer strategies for an introduction, expansion and upkeep of active environmental, social and financial management methods and measures (Kenya Power and Lighting Company Limited, 2017).

Feeder-Based Network Management Approach

In 2017, the Company “adopted feeder-based network management approach to enhance service delivery to customers and improve its overall performance” (Tarus, 2017). Kenya Power and Lighting Company Limited (2017) declared that “the feeder-
based management initiative is a prototype modification in the Company’s occupational procedures where associates are apportioned to bunch of feeders for upkeep, connectivity, customer service responsibilities and commercial phase activities and the strategy comprises of an alignment and optimization of available resources to enhance, efficiency, effectiveness, accountability and productivity going forward.

Rapid Connectivity Pace

In 2016, the Company focused on sustaining the rapid connectivity pace basically with an objective to improve on its customer growth rate increase sales and retain a lead position in the energy sector purposely to secure its revenue streams (Chumo, 2016). In the same year under review, the Company prioritized in proper management of operational costs, maximizing asset usage and cultivating system efficiency to increase the organization’s profitability and grow stakeholder’s value (Kenya Power and Lighting Company Limited, 2016).

Boresha Umeme Initiatives

In 2015, the firm organized resources to fast-track a focused implementation of network upgrade projects such as Boresha Umeme and Last Mile Connectivity Initiatives (Chumo, 2015). Boresha Umeme initiative involved improving the quality and reliability of power supply fixing the existing network and completion of the outbound substation projects across the nation to embrace system capacity for new connections (Kenya Power and Lighting Company Limited, 2015).
Last Mile Connectivity Projects

Last Mile Connectivity Project was initiated with an objective to support the Company’s aim to connect one million new customers annually to achieve 70% electricity access by 2017, as a government’s goal (Chumo, 2015). Therefore, the Company focused network upgrade, customer connectivity, system expansion and loss reduction (Kenya Power and Lighting Company Limited, 2015).

Boresha Umeme Viwandani Programme

In 2014, the Company adopted Boresha Umeme Viwandani initiative with an objective to refurbish its power distribution network, secure its revenue, enhance system reliability and improve service delivery to all 47 counties (Chumo, 2014). The Company also developed a new corporate structure aligned to its business strategy and devolved system of Government (Kenya Power and Lighting Company Limited, 2014).

Empirical Literature Review

According to Electric Power Research Institute (2006), electric energy customers are progressively more attracted to services and products which function through electricity connectivity. The Institute further remarked that this involves monitoring, control and energy management solutions which are projected to increase to 57 percent from 7 percent as at 2014 to 2019 with an expectation to enable remote control of home devices, reduce energy bills, increase convenience and comfort (Electric Power Research Institute, 2016).

According to the University of Nairobi (2017), Kenya was among the developing countries classified as having the lowest connectivity to electricity in the world and that
this had a negative impact on social progress. The University ascertained that preliminary investigation from literature reveals that financing, social affairs, physical set-up and outsourcing greatly sway electricity connectivity. Results based on an empirical research, findings showed that physical infrastructure factor was at 92% social economic factors at 27.6% and lastly outsourcing at 18%. The University comprehended that such findings indicated that more policy attention needs to be bestowed infrastructure and social economic factors (University of Nairobi, 2017).

Electricity tariffs, rural settlement patterns and the latest connection loan facility known as stima loan are among other factors which influence connectivity (University of Nairobi, 2017). As a result, the University comprehended that the research recommends for effective national policies which promote dense settlement patterns in rural areas purposely to boast its physical infrastructure in order to supply electricity at a reduced cost exploitation of alternative sources of energy to supply needy clientele in remote areas and lastly, it would encourage research studies which will investigate the magnitude to which prepaid metering system and stima loans have swayed rural connectivity in rural Kenya.

Umoh (2016) declared that power tariff was recurrently frequent and an assumption had been reached that generally, consumers continued to incur unnecessary additional cost(s). Umoh further notes that generally, those increments do not proportionate with the quantity of electricity the energy companies” supply to consumers. Pearce & Harries (2007) comprehended that necessary measures aimed at accelerating the reduction of fixed costs must be adopted to regulate on an increase investment returns on energy adeptness, power management performance and disseminated power
generation and a range of fuel. Umoh also declared that before raising the power tariff, the first initiative energy companies should action is to improve on power output for consumers and the second initiative is to increase the capacity of power supply for consumers to have value for the money they are spending (Umoh, 2016).

Conceptual Framework

A conceptual framework is an intellectual representation which connected the research project’s goal and also directed the collection and analysis of data which was very essential and critical to this research study (Richard et al., 2015). It shows the relationship of the variables of the study which entailed independent variables, dependent and intervening variable. Below is an adopted conceptual framework comprising of Kenya Power strategic initiatives as independent variables, key performance indicators as dependent variables and consumer connectivity drivers as intervening variables.
**Summary**

This chapter discussed the literature review, theories which address the variables in this research, the strategic initiatives adopted at Kenya Power as independent variables organization performance indicators as dependent variables and organization performance drivers as intervening variables. The literature used in this chapter provided information that was relevant to this research study. The next chapter is on research methodology.
CHAPTER THREE
RESEARCH METHODOLOGY

Introduction

This chapter presents a sketch of a research methodology and research methods which would be used to provide responses to research questions as presented in the first chapter. These would entail a description of the procedure that would be followed in conducting the study hence, this chapter would discuss the research design, target population, sample size, data collection instruments, questionnaire, pre-test of the question, data collection, data analysis and, observation of ethics standards.

Research Design

Leedy (1993) stated that a research methodology is a structure where facts are presented to extract meaningful observations and it provides a path a study must trail to get answers to research questions. Kothari (2004) argued that research methods are all the methods applied for guiding a study while research techniques discusses the behaviour and apparatuses used in carrying out research tasks such as data recording, data processing and making observations.

A research design is an organization of data collection and analysis which aims at combining research significance to research purpose with a bargain to technique (Kathori, 2004 & Selltiz, 1959). This involves planning, organizing, collecting and analyzing data to produce the information that the study is looking for (Peil, 1995). Besides, this offers responses to questions such as the methods to be used data collection, the nature of sampling approaches and the apparatuses to be utilized and how to deal with both, cost
and time constraints (Cooper & Schindler, 2003). The main purpose of this study design was to help control and give meaning to the study variances (Weirsman, 1986 & Kerlinger, 1973).

When a study has recognized a research problem and has done some literature appraisal, the next step is to establish a research design plan or strategy for conducting the research (Wiersma, 1986). The organization of a research methodology is a tough task which involves identifying and defining a research problem (Kothari, 1985, p. 390). Therefore, it was fundamental to establish a plan by which the specific activities of this research study would be conducted and brought to a successful conclusion (Wiersma, 1986).

There are four types of research designs, namely (1.) the exploratory research design which is extremely elastic, open-ended progression designed to produce elementary knowledge, shed light on important issues related to a problem of study expose variables connected to a problem, expose information prerequisites and state substitutes for addressing research aims (2) descriptive study design which describes the variables of interest and, it is intended to offer additional awareness into the research problem. Besides, it can be used for outlining, describing, integration, approximating, forecasting, and probing associative affiliations (3) causal study design offer information on prospective cause-and-effect interactions. It is best applied or well-practiced in marketing especially in relation to impact of one variable on another and finally (4.), a case study is a research technique related to a comprehensive and a thorough explanation of the subject of the research as well as the situation linked to background situations.
(Sekaran, 2003). In this study, Kenya Power was the subject of study basically to explore the impact of its strategic initiatives on organization performance.

A good research is characterized by flexibility, efficiency and economy (Kothari, 2003 & White, 2002). This research study was an exploratory research design which collected data by using the formal self-administered questionnaires which included general questions on the impact of Kenya Power strategic initiatives on organization performance.

Population

The word population in this study refers to a whole group of people or incident which the study wishes to probe and this entails all circumstances or entities who are suitable to provide data required in addressing a problem of the study (Sekaran, 2003 & Piel, 1995). The population of this study was 12, 201 employees of Kenya Power (Kenya Power and Lighting Company Limited, 2017).

Target Population

A target population is a pool of individuals or sections which are to be explored in a statistical research (Mugenda & Mugenda, 2003). In this research, a target population was comprised of 79 respondents comprising of top level management and board members of Kenya Power (Tarus, 2017).
### Table 3.1: Kenya Power Management and Board Members

<table>
<thead>
<tr>
<th>Management Ranks</th>
<th>F</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD &amp; CEO</td>
<td>1</td>
<td>1.27</td>
</tr>
<tr>
<td>Members of the Board</td>
<td>9</td>
<td>11.39</td>
</tr>
<tr>
<td>General Managers</td>
<td>14</td>
<td>17.72</td>
</tr>
<tr>
<td>Regional Managers</td>
<td>10</td>
<td>12.66</td>
</tr>
<tr>
<td>County Business Managers</td>
<td>45</td>
<td>56.96</td>
</tr>
<tr>
<td>Total</td>
<td>79</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Tarus (2017)

**Census**

Kothari (2004) argued that a census inquiry is a comprehensive enumeration of the entire items in the target population and this is appropriate and useful especially when the population is too small. Kothari further declared that in such studies, everything is covered, and no component of gamble is left basically to attain the highest accuracy measure. In this study, time constraints and data collection costs will be put into considerations when selecting the respondents. Therefore, to assess the strategic initiatives adopted by Kenya Power on its overall organization performance, all the seventy-nine (79) respondents regarded as a target population) were selected to represent the total population since it would produce a miniature error cross-section (Kothari, 2004). This means that data was collected from all respondents (Mugenda & Mugenda, 2003) in top management and board members (Tarus, 2017).

**Types of Data**

The two types of data which are readily available include the quantitative data and qualitative data (Kothari, 2004). Quantitative data is made of numbers while qualitative is made of alphabets comprising of words, text, videos, sound recordings and photographs.
In social research, qualitative decisions subscribe entirely to quantitative data while an entire qualitative data can be manipulated and described numerically (Trochim, 2006).

Therefore, in this research study, quantitative data was collected although some qualitative questions meant to tap non-numerical data were also utilized. In addition, Kothari (2003) argued that collection of data encompasses consulting both secondary and primary data sources to prompt proofs, facts, information, truths or evidence concerning a research problem, therefore, this research used both secondary and primary sources in data collection. Kothari asserted that for the purposes of research, primary data is collected from the immediate sources whereas secondary data refers to any data already collected by a person or organization other than the researcher and often regarded historical because it was collected prior to the study.

Data Collection Methods

Sekaran (2003) declared that tools of data collection are apparatus used to gather information for consumption in a presentation assessment, external appraisal and self-assessment. Sekaran (2003) indicated that the prevailing examples of data collection tools are focus groups, questionnaires, interview guides, case studies, expert opinion, interviews and web-based surveys, observation, content analysis and discussions. Sekaran comprehended that very strong data collection tools usually support the findings of the evaluation. For this research study, only the self-administered questionnaires were utilized in data collection.
Questionnaires

The self-administered questionnaire method in data collection was the only method, utilized in this research study because this method was appropriate due to busy schedules of the respondents (Leedy, 2002) who will form the target population in this study. Babbie (1989) argued that a self-administered questionnaire is suitable when addressing complex concerns, when an assessment bids for anonymity to evade deviations and reluctance from participants.

Consequently, the self-administered questionnaires provide consistency and uniformity in the format of the answers they give a reassuring scientific ring of confidence they provide a high degree of standardization and finally they could be adopted for collecting generalizable information from almost any human population (Sommer & Sommer, 2003). These gave this research study an upper hand which considered the method viable and reliable.

Data Collection Procedures

Prior to data collection, a written permission and research permit will be sought from Daystar University and Kenya Authority, respectively. This study administered seventy-nine (79) self-administered questionnaires (Tarus, 2017) comprising of both open-ended and close-ended questions which will be designed to provide great uniformity of responses. The close-ended questions will also be suitable for this study because of their efficiency and specialty (Kothari, 2004). Since, the study will also measure the respondents” opinions in relation to assess the strategic initiatives adopted by Kenya Power on its overall organization performance the open-ended questions also came in handy.
To begin with, the researcher explained in detail to the research assistants on when, where, how, why and for how long the study had to take place and this prepared and familiarized the research assistants with the study (Sommer & Sommer, 2003). An introduction letter accompanied the instrument briefing the respondents what the study was all about. Besides, it will give them an assurance that this research study would keep whatever information they would provide very confidential and only for academic purposes (Peil, 1995).

Then, the researcher trained and prepared the research assistants on how to approach, persuade and convince the target population to participate in this research study and how to establish properly and correctly filled questionnaires upon collection (Mugenda & Mugenda, 2003). The training session also included practice sessions in documenting sources and suggested field notes formats (Kothari, 2004).

To promote independency in this research study, the participation and involvement of two independent research assistants were sourced. They were very instrumental in collecting independent data by ensuring accuracy by sorting properly and correctly filled self-administered upon return (Sekaran, 2003). It is also worth noting that both speed-post mails such as G4S parcel services (hard copies) and e-mails (soft copies) were both utilized to dispatch all the seventy-nine (79) questionnaires (Tarus), to all respondents after receiving a consent from the University, Ethics Review Board (ERB), National Council for Science and Technology (NACOSTI), KPLC, The County Commissioner and the County Director of Education, Nairobi County.
Secondary Sources

Yin (1994) declared that there are many sources of secondary data, but the selection process will be crucial in ensuring the data validity. Yin argued that secondary data will provide validation for primary data and pointed out that there are six sources of evidence for data collection in a case study protocol. Yin mentioned them as follows: interviews, documentation, participants’ observation, archival records, physical artifacts and direct observation.

Documentation as a source of evidence for data collection was relevant in this study. Besides, the annual reports and the financial highlights were essential in understanding the company mission, vision, and performance. Documentation also confirmed and clarified about the Company products. Lastly, this research study explored the impact of Kenya Power strategic initiatives on organization performance.

Therefore, the researcher was engaged in an exploratory study by obtaining the relevant and modern information from secondary sources such as company prospectus, company archives, financial and annual reports among other company documentations. This study was termed as a content analysis study (Kerlinger, 1997).

Pretesting

Pretesting of the research data collection tools helped in determining the efficiency and the clarity of the instruments and how easy they would be of use (Mugenda & Mugenda, 2003). Pretesting allowed errors to be identified and acted as a tool for training the research team before the actual data collection process begun (Sekaran, 2003). For this study, the researcher randomly identified and selected seven
supervisors which represented 10% of the target population in this study for pre-testing purposes (Kothari, 2003). However, these respondents’ results were never factored in analyzing final data in this study, they were used to improve the research instrument.

Reliability and Validity of Data

Mugenda and Mugenda (2003) declared that for data to be of use and great significance, it must be both reliable and valid. Mugenda and Mugenda affirmed that, reliability refers to the stability and consistency of a response by the respondents in a given study to enhance confidence in the results of a given study. In this research study, after pre-testing the self-administered questionnaire, necessary desirable amendments were done to produce stable and consistent results. Therefore, this study utilized Cronbach’s Alpha in order to promote concepts of internal consistency or homogeneity (Schmitt, 1996).

The Cronbach’s Alpha reliability statistics result was at 0.729 after analyzing the results of the seven (7) respondents who participated in a pre-testing exercise, however these results were not factored in the final analysis of the fifty-seven (57) respondents in this study. Cronbach’s Alpha reliability statistics result of 0.729 in a scale of five (5) where five is the highest, is an acceptable validity point because statistically, if n<30 then validity is acceptable if it exceeds 0.5 (Mugenda and Mugenda, 2003). Therefore, the tools used data collection in this study was both reliable and valid since their Cronbach’s Alpha reliability statistics result was at 0.729.
Data Analysis Plan

Though the expected data in this study was both qualitative and quantitative, the research was more of a pure qualitative study than quantitative since it was an exploratory research study. However, once properly filled, fifty-seven (57) out of the seventy-nine (79) self-administered questionnaires were collected for editing, coding, tabulation, classification and analysis purposes. The qualitative data were presented in charts, tabulation, proportions and percentages using Excel 2013 package. The process of data analysis in this study included data organization and consideration of the meaning of the data (Peil, 1995). Therefore, summaries of general findings from the different responses would be presented in Chapter four to give common views from the whole study.

Ethical Considerations

The researcher obtained clearance and certification from the University’s School of Business and Economics, Ethics Review Board (ERB) and a research permit from the Ministry of Education through National Council for Science and Technology (NACOSTI), KPLC, The County Commissioner and the County Director of Education, Nairobi County and proceeded to the field for data collection.

Prior to data collection exercise, the researcher furnished the respondents with an introductory letter about the study. Besides these, names of the respondents were held confidential in this study and the researcher was very honest in the presentation of the findings of this study. Finally, this research study presented a copy to the Ethical Board
of the University for Approval for review after successfully completing data collection in the field and analysis.

Summary

This chapter examined all the six basic aspects of research design that had been adopted in this study. Specifically, the research process discussed the purpose: the type of investigation: the extent of research inference the study setting the unit of analysis and the time horizon of the study. In addition, the research design examined how the six basic aspects of measurement, data collection methods, sampling design, data analysis and pre-testing techniques had been used in this research study.
CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

Chapter four presents the findings of this study carried to explore the impact of Kenya Power strategic initiatives on organization performance. The chapter provides an analytical report of discussion as well as presentations of the analysis showing significant findings of the study in relation to the objectives of this research. The analysis and interpretations of the questionnaires were made from a census inquiry from top management employees at Kenya Power and Lighting Company Limited”s Head Office, Stima Plaza.

Presentation, Analysis and interpretation

Response Rate

The target population was selected from the top management employees and the board members at KPLC headquarters, Stima Plaza in Nairobi in Kenya. The research intended to conduct a census inquiry in all the 79 respondents. However, only 57 out of 79 proposed target population was adequately used for investigating the objectives of this study. Fifty-seven respondents represented a response rate of 72.15%, which is an excellent response. According to Mugenda and Mugenda (2003), a response rate of 50-60% is good, 61-70% is adequate and above 70% is excellent. Given a response rate of 72.15%, the researcher considered an excellent speed of reply regarded sufficient to undertake the study.
Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD &amp; CEO</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Members of the Board</td>
<td>5</td>
<td>8.77</td>
</tr>
<tr>
<td>General Managers</td>
<td>7</td>
<td>12.28</td>
</tr>
<tr>
<td>Regional Managers</td>
<td>10</td>
<td>17.54</td>
</tr>
<tr>
<td>County Business Managers</td>
<td>35</td>
<td>61.41</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

Demographic Analysis

Age of Respondents

The study sought to investigate the age of respondents at KPLC. Table 4:2 (below) presents the study results.

Table 4.2: Age of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30 years</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>30 – 40 years</td>
<td>5</td>
<td>8.77</td>
</tr>
<tr>
<td>41 – 50 years</td>
<td>38</td>
<td>66.67</td>
</tr>
<tr>
<td>51 years &amp; above</td>
<td>14</td>
<td>24.56</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

The study indicates that there was no representation of respondents below 30 years. 5 out of 57 respondents (8.77%) were aged between 30 – 40 years, followed by 38 respondents (66.67%) aged between 41 – 50 years and finally, the respondents aged 51 years and above were 14 (24.56%). Evidence from this study indicates that majority of the top management at KPLC are aged between 41-51 years of age followed by those above 51 years. This indicates that the company has very mature workforce which is critical for a technical firm like Kenya Power.
Level of Education

The study sought to investigate the highest level of education of respondents in top management at KPLC. Table 4.3 presents the study results.

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Secondary</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>College</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>University</td>
<td>57</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The respondents in this study indicate that the top management cadre employees and the board members at KPLC are all university graduates. This is evident because all 57 respondents who participated in this study have attained a university level of education. This indicates that the company has intellectual workforce as both the board members and at top management level which is critical for a technical firm such as Kenya Power.

Category of the Level of Education

The study further sought to investigate the highest category of level of education of respondents at KPLC. Table 4.4 presents the study results.

<table>
<thead>
<tr>
<th>Category of the Level of Education</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>4</td>
<td>7.02</td>
</tr>
<tr>
<td>Masters</td>
<td>46</td>
<td>80.70</td>
</tr>
<tr>
<td>PhD</td>
<td>7</td>
<td>12.28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The study established that a majority of the respondents had Masters’ degree, and this was representation of 46 out of 57 respondents (80.70%), followed by 7 (12.28%) of 62.
respondents equipped with PhD degrees. In addition, 4 (7.02%) of the 57 respondents had acquired an undergraduate degree while neither of them had attained a diploma nor a certificate as their highest category of the level of education. Therefore, given that all the respondents had access to university education and had attained a degree, they had relevant knowledge on the impact of Kenya Power strategic initiatives and how it affects organizational performance of the firm. This is a very important in enhancing the objectivity of the study and promoting the validity of the results of this study. This indicates that the company is headed by scholars who can implement desired management skills, knowledge and decision to enhance efficiency which is required in positive organization performance.

Length of Service

The study sought to investigate the length of service of the respondents at KPLC. Table 4.5 presents the study results.

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 5 years</td>
<td>4</td>
<td>7.02</td>
</tr>
<tr>
<td>6-10 years</td>
<td>11</td>
<td>19.30</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>13</td>
<td>22.81</td>
</tr>
<tr>
<td>16 – 20 years</td>
<td>12</td>
<td>21.05</td>
</tr>
<tr>
<td>21 years &amp; above</td>
<td>5</td>
<td>8.77</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

The results from the study indicates that 13 (22.81%) out of 57 the respondents in top management at KPLC have worked in the company for 11-15 years followed by 12 (21.05%) respondents who had separately worked for 11-15 years and 16 – 20years, consecutively then, 5 (8.77%) of the respondents have worked the firm for 21 years and
above while 4 (7.02%) respondents have worked for less than five years within the Company.

Most strategic changes of an organization were done within 1-5 years (Kraatz & Zajac, 2001) and having 53 (92.98%) participants in this study who have served the Company for more than 5 years was of great value because they have experienced strategic changes in KPLC since they were directly involved in initiating strategic ideas, implementing and reviewing their impacts over a given period of time, in their line of duty.

This indicates that the company is being led by individuals who have been in the firm long enough to understand its corporate objectives, vision, mission, short and long-term strategies and the dynamisms expected to transform Kenya Power into a better performing organization within the energy sector.

Designation

The study sought to investigate the designation of the respondents at KPLC. Table 4. presents the study results.

<table>
<thead>
<tr>
<th>Designation</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD &amp; CEO</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Members of the Board</td>
<td>5</td>
<td>8.77</td>
</tr>
<tr>
<td>General Managers</td>
<td>7</td>
<td>12.28</td>
</tr>
<tr>
<td>Regional Managers</td>
<td>10</td>
<td>17.54</td>
</tr>
<tr>
<td>County Business Managers</td>
<td>35</td>
<td>61.41</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

This study established that the County Business Managers cadre had the highest representation of 35 (61.41%) out of 57 respondents, followed by all the 10 (17.24%)
regional managers. In addition, 7 (12.28%) General Managers and 5 (8.77%) members of the board responded and participated in this study. Finally, it is worthy to note that the Managing Director and CEO did not participate in this study. Dawson (2003) argues that strategic change is initiated at top level of management, thus by having all of the respondents at top management level was beneficial in this research study because it helped collect relevant information in relation to the impact of strategic initiative at Kenya Power on organizational performance.

Kenya Power Strategic Initiatives
This study challenged the respondents to identify and outline KPLC strategic initiatives implemented at KPLC for last four financial years. It is evident that the reduction of domestic consumer tariff is one of the most recognized strategic initiative ever initiated and implemented by Kenya Power and this is supported by 55 (96.49%) out of 57 respondents who identified and listed it. GPOBA initiatives followed suit and 50 (87.72%) out of 57 respondents identified and listed it, then followed by Last Mile Connectivity Project as a strategic initiative hence, 38 (66.67%) out 57 respondents appreciated its effects on KPLC’s performance for the last four years. Other strategic initiatives which were identified and listed included rapid connectivity pace, Boresha Umeme, Stima Loan initiative and Feeder-Based Network Management initiative hence, 31 (54.39%) out of 57 respondents, 30 (52.63%) out of 57 respondents, 25 (48.86%) out of 57 respondents, 5 out of 57 respondents simultaneously.
Table 4.7: Kenya Power Strategic Initiatives

<table>
<thead>
<tr>
<th>Kenya Power Strategic Initiatives</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of Domestic Consumer Tariff</td>
<td>55</td>
<td>96.49</td>
</tr>
<tr>
<td>GPOBA Initiative</td>
<td>50</td>
<td>87.72</td>
</tr>
<tr>
<td>Last Mile Connectivity Project</td>
<td>38</td>
<td>66.67</td>
</tr>
<tr>
<td>Rapid Connectivity Pace</td>
<td>31</td>
<td>54.39</td>
</tr>
<tr>
<td>Boresha Umeme Programme</td>
<td>30</td>
<td>52.63</td>
</tr>
<tr>
<td>Stima Loan Initiative</td>
<td>25</td>
<td>48.86</td>
</tr>
<tr>
<td>Feeder-Based Network Management initiative</td>
<td>5</td>
<td>8.77</td>
</tr>
</tbody>
</table>

Out of 57 Out of 100%

This basically indicates that more than 50% of the company top management employees and the board members have a very clear understanding of the Company’s strategic initiatives. Therefore, to effectively enhance organization performance at Kenya Power, management is expected to adopt the Company’s strategic initiatives to its maximum utility to explore the prevailing opportunities and minimize the predictable challenges within the energy sector to steer the firm to the right direction.

Besides, this study indicates that majority of the company top management employees and the board members have a little understanding of the Feeder-Based Network Management initiative as the Company’s strategic initiatives. Therefore, a lot of sensitization is expected to sensitize them on the new strategic initiative which was introduced barely six months ago.

Organization Performance Indicators

In this study, 57 (100%) respondents unanimously identified and listed both the number of customers, overall annual profitability and overall annual sales as the indicator of organizational performance indicators they could associate with Kenya Power. More so, 50 (87.72%) out of 57 respondents identified and listed new advanced technology 66
while 47 (82.46%) out of 57 respondents recognized and listed innovations as performance indicators in the Company. This basically indicates that majority of the company top management employees and the board members have a very clear understanding the Kenya Power performance indicators hence, making them all to work as a team in achieving the Company’s performance objectives and goals swiftly through a focused and a well-defined path.

<table>
<thead>
<tr>
<th>Organization Performance Indicators</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased number of customers</td>
<td>57</td>
<td>100</td>
</tr>
<tr>
<td>Increased overall annual sales</td>
<td>57</td>
<td>100</td>
</tr>
<tr>
<td>Increased overall annual profitability</td>
<td>57</td>
<td>100</td>
</tr>
<tr>
<td>New Advanced Technology</td>
<td>50</td>
<td>87.72</td>
</tr>
<tr>
<td>Innovation</td>
<td>47</td>
<td>82.46</td>
</tr>
</tbody>
</table>

The Organization Performance Changes Realized because of Adopting Strategic Initiatives at Kenya Power

In this study, 57 (100%) respondents jointly and, strongly agreed that a downwards review of domestic consumers’ tariffs resulted into an increased number of customers increased annual overall sales and increased annual overall profitability, simultaneously. This basically indicates that a reduction in the price of electricity per unit (kWh) results into an increased or a rise in number of units consumed per household thus due to increased demand for electricity because it is perceived cheap and affordable by consumers hence, increasing the number of customers, number of units (kWh) of electricity consumed per household, increased sales and profitability growth.

In addition, 50 (87.72%) out of 57 respondents strongly agreed while 7 (12.28%) respondents reluctantly agreed that a downwards review of domestic consumers’ tariffs
resulted into new advanced technologies to enhance organization performance in Kenya Power. This indicates that both KPLC management and board members concur that a reduction in domestic consumers’ tariffs resulted into new technological advances such as the introduction of prepaid meters and purchasing tokens using online platforms such as MPESA basically to reduce the pressure on the sharp demand for the electricity demand and needs basically because a drop in the price of electricity initiated a notion that electricity was then cheap and affordable to end-users.

Lastly, 47 (82.46%) respondents out of 57 strongly agreed while 10 (17.54%) respondents reluctantly agreed that a downwards review of domestic consumers’ tariffs triggered innovativeness in KPLC to improve its organizational performance. This indicates that both KPLC management and board members concur that a drop-in electricity tariff resulted into other innovative way such as GPOBA initiatives, Last Mile Programme and Stima Loan in order to enable the company to attain its strategic goals in line with its overall performance.

In conclusion, these strong overall ratings of 4 and 5 by majority of respondents in this study indicate that Kenya Power is performing extremely well within the energy sector in Kenya by reducing the Domestic Consumer Tariff thus, influencing the company’s overall performance positively.

<table>
<thead>
<tr>
<th>Organization Performance Indicators</th>
<th>Frequency in Rating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>It increased number of customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It increased the overall annual sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It increased the overall annual profitability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Advanced Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.9: A Reduced Domestic Consumer Tariff on Kenya Power Performance

<table>
<thead>
<tr>
<th>Organization Performance Indicators</th>
<th>Frequency in Rating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>It increased number of customers</td>
<td>- - - - 57</td>
<td>57</td>
</tr>
<tr>
<td>It increased the overall annual sales</td>
<td>- - - 57</td>
<td>57</td>
</tr>
<tr>
<td>It increased the overall annual profitability</td>
<td>- - - 57</td>
<td>57</td>
</tr>
<tr>
<td>New Advanced Technology</td>
<td>- - 7 50</td>
<td>57</td>
</tr>
<tr>
<td>Innovation</td>
<td>- - - 10 47</td>
<td>57</td>
</tr>
</tbody>
</table>
Last Mile Connectivity Project on Kenya Power Performance

In this study, 57 (100%) respondents jointly and strongly agreed that Last Mile Connectivity Project resulted into an increased number of customers increased annual overall sales and increased annual overall profitability, simultaneously. This indicates that the company’s top management and the board members highly acknowledge and appreciate the fact that Last Mile Connectivity project was highly effective in enhancing the overall firms’ customer base, sales growth, profitability growth, new technologies and innovative. Therefore, this confirms that this strategic initiative was effectively initiated and implemented thus, this research recommends it for future utility to attain desired organizational performance at Kenya Power, if need be.

Besides, 47 (82.46%) out of 57 respondents strongly agreed while 10 (17.54%) respondents never reacted to the claim that the impact of last mile connectivity project promoted the innovativeness in Kenya Power and lighting Company to enhance its organizational performance. This indicates that Last Mile Connectivity Project was a recipe to new advanced technologies adopted at Kenya Power to attain desired performance. Therefore, declaring the initiative highly effective in promoting high performance at Kenya Power thus recommendable for future utility to sustain effective strategic management and overall organization performance.

Lastly, none of the respondents associated Last Mile Connectivity Project as a recipe to facilitate innovativeness to enhance organization performance in Kenya Power. This indicates and confirms that Last Mile Connectivity Project has its short-comings due to its restrictive nature when it comes to electricity connectivity. Therefore, this short-coming should inform Kenya Power’s top management and the board to review on the 69
restrictive nature of Last Mile Connectivity Project to allow it initiate and fully impact the innovativeness aspect upon adoption purposely, to effectively steer the firm positively towards better performance.

In conclusion, these strong overall ratings of 5 by majority of respondents in this study indicate that Kenya Power is performing extremely well within the energy sector in Kenya by adopting the Last Mile Connectivity Project thus, influencing the company’s overall performance, positively.

Table 4.10: Last Mile Connectivity Project on Kenya Power Performance

<table>
<thead>
<tr>
<th>Organization Performance indicators</th>
<th>Frequency in Rating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>It increased number of customers</td>
<td>1       2       3       4       5</td>
<td>57</td>
</tr>
<tr>
<td>It increased the overall annual sales</td>
<td>1       2       3       4       5</td>
<td>57</td>
</tr>
<tr>
<td>It increased the overall annual profitability</td>
<td>1       2       3       4       5</td>
<td>57</td>
</tr>
<tr>
<td>New Advanced Technology</td>
<td>1       2       3       4       5</td>
<td>47</td>
</tr>
<tr>
<td>Innovation</td>
<td>1       2       3       4       5</td>
<td></td>
</tr>
</tbody>
</table>

GPOBA Initiative on Kenya Power Performance

In this study, 57 (100%) respondents jointly and strongly agreed that Global Partnership on Out-put Based Aid project resulted into an increased number of customers increased annual overall sales increased annual overall profitability and new technology advancement, simultaneously.

Lastly, 45 (79.95%) out of 57 respondents strongly agreed while 12 (21.05%) respondents never reacted to the claim that the impact of Global Partnership on Out-put Based Aid project promoted the innovativeness in Kenya Power and lighting Company to enhance its organizational performance.

This indicates that GPOBA initiative is also among the most effective strategic initiatives ever adopted by Kenya Power to enhance its overall performance effective.
This is a clear indication that top management and the board clearly recognize and appreciate GPOBA initiatives and its role in transforming the company, positively thus, its implementation was effectively adopted to steer the firm towards desirable results.

In conclusion, these strong overall ratings of 5 by all the respondents in this study indicate that Kenya Power is performing extremely well within the energy sector in Kenya by adopting GPOBA initiative thus, influencing the company’s overall performance, positively.

<table>
<thead>
<tr>
<th>Organization Performance indicators</th>
<th>Frequency in Rating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>It increased number of customers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>It increased the overall annual sales</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>It increased the overall annual profitability</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Advanced Technology</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Innovation</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Stima Loan Initiative on Kenya Power Performance

In this study, 57 (100%) respondents jointly and strongly agreed that Stima Loan initiative resulted into an increased number of customers, increased annual overall sales, increased annual overall profitability and innovativeness. On the other hand, none of the respondents associated Stima Loan Initiative towards new advanced technology aimed at enhancing organization performance in Kenya Power.

These results indicate that Stima Loan was a game-changer in championing effective strategic management at Kenya Power. This is justifiable because all the respondents are in total agreement that the adoption of Stima Loan initiative resulted into
increased customer base, annual sales, profitability growth, new advanced technology and innovations.

In conclusion, these strong overall ratings of 5 by all the respondents in this study indicate that Kenya Power is performing extremely well within the energy sector in Kenya. Therefore, the Stima Loan Initiative influenced Kenya Power’s overall performance, positively.

In conclusion, these strong overall ratings of 5 by all the respondents in this study indicate that Kenya Power is performing extremely well within the energy sector in Kenya. Therefore, Stima Loan Initiative influenced Kenya Power’s overall performance, positively.

Table 4.12: Stima Loan Initiative on Kenya Power Performance

<table>
<thead>
<tr>
<th>Organization Performance indicators</th>
<th>Frequency in Rating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>It increased number of customers</td>
<td>- - - - 57</td>
<td>57</td>
</tr>
<tr>
<td>It increased the overall annual sales</td>
<td>- - - - 57</td>
<td>57</td>
</tr>
<tr>
<td>It increased the overall annual profitability</td>
<td>- - - - 57</td>
<td>57</td>
</tr>
<tr>
<td>New Advanced Technology</td>
<td>- - - - 57</td>
<td>57</td>
</tr>
<tr>
<td>Innovation</td>
<td>- - - - 57</td>
<td>57</td>
</tr>
</tbody>
</table>

Ratings of Kenya Power’s Strategic Initiatives

The findings of this study indicate that a reduction of domestic consumer tariff initiative was rated the highest strategic initiatives deemed to have a greatest impact on Kenya Power overall performance and it recorded the highest frequency of 30 (52.63%) respondents out of 57 respondents who selected it. In addition, GPOBA initiative was rated the second best strategic initiative ever adopted at Kenya Power and it recorded the second highest frequency of 11 (19.30%) respondents out of 57 respondents who picked it. Consequently, Last Mile Connectivity Programme was rated the third strategic 72
initiative adopted of Kenya Power and it recorded the third highest frequency of 9 (15.79%) respondents out of 57 respondents and lastly, Stima Loan initiative attracted the lowest frequency of 7 (12.28%) respondents out of 57 respondents.

In conclusion, the findings of this research indicate that Kenya Power board members and top management’s decision to adopt an electricity pricing strategy or reduce Domestic Consumer tariff was the best ever strategic decision which greatly enhanced an overall organization performance in the company. Though other strategic initiatives were significant, a reduction in Domestic Consumer tariff played a key role in transforming Kenya Power’s overall performance.

Table 4.13: Ratings of KPLC Strategic Initiatives

<table>
<thead>
<tr>
<th>Ratings of KPLC Strategic Initiatives</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of Domestic Consumer Tariff</td>
<td>30</td>
<td>52.63</td>
</tr>
<tr>
<td>GPOBA Initiative</td>
<td>11</td>
<td>19.30</td>
</tr>
<tr>
<td>Last Mile Connectivity Program</td>
<td>9</td>
<td>15.79</td>
</tr>
<tr>
<td>Stima Loan Initiative</td>
<td>7</td>
<td>12.28</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

An assessment of Leadership in Executing Strategic Initiatives at Kenya Power

To effectively execute strategic initiatives at Kenya Power, 29 (50.88%) respondents strongly agreed while 28 (49.12%) respondents literally agreed that organizational leadership is a critical organization performance driver. Table 4.14 below shows the impact of leadership on executing strategic initiatives at Kenya Power. This indicates that those in top leadership positions in an organization have a great impact to be either in support or to be against implementation of a given strategic initiatives. Therefore, if top management is in full support of a given strategic initiative, then success is the key result towards attaining a better performance, and the opposite is true.
Table 4.14: Leadership in Executing Strategic Initiatives at Kenya Power

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>29</td>
<td>50.88</td>
</tr>
<tr>
<td>Agree</td>
<td>28</td>
<td>49.12</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

An assessment of the Energy Act of 2006 on Executing Strategic Initiatives at Kenya Power

To effectively execute strategic initiatives at Kenya Power, 52 (91.23%) respondents strongly agreed while 28 (49.12%) respondents literally agreed that the Energy Act of 2006 in Kenya is a critical organization performance driver. Table 4.15 below shows the impact of the Energy Act of 2006 on executing strategic initiatives at Kenya Power.

Table 4.15: Assessment of the Energy Act 2006 on Executing Strategic Initiatives at Kenya Power

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>52</td>
<td>91.23</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>8.77</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

An assessment of Politics on Executing Strategic Initiatives at Kenya Power

To effectively execute strategic initiatives at Kenya Power, 3 (5.26%) respondents strongly agreed, 51 (89.48%) literally agreed while 3 (5.26%) respondents strongly disagreed that politics in Kenya is a critical organization performance driver. Table 4.15 below shows the impact of politics on executing strategic initiatives at Kenya Power.
Since the majority of the respondents concurred that politics affect the company’s decision on which strategic initiative to and, not to implement or adopt the basic interpretations are that the political decisions which politicians make in parliament and other political forums greatly influenced adoption of strategic initiatives at Kenya Power and other sectors. Therefore, this draws an overall conclusion that political decisions which politicians and leaders come-up with have a direct impact, on adoption of a given strategic initiative(s) an organization(s) would wish to implement.

**Table 4.16: Effect of Politics on Executing Strategic Initiatives at Kenya Power**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>51</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
</tr>
</tbody>
</table>

Assessment of Resources Availability on Executing Strategic Initiatives at Kenya Power

To effectively execute strategic initiatives at Kenya Power, 52 (91.23%) respondents strongly agreed while 5 (8.77%) literally agreed that availability of resources is a critical organization performance driver. Table 4.15 below shows the impact of availability of resources on executing strategic initiatives at Kenya Power. This indicates that availability of both financial and capable human resources are key elements on executing strategic initiatives at Kenya Power.
Table 4.17: Resources Availability on Executing Strategic Initiatives at Kenya Power

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>52</td>
<td>91.23</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>8.77</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

Challenges Encountered in Executing Strategic Initiatives at Kenya Power

In this study, the researcher also intended to highlight the challenges which are experienced when implementing strategic initiatives at Kenya Power. Table 4.18 below shows the response of the respondents on the challenges encountered in implementing strategic initiatives at Kenya Power.

In this study, the respondents were not restricted to the number of responses to give. Therefore, based on the findings of this research as shown in Table 4:17, the majority of 57 (78.95%) respondents outlined and declared that sudden changes in the energy sector regarding energy regulations and policies is one of the challenges experienced in executing strategic initiatives at Kenya Power. This indicates that any slight change in energy sector’s policies affects Kenya Power decision-making initiatives on its short and long-term operations” strategies.

The majority of the respondents at 70.18%) outlined and declared that International and Local Monetary Policies is another challenge experienced in executing strategic initiatives at Kenya Power. This means that changes in monetary terms and conditions in major economies such as US and Europe have a direct impact on the energy sector’s overall performance and adoption of new strategic initiatives to counter the changes initiated.
The majority of the respondents at 84.21% declared that fluctuations in forex exchange rate directly affects organization performance hence affecting the smooth execution of strategic initiatives at Kenya Power. This is because of the purchase of fuel in foreign nations using US Dollars ($) or UK Pounds ($) to run the electricity generators at Kenya Power substations thus disrupting the cost-benefit factor in execution of strategic initiatives.

The majority (89.47%) of the respondents outlined and declared that fluctuation in inflation rate affects execution of strategic initiatives at Kenya Power. This is an indication that inflation affects both the company and consumers purchasing power depending on the nature of fluctuation. Also, 64.91% respondents outlined and declared that the political goodwill of a nation towards or against energy sector’s reforms greatly influence execution of strategic initiatives at Kenya Power. This is an indication that if the political class is in favor of a given strategic initiative the company wants to implement, there will be minimal disruptions unlike when there is resistance from the same group of individuals in the society.

Some of the respondents stated that global policies on energy industry greatly influence execution of strategic initiatives at Kenya Power. This is an indication that international bodies in charge of regulating energy affairs can pose an immediate challenge in the execution of strategic initiatives at Kenya Power. Also, 52.63% of the respondents outlined and declared that both climate and whether conditions greatly affect successful execution of strategic initiatives at Kenya Power. This is an indication that during rainy seasons, supply of water for hydro-electricity generation is smooth and
electricity supply is guaranteed unlike dry seasons when the nation experiences power rationing because the national demand needs for power exceeds production capacity.

| Table 4.17: Challenges Encountered in Executing Strategic Initiatives at Kenya Power |
|---------------------------------|---|---|
| Energy Sector’s Regulations and Policies | 45 out of 57 | 78.95 |
| International and Local Monetary Policies | 40 out of 57 | 70.18 |
| Forex Exchange Rate | 48 out of 57 | 84.21 |
| Inflation Rate | 51 out of 57 | 89.47 |
| Political Goodwill | 37 out of 57 | 64.91 |
| Global Policies on Energy Sector | 25 out of 57 | 43.86 |
| Climate and Whether Conditions | 30 out of 57 | 52.63 |

Summary of Key Findings

In Summary, below are key findings of this study which was conducted to establish the impact of Kenya Power strategic initiatives on organization performance.

Kenya Power strategic initiatives for the last four fiscal years involved adopting an efficient and effective reporting mechanism framework feeder-based network management approach rapid connectivity pace initiative, boresha umeme initiatives, reduction of domestic consumer tariff, stima loan initiative, last mile connectivity programme and boresha umeme viwandani initiative. Key organization performance indicators in Kenya Power include changes in the level of customer service: number of customers, profitability growth electricity sales (in units) growth adoption of modern technology and innovation advancement.

Kenya Power and Lighting Company Limited”s profitability rose steadily for the last four fiscal years because of the sustained favorable business environment in Kenya. Kenya Power and Lighting Company Limited”s electricity sales rose steadily hence led to both increased sales revenue and an enriched average yield in the last four fiscal years.
Kenya Power had adopted and embraced very innovative initiatives and advanced technology which enabled customers to access and purchase electricity with much ease, comfort and convenience. The challenges experienced in implementing Kenya Power strategic initiatives include changing energy regulations in the energy sector changes in international and local monetary policies variations in forex exchange rate unsteady inflation rates prevailing political climate and changes of weather conditions affect energy production, distribution and reliability.

Summary

This study was to assess the strategic initiatives adopted by Kenya Power on its overall organization performance and this generated various finding. The key findings are discussed in the following chapter considering the objectives of the study to establish better suggestions on the assessment of strategic initiatives adopted at Kenya Power on organization performance. The next chapter delves into discussions, conclusions and recommendations of the study.
CHAPTER FIVE
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter gives a summary of findings that emanated from this study. It also summarizes the results which were obtained from the analysis of the questionnaires. The objectives of this study were to identify various types of Kenya Power strategic initiatives to establish the organization performance changes realized because of adopting strategic initiatives at Kenya Power and to establish challenges encountered by Kenya Power in implementing the strategic initiatives.

Discussion of Key Findings

The various strategic initiatives adopted at Kenya Power

According to the findings of this study, for the last four fiscal years, the various strategic initiatives adopted at Kenya Power are as follows: implementing an efficient and effective Reporting Mechanism Framework Feeder-Based Network Management Approach Rapid Connectivity Pace Initiative, Boresha Umeme Initiatives Reduction of Domestic Consumer Tariff Stima Loan Initiative Last Mile Connectivity Programme and Boresha Umeme Viwandani Initiative.

Organization Performance Changes Realized after Adopting Strategic Initiatives at Kenya Power

According to the findings of this study, the strategic initiatives adopted by Kenya Power resulted into the rise of the number of customers profitability growth rise in
electricity sales in terms of number of units and revenue collected, increased distribution 
and transmission costs the rise of new technology and innovativeness.

Challenges encountered by Kenya Power in implementing its strategic initiatives

According to the findings of this study, availability of resources proved one of the critical challenges in adopting Kenya Power strategic initiatives. The government’s, private sector’s and donor’s funding towards Kenya Power strategic initiatives was partially challenging due to tight budgets and missive connectivity targets within the shortest time periods. This initiated the supply of electricity by the Company to low consumers at a subsidized price where the Government, French Development Agency and The World Bank absorbed the rest of the costs associated in this connectivity strategic drives.

Besides this, Kenyan politics for the last four years played a very crucial role in implementing Kenya Power strategic initiatives. The Company and the energy sector in general enjoyed the Government’s full support in embracing desired chances in the sector. The new regime under H.E. Hon. Uhuru Mwigai Kenyatta pushed the company to connect new customers on cheap and affordable supply of electricity. This saw the Company devise Last Mile Project to connect new customers low consumers at Kshs. 15,000/= from the initial Kshs. 35,000/= and GPOBA initiatives at Kshs. 1,160/= per household in slum areas in towns within Kenya.

In addition, the findings of this study have demonstrated the depth within which government regulations through the Energy Act, 2016 and Kenya Gazzette 2014 greatly influenced policy making in the energy sector and this posed a major challenge in Kenya Power decision-making process towards successfully adopting its strategic initiatives to attain its overall outstanding organizational performance over the last four fiscal years.
Lastly, the findings of this study show that major reforms in top organizational leadership at Kenya Power steered the Company towards the right direction and as result the Company realized a positive organization performance for the last four fiscal years. It is evident in this research study that under Dr. Chumo”s leadership as the C.E.O and MD at KPLC, sustainable strategic initiatives were established and implemented to attain desired organizational performance in the Company, unlike his predecessors.

An Overview of the General Performance of Kenya Power

According to findings of this study, the number of customers connected to the national grid has been growing steadily and as at March 20\textsuperscript{th}, 2017, the Company had connected 5.9 million customers to the grid through the ongoing government-led national electrification programmes. Therefore, the number of households currently connected to the national grid stands at 63\% of the national coverage.

Besides, the findings of this study indicated that the Company had embraced and shifted towards an advanced technology which enables its customers to purchase electricity with much ease, comfort and convenience thus 3.5 million customers are on prepaid meters while the remaining 2.4 million customers are on postpaid meters. In addition, the findings of this study indicated that generally KPLC”s profitability grew steadily over years and this was directly attributed to the changes in distribution and transmission costs associated with maintenance activities on the prolonged network, prevailing business environment in Kenya, positive economic growth rate in Kenya, a review of power tariff which became effective on 1\textsuperscript{st} December 2013 and improved electricity sales growth.
More so, the findings of this study indicated that electricity sales growth hit its highest peak of 8,272 million units in 2017 and this led to an increased growth, in both sales revenue and an average yield by 5.6% and, KShs. 91,952 million simultaneously. This research associates these changes to both implementation of the second phase of the tariff calendar period in 2014 and improved efficiency in power distribution processes. The findings of this study generally indicated that transmission and distribution costs of KPLC has been on a steady rise over years and this was attributed to higher maintenance and operational costs associated with continuous upgrading and, expansion of the transmission network initiative depreciation due to increased capital investment and the rising costs of doing business in Kenya.

Lastly, the findings of this study generally indicated that KPLC adopted and embraced innovations aimed at improving the reliability and quality of power supply as well as expansion of the customer base. Therefore, the company had set an aggressive target to connect one million customers in each financial year as part of its business growth strategy and in line with the Government’s plan to achieve over 70% electricity access by 2020.

Conclusions

The study made the following conclusions:

i. Kenya Power strategic initiatives were reliably effective and efficient in enhancing its overall organizational performance for the last four years. This was supported by the fact that there was a rise in innovativeness and utility of modern
technology, increase in customer base, growth in profitability, increase in electricity unit sales and sales revenue.

ii. General reforms in organizational leadership, changes in government regulations, national politics and availability of the desired financial and human resources are significant key performance drivers in enabling the realization of a positive organization performance once realistic strategic initiatives are in place.

Recommendations

The study made the following recommendations:

i. When adopting strategic initiatives purposely to enhance positive organization performance, all business entities should be well informed about the prevailing government policies and regulations in their business sector they should measure organizational leadership abilities, skills, competencies and capacity to implement the strategic initiatives.

ii. Organisations should assess both national and global political climate in relation to the business entity and sector.

iii. Organisations should measure both financial and human capacity and muscles to adopt the desired strategic initiatives. This will lead to successful implementation of strategic initiatives which will embrace desired organization performance.

iv. The researcher recommends adoption of this study’s findings especially in decision-making process, policy making the energy sector and strategic initiatives to establish new friendly energy regulatory measures which will boost modern
technologies and innovativeness within the energy sector in order enhance positive organizations performance in the sector.

v. The government through the Ministry of Energy all other entities within the energy sector to establish a pool of resources and allocate a portion of their annual profits towards a pool of funds for research purposes within the energy sector in order for individuals and organizations to access financial resources to conduct similar exploratory studies in the sector.

Areas for Further Study

Based on the findings of this study, the researcher would like scholars to conduct further studies on lucrative strategic initiatives adopted in advanced economies in the energy sector such as USA, Europe and Asia. This is in spirit with the global movement to reform electric power markets which was conceived during the 1980s. The researcher also recommends for further studies on new, affordable, efficient and effective ways, ideas, technologies or innovations on how to adopt strategic initiatives which will embrace cheap and affordable source(s) of energy as it promotes positive organizations” performance, at the same time.
REFERENCES


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Mosoku, G. (2015). *Kenya Power customer base up by 50 percent: The utility has connected over 1.1 million households to the national grid, pushing the number to 3.3 million*. Retrieved from https://www.standardmedia.co.ke/business/article


Ruto, W. R. (2015). Kenya Power customer base up by 50 per cent: The utility has connected over 1.1 million households to the national grid, pushing the number to 3.3 million. Retrieved from https://www.standardmedia.co.ke/business/articles


APPENDICES

Appendix A: Introduction Letter

Dear Respondent,

My name is Mr. George Mokua Kembero. I am a final year student at Daystar University pursuing a Master of Business Administration degree in both Finance and Strategic Management majors. This is an exploratory research survey whose topic: - AN ASSESSMENT OF STRATEGIC INITIATIVES ON ORGANISATION PERFORMANCE, A CASE OF KENYA POWER.

The purpose of this study is to assess strategic initiatives on organization performance, a case of Kenya Power. The objectives of this study were to identify the various types of strategic initiatives adopted at Kenya Power; to establish the organization performance changes realized because of adopting strategic initiatives at Kenya Power and; to establish challenges encountered by Kenya Power in implementing its strategic initiatives.

I will be so grateful if you allocate some of your time, to fill the attached self-administered questionnaire to make this research study a success. The results in this exercise will only be used for academic purposes and; will be held in strict confidence.

Your timely response will be highly appreciated.

Thank you in advance for your time and cooperation.

Thank you for your time and utmost consideration.
Appendix B: Questionnaire

I trust this finds you well.

I am a Master of Business Administration (MBA) student at Daystar University pursuing both Finance and Strategic Management Majors. I am conducting a research to assess strategic initiatives on organization performance, a case of Kenya Power. Due to your utmost consideration, I sincerely seek your assistance and support in filling the questionnaire to the best of your ability. Please be assured that the responses provided will be used purely for academic purposes and shall remain very confidential.

This questionnaire has equally been administered and distributed to the MD & CEO, Members of the Board, Regional Managers and County Business Managers.

(PLEASE TICK INSIDE THE BOX YOU DEEM MOST PPROPRIATE)

1. What is your age bracket?
   - Below 30 years
   - 30 – 40 years
   - 41 – 50 years
   - 51 years & above

2. What is your highest level of education?
   - University
   - College
   - Secondary
   - Primary
3. Please indicate the highest category in the level of education. _______

(Kindly, tick if Certificate, Diploma, Undergraduate, Masters or PhD)

PhD ☐ Masters ☐
Undergraduate ☐ Diploma ☐
Certificate ☐

4. Length of service in Kenya Power?

0 – 5 years ☐ 6 – 10 years ☐ 11 – 15 years ☐
16 – 20 years ☐ 21 years & above ☐

5. What is your designation at Kenya Power? (Kindly tick your rank)

A member of the Board ☐
The Managing Director and CEO ☐


___________________________________________________________
___________________________________________________________
___________________________________________________________

Kindly identify and list Organization Performance Indicators at Kenya Power
7. In your own view do you think a review of Domestic Consumers tariff as one of Kenya Power strategic initiatives, had an impact on the following Organization Performance Indicators (below)? Kindly, tick appropriately.

<table>
<thead>
<tr>
<th>Organization Performance indicators</th>
<th>Ratings</th>
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<td>It increased number of customers</td>
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<td>It increased the overall annual sales</td>
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<td>It increased the overall annual profitability</td>
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<td>Innovation</td>
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<tr>
<td>New Advanced Technology</td>
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8. In your own view, do you think Last Mile Connectivity Project (LMCP) as one of Kenya Power strategic initiatives had an impact on the following Organization Key Performance indicators?

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<thead>
<tr>
<th>Key Performance indicators</th>
<th>Ratings</th>
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<td>It increased number of customers</td>
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<td>Innovation</td>
<td></td>
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<tr>
<td>New Advanced Technology</td>
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</table>

9. In your own view, do you think Global Partnership on Out-put Based Aid as one of Kenya Power strategic initiatives had an impact on the following Organization Performance Indicators (below)? Kindly, tick appropriately.
1 = Strongly Disagree   2 = Disagree   3 = Neither Agree/Disagree   
4 = Agree   5 = Strong Agree

**Key Performance Indicators** | **Ratings**
---|---
It increased number of customers | 1 2 3 4 5
It increased the overall annual sales | 1 2 3 4 5
It increased the overall annual profitability | 1 2 3 4 5
Innovation | 1 2 3 4 5
New Advanced Technology | 1 2 3 4 5

10. In your own view, do you think Stima Loan Initiative as one of Kenya Power strategic initiatives had an impact on the following Organization Performance Indicators (below)? Kindly, tick appropriately.

<table>
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<tr>
<th>Key Performance Indicators</th>
<th>Ratings</th>
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<td>It increased number of customers</td>
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<tr>
<td>Innovation</td>
<td>1 2 3 4 5</td>
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<tr>
<td>New Advanced Technology</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

11. In your own view, kindly pick ONLY ONE of Kenya Power strategic initiatives you perceive to have had a great impact on the Company’s overall performance for the last four financial years (2013/2014 to 2016/2017)? Kindly, tick ONCE where it is appropriately.

- GPOBA Initiative
- Last Mile Connectivity Program
- Reduction of Domestic Consumer Tariff
- Stima Loan Initiative

To improve Organization Performance at Kenya Power, in your own opinion kindly mark (below) how you perceive the impact of each of the following Organization Performance Driver, when implementing its strategic initiatives. Kindly tick appropriately.
<table>
<thead>
<tr>
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<td>Resources Availability</td>
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What are the challenges encountered by Kenya Power in implementing its strategic initiatives? Kindly, list them.

________________________________________________________________________
________________________________________
________________________________________________________________________
________________________________________________________________________

THANK YOU FOR YOUR TIME
Appendix C: Ethics Clearance

Daystar University Ethics Review Board

Our Ref. DU-ERB/16/11/2017/00076

Date: 16-11-2017

George Mokua Kembero 08-0705

Dear George,

RE: Impact of Kenya Power strategic initiatives on organization performance

Reference is made to your request dated 01-11-2017 for ethical approval of your proposal by Daystar University Ethics Review Board.

We are pleased to inform you that ethical review has been done and approval granted. In line with the research projects policy, you will be required to submit a copy of the final research findings to the Board for records.

Before proceeding to the next stage, ensure the following attached comments are addressed to the satisfaction of your supervisor. Note that it’s an offence to proceed without addressing the concerns of ERB.

This approval is valid for a year from 16-11-2017.

This approval does not exempt you from obtaining a research permit from the National Commission for Science, Technology and Innovation (NACOSTI).

Yours sincerely,

Mrs. Purity Kiambi,
Secretary, Daystar University Ethics Review Board

"....until the day down and the daystar
arise in your hearts"

2 Peter 1.19 KJV
Appendix D: Research Authorization

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349,3316571,3219420
Fax:+254-20-318245,318249
Email: dg@nacostig.org.ke
Website: www.nacostig.org.ke
When replying please quote

Ref. No: NACOSTI/P/18/68195/21171
Date: 8th February, 2018

George Mokua Kembero
Daystar University
P.O Box 44400-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Impact of Kenya power strategic initiatives on organisation performance,” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 8th February, 2019.

You are advised to report to the Managing Director, Kenya Power and Lighting Company Ltd, the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Managing Director
Kenya Power and Lighting Company Ltd.

The County Commissioner
Nairobi County.
Appendix E: Research Permit

THIS IS TO CERTIFY THAT:
MR. GEORGE MOKUA KEMBERO
of DARSTAR UNIVERSITY, 92-40205
NYAMBUNWA, has been permitted to
conduct research in Nairobi County

on the topic: IMPACT OF KENYA POWER
STRATEGIC INITIATIVES ON
ORGANISATION PERFORMANCE

for the period ending:
8th February, 2019

Applicant's
Signature

Permit No: NACOSTI/P/18/68195/21171
Date Of Issue: 8th February, 2018
Fee Received: Ksh 1000

Director General
National Commission for Science,
Technology & Innovation

[Signature]

S. M. Kalerwa

Daystar
University
Repository
Appendix F: Anti-plagiarism Report

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