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Assessment of Turnaround Strategy on Organizational Performance: A Case of Kenya Industrial Estates, Kenya

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Abstract:

The purpose of this study was to assess the influence of turnaround strategy on organization performance in Kenya Industrial Estates. The aims of the study were to determine the influence of streamlining and to examine the level of adoption of modern ICT systems and its impact on organizational performance of KIE. Descriptive research design was adapted to the study. The target population was 207 out of which a sample size of 115 employees was selected from KIE; 85 small and medium enterprises supported by KIE and 7 stakeholders comprising of ICDC, KAM, KEBs, IPC, IDB, KIRDI and Ministry of Industrialization, Cooperatives and Enterprise Development. Primary and secondary data will be applied to collection data, questionnaires will be used to collect primary data. The questionnaires were pre-tested on a pilot basis with a sample of 10 respondents and both research supervisors to discuss and ascertain the validity of the questionnaire. Data was then coded and entered into SPSS (V. 23) creating a data sheet for analysis. Both qualitative and quantitative techniques were used to analyse data. Characteristics of collected data were analysed using descriptive statistics; Pearson's correlation. The hypothesis in the study was tested at 95% confidence level. The study established that organizational streamlining ($B=0.100$; $p < 0.05$), restructuring ($B=0.374$; $p < 0.05$) and adoption of modern ICT systems at KIE ($B=0.553$; $p < 0.05$) had enabled the organization to improve on its performance at 5% level of significance. However, downsizing that had been carried out at KIE had no significant effect ($B=0.001$; $p > 0.05$) on performance of KIE. The study makes the following recommendations. First, as time passes, KIE may find that further organization structures need to be streamlined. Change is an evolving process. KIE must continually examine and revise its business processes and operations. Secondly, MSMEs play a vital role in Kenya's economy and are an integral component of the country's growth strategy. KIE should also encourage MSMEs to adopt technology to reap its benefits. This will also increase integration, coordination and communication between KIE and these MSMEs. Thirdly, restructuring is an important strategy in any turnaround. KIE needs to ensure that this is not an event but a process. In future more restructuring may be required since the business environment is dynamic and is in a state of continuous change.

Keywords: Turnaround, streamlining, adoption, industrial workspace, linkages

1. Introduction

1.1. Background of the Study

Firms experiencing a performance decline employ a variety of corporate turnaround strategies to deal with the situation (Pandey & Ongpipattanakul, 2015). Turnaround strategy is the process by which firms experiencing declining performance overcome their problems and recover their pre-downturn performance (Pearce and Robbins, 1993). The motivation for a firm to adopt a turnaround strategy is to salvage its intrinsic value, to solve financial distress and to find new strategic opportunities, while the immediate objective of turnaround strategy is to improve the firm's operating performance and solvency (Shah & Nair, 2014). Turnaround strategy could be two types: growth-oriented and efficiency-oriented. Growth-oriented strategies usually involve a new definition of core activities, either by increasing the dominance at the existing markets or by diversifying into new markets or products. Turnaround can be achieved through the strategies based on entrepreneurial reconfiguration of business assets (Hambrick and Schecter, 1983). On the other hand, efficiency-oriented strategies focus on reducing organizational scope or size and emphasize cuts in unproductive and unprofitable parts of business to increase efficiency. Efficiency-oriented strategies are primarily intended to stabilize firms' financial condition, and usually comprise a combination of cost cutting and asset reducing activities (Hofer, 1980). In the current study, the focus was on efficiency oriented turnaround strategy.

When firms are doing so badly that failure seems imminent then turnaround management can restore performance and profitability. The increasing competition, rapid advances in technology and rising complexity of the business conditions accompanied by blend of customers and employees, the challenges for any corporate have been rising. Only a timely response to this situation can save

organisations. Turnaround strategies are varied and diverse and may include change in supply chain processes, adopting new systems and structure, restructuring and downsizing. Other aspects of turn around strategies include change in management, change in organization culture, sustainable recovery and refocusing. In the current study the focus was on the turnaround tactics employed by Kenya industrial estates (KIE). These include adoption of new systems, restructuring, downsizing and process streamlining (Kamau, 2010).

Various studies have been conducted globally (for instance US and China), regionally (for instance Uganda) and locally on how turnaround strategy have affected performance of organizations. Liao (2015) conducted a study on corporate restructuring, performance and competitiveness. This study, conducted in US, investigated the effects of corporate restructuring (scale and scope) on the financial performance and long-term competitiveness during the 2000s in data set of 107 manufacturing firms. The study established that corporate restructuring scope is inversely associated with firms' performance. Further findings from this study revealed that the effects of restructuring scope offer partial support on changes in competitiveness. Further, the study established that there was no support for the hypothesized relationships between restructuring scale and performance, and between restructuring scale and changes in competitiveness.

Tsai and Yen (2008) conducted a study to explore the mystery between organizations' downsizing strategies and firm performance. This study was carried out in China. Tsai and Yen observed that downsizing in organizations is a popular management strategy. However, in the field of organization turn around, the question of whether downsizing practices eventually improve performance is frequently asked and is never satisfactorily answered. The consequences have not always materialized over these years. On the negative side, downsizing harms employees, their families, and at the same time causes social chaos. The possible answers could be the ignorance of some important mechanisms between them. The findings from this study established that downsizing negatively affected company performance.

In Iran, Hemmatfar et al. (2010) established that adoption of strategic information systems helps an organization improve on its performance and gain competitive advantage through its contribution to the strategic goals of an organization and its ability to significantly increase performance and productivity. This study was carried out in the manufacturing sector of Iran. The study revealed that advances in information provision have led organizations to attempt to develop MIS or information technology (IT) strategies which interrelate with their business strategies and which together support corporate missions. This has enabled the manufacturing firms in Iran to be competitive not only locally but also regionally.

Khanna (2014) reports that economic reforms in India are often hailed as the march of private enterprise, unshackled from bureaucratic control. Though it is true that the Indian growth story is led by private capital, reforms have also unleashed a resurgent public sector in the Indian economy, with a significant contribution to investment and growth in India. The restructuring of SOEs has enhanced autonomy and shaped a more dynamic SOE sector, at least amongst those controlled by the central government. As India moved to market-based prices and incentives, and better contract enforcements, central government SOEs have substantially enhanced their profitability, investments and growth.

In Uganda, Mugisha et al. (2012) revealed that national water and Sewerage Corporation, was turned around through change in management, performance contracting, laying off some redundant employees, reducing bureaucracy, increasing staff productivity, and encouraging worker involvement. The organizational structure of the corporation was also changed to ensure that a new organizational structure would be able to service people well. Downsizing was also effected. By working with the unions, management was able to reduce excess staff by half from 1,800 in 1999 to 900 in 2005. These measures were managed together to turn around the corporation. All these measures enabled the organization to turn around and improve on its performance.

A local study by Riany et al. (2012) sought to establish the effect of restructuring on an organization's performance, specifically inquiring the frequency with which an organization carries out portfolio, financial and organization restructuring. The findings reveal that changes in the firm's objectives, technological changes and changes in their organizational structure influence the firms' organizational performance positively.

Additionally, Ochieno (2013) sought to establish the effects of turnaround changes and downsizing on organizational performance at the Telkom Kenya Ltd (TKL), Eldoret Branch. The study findings indicated a positive change at TKL with improved service delivery with introduction of new wireless technology and new brands that were competitive in the market. A general cultural change in work was also cited in these improvements. Company revenue trend analysis indicated that TKL financial performance had generally grown on a fairly upward trend. These performance improvements were indicated to be as a result of restructuring and other changes in technology and processes adopted.

1.2. Statement of the Problem

During the 21st century, organizations have experienced discontinuous and abrupt change, which will need strategists to reinvent strategy to cope with the competition in the market place year after year and make right strategy. Since change has become a constant, successful organizations will need to formulate and implement change continuously and this will require development of organizational change competencies.

However, not all turnaround cases are a success story. Liao (2015) established that the probability of turnaround strategy leading to corporate improvements is 25% of the cases in a period of five years. This suggests that turnaround strategy especially in difficult operating environment like mature, competitive businesses is not easy. On the other hand, most managers and management researchers view organizational decline as reversible (Porter, 1985). Specific turnaround strategy have been proposed to enhance a firm's chances of persevering through a period of performance decline, ending the threat, and achieving sustainable performance recovery.

There are studies focused on strategic change management and challenges in implementing turnaround strategy and key factors influencing change in Kenyan companies including non-governmental organizations (Ochieno, 2013). However, there are limited studies on state owned enterprises and no study had been conducted on the effects of turnaround strategy on performance of KIE. This indicates that a gap exists that needs to be filled. The Kenya Industrial Estates in Nairobi was therefore an ideal choice considering that it had adopted a turnaround strategy.

1.3. Objectives of the Study

To determine the influence of streamlining of processes on organizational performance of KIE

To examine the level of adoption of modern ICT systems and its impact on organizational performance of KIE

1.4. Research Hypotheses

There is significance relationship between Streamlining and organizational performance of KIE;

There is no significance relationship between Adoptions of modern ICT on organizational performance of KIE;

1.5. Theoretical Literature

1.5.1. Stage Theory

This study was guided by stage theory. Stage theory was developed by Alter and Hage (1993). This theory explains that in any turn around or transformation process, an organization goes through different stages. In so doing, organizations develop new goals which guide them towards attainment of their objectives. Further in the different stages, organizations come up with new programs, ideas and technology which they combine to make the change process successful.

This theory is applicable in the current study as it will assist in describing how implementation of the turnaround strategy in the different phases could result to the desired performance improvement.

1.5.2. Attention-based Theory of the Firm

First introduced to the main stream strategy literature by Ocasio (1997), the attention-based theory of the firm generally argues that organizational decisions, actions and ultimately firm performance are significantly influenced by the focus and distribution of managerial attention. The attention-based view of the firm is generally based on three premises. The first premise states that managerial actions are directly influenced by and originate from the attention patterns of decision makers (managers). Hence, an assessment is required to establish the area of managerial attention. Ocasio (1997) refers this premise as the “focus of attention” and posits that, in general, managerial attention to potential issues, problems and solutions determines the subsequent strategic decision making in the organization.

1.6. Related Literature

1.6.1. Streamlining of Processes

Moreover, a focus on the firm's core activities is a further turnaround strategy repeatedly identified in the literature and frequently enacted in parallel with asset retrenchment (Villadsen, 2013). This strategy entails determining the markets, products and customers that have the potential to generate the greatest profits and refocusing the firm's activities on these areas. Successful turnarounds have been associated with a focus on product lines for which the firm is best known, customer segments that are particularly loyal or less price sensitive, and areas where the firm has distinct competitive strength (Jas, 2013). The firm may also return to activities for which it was well known in the past (Favero & Rutherford, 2015). In conjunction with this it may be necessary for the firm to undertake a redesign or restructuring to align itself more effectively with its core purpose, entailing the rationalisation, divestment or closure of operations, products or assets that do not fit with this purpose (Jurisch et al., 2014). This retrenchment can also serve to free up scarce marketing, operational and financial resources for reinvestment in the chosen core activities, including appropriate acquisitions where specific further capability is required (Villadsen, 2013). To reinforce the importance of a focus on the core, some studies explicitly warn that following a strategy with “no distinguishing characteristics, hence qualifying as a piecemeal approach” is unlikely to lead to a successful recovery (Jurisch et al., 2014).

Additionally, focus allows the firm to develop a clear competitive strategy in its chosen core activities. The Liao (2015) study found that this was frequently achieved through an increased focus on marketing, employing initiatives to improve customer understanding, build closer customer relationships, increase the number of marketing channels, optimise after-sales service and employ cost-effective advertising.

1.6.2. Adoption of Modern ICT Systems

Gupta and Collins (2015) observed that organizations can apply ICT and modern technology to facilitate change and organizational revival. Large financial, manufacturing and service institutions are the largest investors in technology and there are indications that this trend is likely to continue. However, there is growing concern that technological investments are not yielding the anticipated results, an issue that is of grave concern to many CEOs and top managers (Armstrong & Sambamurthy, 2014). To address this concern, they analyze the relationship, if any, between investments in technology and an organization's efficiency measures. The survey was mailed to the CIOs of all member banks of the Florida Bankers Association (FBA). The survey indicated a growing use of

several intelligent support systems (ISS), such as decision support systems (DSS), executive information systems (EIS), and geographical information systems (GIS) are fuelling change and sustainability in the banks.

Another survey by Abebe (2012) showed that many organizations are now ready to invest in new technology and also employee training to be able to use that technology. In regard to the antecedents of a company's competitive advantage and performance by using structural equation modeling, Cater and Cater (2009) sought to establish whether technology in an organization brought any benefits to the organization's competitive advantage and turnaround. The model was tested on a sample of 182 Slovenian companies. The results show that a cost advantage is positively affected by financial resources and customer capital, while a differentiation advantage is positively affected by financial resources and all three components of intellectual capital. In addition, both forms of competitive advantage positively influence a company's turnaround.

1.7. Research Methods

This study was conducted using descriptive survey design was applied in this study to report on how turnaround strategy at KIE has been applied and report on the outcomes and how the instituted turnaround strategy has been able to affect performance of the organization. The target population of the study was 207. This comprised 115 KIE staff (senior management and middle level managers) in Nairobi, 85 SMEs supported by KIE in the Kenya, this study employed stratified sampling where each group in the population was included in the sample. This ensured that each population segment gets a proportionate sample selected. This also ensured representativeness of the selected sample and hence findings from the sample were reliable. Sample size for the study was computed using the formula by Coolican (2004). A significance level of 5% was selected to ensure that errors from sampling were minimized.

$$n = \frac{N}{1 + N(e)^2} = 136 \text{ sampled respondents}$$

The questionnaire was designed after a critical theoretical and empirical review of literature in relation to turn around strategy and organization performance. The questionnaire was based on research objectives and has five sections. The first section requested basic information about the respondent, KIE and performance of KIE. The other four sections are dedicated to questions in regard to the four independent variables (organization streamlining, adoption of modern ICT systems, restructuring and downsizing). Both closed and open questions were used in the questionnaires. Five point Likert scale questions were used to assess the turn- around strategy practices employed by KIE and relate this to performance of the organization.

Pilot testing of the questionnaire was performed before the final questionnaire was drafted. This was done to find whether the questionnaire was appropriate to procure the required information. Areas that were assessed in the pilot study included choice of respondents, type and wording of questions, order of sections, understanding of time taken, respondent fatigue and other constraints that may be met in the final study. The pilot study involved ten employees from KIE who did not participate in the final study. Cronbach Alpha was applied to test reliability of the Likert rating scales. Cronbach alpha tests the correlation between the various responses and the higher the correlation, the higher the reliability of the items was 0.7 is indicated as the threshold below which the scale will not be considered reliable. Analysis was through both descriptive and inferential statistics. Descriptive statistics was used include, percentages, mean scores and frequency distributions and regression analysis that assisted in establishing the effect of the turnaround strategy variables on the dependent variable (organizational performance).

1.8. Data Presentation and Analysis

This part provides analysis of information that related to the study. The analysis presented in this section is divided into sections for coherent presentation and ease of analysis of the pertinent issues.

1.8.1. Kind of Support Provided by KIE to MSMEs

Further, the study sought to establish the kind of support the responding SMEs had received from KIE. The results are presented in Table 1. The results indicate that some of the SMEs had received more than one type of support from KIE. The results revealed that 89% of the SMEs had received support in form of training and consultancy while 57% had received financing. Those that had received sheds were 46% while those that had received subcontracting and linkages were 41%.

Support	Frequency	Percent
Finance	21	57
Sheds	17	46
Consultancy/ Training	33	89
Subcontracting and Linkages	15	41

Table 1: Kind of support received from KIE
Source: Researcher (2015)

Analysis of documents, strategic plans and financial reports from KIE supported the findings from the study Table 1 indicate the kind of support that KIE provides for MSMEs. Strategic plans and records indicated that KIE provided Industrial workspace (Parks/Sheds/Incubators), SME Credit Finance, Business Development Services (BDS) and facilitating Sub-Contracting /Linkages (KIE, 2013).

1.8.2. Performance of KIE

Results from Table 2 indicate the opinions regarding the extent to which KIE has been able to perform in the areas listed. The rating applied was a five point rating scale (1 = Very ineffective, 2 = Ineffective, 3 = moderately effective, 4 = Effective, 5 = Very effective). Results were analysed using mean scores and presented in Table 2. The mean scores were interpreted as follows; < 1.5 = very ineffective; 1.5 to < 2.5 = Ineffective; 2.5 to < 3.5 = moderately effective, 3.5 to < 4.5 = Effective, 4.5 and above = Very effective).

Performance Measure	Mean Score
Providing financing to MSMEs	2.35
Providing capacity building and consultancy to MSMEs	3.98
Enabling graduation of businesses from micro-small-medium-large	1.82
Building of sheds	3.11
Facilitating linkages and subcontracting	2.36

Table 2: Performance rating of KIE

Source: Researcher (2015)

The results indicate that KIE was ineffective in providing financing to MSMEs (2.35) and also very ineffective in enabling graduation of businesses from micro-small-medium-large (1.82). These findings indicate majority of respondents viewed that KIE was poor in financing MSMEs and hence has done little in enhancing graduation of firms from one level to the next. KIE was effective in providing capacity building and consultancy to MSMEs (3.98). This implies majority of respondents agreed that the firm had performed well in providing training and capacity building to MSMEs. Further, respondents felt that KIE was moderately effective in building of sheds (3.11). Majority of the respondent were neutral regarding the question asked. Neither was happy nor disappointed with the result of turn-around strategy. This indicates that KIE was average on its role of building sheds for MSMEs. Lastly, respondents were of the view that KIE was ineffective in facilitating linkages and subcontracting (2.36) the finding indicate that large position of the respondents disagreed with the question asked. This finding implies that KIE did not effectively perform its role of linking MSMEs to other large firms to enable them to improve their market and reach.

1.8.3. Organization Streamlining

The first objective of the study was to establish the effect of organization streamlining on organizational performance of KIE. Respondents in the questionnaire survey were requested to indicate their level of agreement to the statements listed that related to KIE organization streamlining. The rating was on a five point scale (1-Strongly Disagree, 2-Disagree, 3 – Neutral, 4 – Agree and 5 – Strongly agree). Mean scores were used to analyze the responses and results are presented in Table 4.8. The mean scores were interpreted as follows; < 1.5 = Strongly Disagree; 1.5 to < 2.5 = Disagree; 2.5 to < 3.5 = Neutral; 3.5 to < 4.5 = Agree; 4.5 and above = Strongly agree). The study results indicate that majority of respondents disagreed to the statement that turnaround strategy by KIE has effectively enabled the organization to focus on key areas with mean scores of (2.21). The findings indicated that majority of the respondents disagreed with the question asked. These results contrast with Favero and Rutherford (2015) which established that a firm can streamline by returning to activities for which it was well known in the past. Moreover, the study results support findings by Jurisch et al. (2014) that a firm usually realigns itself more effectively with its core purpose, entailing the rationalisation, divestment or closure of operations, products or assets that do not fit with this purpose. This can enable the firm to successfully turn around. Respondents strongly agreed to the statement that KIE has acknowledged that there is a crisis and the management is taking decisive action in organization realignment to remedy the situation with a mean score of 4.73 indicating that majority of the respondents strongly agreed with the question asked. This finding concur with Pandey and Ongpipattanakul (2015) that firms experiencing a performance decline employ a variety of corporate turnaround strategies to deal with the situation. In the case of KIE, restructuring had been one of them.

Statement	Mean score
Turnaround strategy by KIE has effectively enabled the organization to focus on key areas	2.21
KIE has acknowledged that there is a crisis and the management is taking decisive action in organization realignment to remedy the situation.	4.73
KIE has been able to pull out from some activities and focus on the key activities	1.45
The structure of the organization has been reorganized to be more responsive to customers	4.32

Table 3: Organization streamlining at KIE

Source: Researcher (2015)

Results also indicated that respondents were of the opinion that KIE has not pulled out from some activities to focus on the key activities with a mean scores of 1.45 indicating that majority of the respondents strongly disagreed with the question. This does not concur with findings by Petrovsky et al. (2015) that if a firm is in continued poor performance, then scaling back the number of activities it is involved in could be all that is needed for it to survive the conditions.

Further results revealed that the structure of KIE has been reorganized to be more responsive to customers with mean score of 4.32 indicating that majority of the respondents agreed with the question asked. These results concurred with results from a study by Liao

(2015) that when firms are implementing a turnaround strategy, they focus on key areas and key segments to enable them to serve their key customers effectively.

The results in Table 3 were interpreted to mean that the turnaround strategy by KIE has not effectively enabled the organization to focus on key areas. Moreover, KIE has not been able to pull out from some activities and focus on the key activities. However, KIE has acknowledged that there is a crisis and the management is taking decisive action in organization realignment to remedy the situation. To cope with the crisis, the structure of the organization has been reorganized to be more responsive to customers.

Documentary analysis that was conducted concurred with the findings from the study regarding organization streamlining. In streamlining the organization, KIE had re-organized structures and management systems, established risk management department, decentralized operations by establishing regional offices, achieved ISO 9001:2008 certification, increased branch outlets across the country from 26 to 38 and benchmarked with other African development finance institutions through Association of African Development Finance Institutions (AADFI) prudential guidelines. Moreover KIE had established a performance based staff appraisal system (KIE, 2013).

1.8.4. Adoption of Modern ICT Systems

The second objective of the study was to establish the effect of adoption of modern ICT systems on the performance of KIE. The study sought to fulfil this objective by listing statements on how KIE has been able to adopt new technology to assist in its operations and processes. Respondents were requested to rate their agreement to the statement on a five point scale (1- Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree and 5 – Strongly agree). Mean scores were used to analyse the responses and results are as presented in Table 4. The mean scores were interpreted as follows; < 1.5 = Strongly Disagree; 1.5 to < 2.5 = Disagree; 2.5 to < 3.5 = Neutral; 3.5 to < 4.5 = Agree; 4.5 and above = Strongly agree).

The results from Table 4 indicate that there was agreement to the statement that KIE has procured new technology which has enabled it to be more innovative with overall mean score of 4.21. Majority of respondents agreed that the cost that KIE has incurred in automating its processes is justified with a mean score of 4.05. a big percentage of respondents were of the opinion of agreement to the statement that KIE has procured current technology which has enabled it be responsive to the needs of its beneficiaries, stakeholders and employees with overall mean score of (4.39) indicating that majority of the respondents were of the opinion regarding the question asked. The study finding established that the technology that has been adopted by KIE has enabled employees to improve their productivity with a mean score of 4.15. These results indicate that KIE had justifiably procured ICT systems which had enabled it to serve its stakeholders effectively. The systems had been beneficial in that they had resulted to improved employee productivity.

Statement	Mean score
KIE has procured new technology which have enabled it to be more innovative	4.21
The cost that KIE has incurred in automating its processes is justified	4.05
KIE has procured current technology which has enabled it be responsive to the needs of its beneficiaries, stakeholders and employees	4.39
Technology that has been adopted by KIE has enabled employees to improve their productivity	4.15
The benefits derived from the adopted technology surpasses the costs that were incurred in procuring the technology	3.34

Table 4: Adoption of modern ICT systems

Source: Researcher (2015)

However, majority of respondents were neutral on the statement that the benefits derived from the adopted technology surpass the costs that were incurred in procuring the technology with a mean score of (3.34). These results sought out that KIE had procured ICT systems to be an enabler to their turnaround strategy. Among the benefits from this includes improvements in employee productivity and enabling the company to be responsive to its clients' needs. These findings agree with results by Ochieno (2013) which established that application of ICT for customer, supplier and stakeholder engagement had varied benefits for the company. These included improved communication, and satisfaction among clients and suppliers.

Analysis of strategic plans and financial statements of KIE supported the study findings in regard to adoption of ICT facilities. KIE had revamped the company ICT systems, acquired and installed a modern core banking system (Banker's Realm), strengthened staff ICT skills via training and developed an interactive website to accommodate the needs of MSMEs. Moreover, KIE had interconnected almost all the branches on LAN & WAN and established an Enterprise Resource Planning System for human resource management. These improvements were noted to have improved communication, service delivery and efficiency in operations between the company, and its stakeholders. However costs of using modern core banking systems may be high for DFIs with low daily or monthly payment transactions (KIE, 2015a).

1.9. Conclusion

The study makes the following conclusions. First, the turnaround strategy at KIE had entailed organizational streamlining and adoption of modern ICT systems. The study established that organizational streamlining conducted at KIE had enabled the organization to improve on its performance in 2012 but the organization reverted to loss making thereafter. KIE had organized its operations around what matters for MSMEs. However, streamlining had enabled KIE to focus on building sheds, financing and capacity building which were its key operational areas but due to limited financing, the organization struggled to serve MSMEs.

Secondly, the adoption of modern ICT systems at KIE had led to its improvement in performance. KIE through its strategies and plans had emphasized the strategic importance which it attached to the use and role of ICTs for tangible improvements in all spheres of its activities and operations. It had also engaged in focused approach towards driving technology adoption even in the MSMEs that it supports. ICT adoption had enabled it to be efficient and better able to provide services and coordinate with its stakeholders.

The study faced the following limitations. First, KIE being a public institution, accessing information required for this research was a challenge. The respondents tended to withhold information for fear that it may be misused or used for other purposes apart from academic research purpose. To overcome this challenge, the researcher carried along an introduction letter and research permit which was used to approach the management to assist in data collection.

Second, limiting oneself to a case study at KIE does not allow for the generalization ability of the findings. The findings are only limited to organizations similar to KIE. However, to allow for generalization of findings to other SOEs, data collection tool was checked for validity and reliability through a pilot test to ensure that it collected accurate and reliable data.

Lastly, the study relied on the recall capacity of the respondents and their ability to provide objective responses in the questionnaire. This limitation indicates that the study could be affected by biased reporting and poor recall capacity of the respondents. However, the respondents were notified of the importance of their objective responses in the study.

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