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Strategic Planning Practices and the Performance of Commercial State Corporations in Kenya

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ABSTRACT

Purpose: The general objective of the study was to assess the influence of strategic planning practices on the performance of commercial state corporations in Kenya. Specifically, the study sought to examine the influence of environmental analysis on the performance of commercial state corporations in Kenya and to determine the influence of Monitoring & Evaluation on the performance of commercial state corporations in Kenya. This study was guided by Contingency Theory and Goal-Setting Theory.

Methodology: In this study, a descriptive research design was adopted. The target population comprised of 46 Commercial state corporations (SCAC, 2023). The study targeted a total of 368 respondents comprising of 46 top managers, 138 middle level managers and 184 lower-level managers. The study's sample size of 188 was reached at using Krejcie and Morgan sample size determination formula. The study collected primary data through use of questionnaires. Data analysis was done through use of descriptive and inferential statistics. Descriptive statistics comprised of percentages, frequencies, mean and standard deviation. Inferential statistics comprised of correlation analysis and regression analysis.

Findings: The study found that environmental analysis has a positive and significant effect on performance of commercial state corporations in Kenya. The study also found that monitoring & evaluation has a positive and significant effect on performance of commercial state corporations in Kenya.

Unique Contribution to Theory, Practice and Policy: Based on the findings, the study recommends that management of commercial state corporations in Kenya should institutionalize continuous and systematic environmental analysis by regularly assessing political, economic, technological, legal, and competitive factors affecting their operations. The study also recommends that the management of commercial state corporations in Kenya should strengthen their monitoring and evaluation systems by establishing clear performance indicators, regular reporting mechanisms, and feedback loops that inform decision-making.

Key Words: *Strategic Planning Practices, Environmental Analysis, Monitoring & Evaluation, Commercial State Corporations*

Background of the Study

Commercial state corporations are government-owned enterprises that operate in a commercial or business-oriented manner with the goal of generating revenue, enhancing efficiency, and contributing to national economic growth (Khan & Malik, 2023). Unlike purely administrative public institutions, these corporations are engaged in activities such as finance, transport, energy, manufacturing, and communication, and are expected to provide goods and services at competitive prices while maintaining financial sustainability (Noor & Sulaiman, 2022). They serve a dual purpose of pursuing commercial objectives, such as profitability and market competitiveness, while at the same time fulfilling public interest goals that support broader social and economic development (Setiawan & Rachmawati, 2021).

Commercial state corporations play a vital role in driving economic development by providing essential goods and services that are critical to national growth. They often operate in strategic sectors such as energy, transport, finance, and manufacturing, where their presence ensures stability, accessibility, and affordability (Nakajima & Tanaka, 2024). By offering services that may not attract sufficient private sector investment due to high risks or low immediate returns, these corporations bridge important market gaps, thereby supporting industrialization, infrastructure development, and overall economic competitiveness (Zhang & Liu, 2023). Another key significance of commercial state corporations is their contribution to government revenue and employment creation (Monye & Ibegbulem, 2021). Through their profit-generating activities, they remit dividends, taxes, and other returns to the government, which helps finance public expenditure and reduce fiscal deficits. Additionally, they provide direct and indirect employment opportunities, thus contributing to poverty reduction and improved standards of living (Tukundane & Yang, 2024).

Commercial state corporations also play a crucial role in promoting social welfare and public interest. While their operations are guided by commercial objectives, they are often mandated to balance profitability with broader national priorities, such as rural electrification, affordable transport, or inclusive financial services (Nyetweka & Dushimimana, 2024). This dual role ensures that essential services reach underserved populations, fostering social equity and cohesion. Furthermore, these corporations act as instruments for strategic national control in critical industries. By maintaining ownership and oversight in key sectors, governments safeguard national security, protect citizens from exploitation, and ensure resilience against external shocks. In doing so, commercial state corporations not only stimulate economic growth but also reinforce national sovereignty and long-term stability (Asamo, 2024).

Strategic Planning Practices refer to the systematic processes and methodologies that organizations use to define their direction, set priorities, allocate resources, and guide decision-making to achieve long-term objectives (Mohammed, Gichunge & Were, 2023). These practices encompass environmental analysis, goal setting, strategy formulation, implementation, and monitoring, ensuring that every action aligns with the organization's vision and mission (Aras & K'Obonyo, 2022). By integrating data-driven insights, stakeholder input, and continuous evaluation, strategic planning practices enable organizations to anticipate challenges, capitalize on opportunities, and maintain a competitive advantage (Omwenga, 2022).

Environmental analysis complements strategic direction by systematically examining internal strengths and weaknesses alongside external opportunities and threats (Rintari & Moronge, 2024). This analysis equips organizations with insights into market trends, competitive pressures, regulatory changes, and socio-economic factors, enabling informed decisions that enhance resilience and capitalize on favorable conditions (Khan & Malik, 2023). Monitoring and evaluation (M&E) then provides a mechanism for tracking progress, assessing outcomes, and ensuring accountability (Setiawan & Rachmawati, 2021). Through outcome tracking, progress reviews, and corrective actions, M&E enables organizations to identify gaps, make timely adjustments, and continuously improve performance (Nakajima & Tanaka, 2024). This study seeks to assess the influence of strategic planning practices on the performance of commercial state corporations in Kenya.

Commercial State Corporations in Kenya are government-owned enterprises established to operate in a commercial manner while serving both economic and social objectives (Mohammed, Gichunge & Were, 2023). They are set up under various Acts of Parliament or legal instruments and are mandated to engage in business activities that generate revenue for the state while providing essential goods and services to the public (Aras & K'Obonyo, 2022). Unlike purely regulatory or service-based state agencies, commercial state corporations combine elements of public service delivery with profit-making goals, making them an important bridge between government policy and market-driven operations (Omwenga, 2022).

These corporations play a vital role in Kenya's economic development by stimulating industrial growth, creating jobs, and contributing to national revenue through taxes and dividends to the government (Kathama, 2022). They operate in diverse sectors such as energy, transport, finance, agriculture, and manufacturing. For example, corporations in the energy sector help provide electricity, while those in transport manage critical infrastructure such as railways and ports. By ensuring the availability of essential services and products, they promote economic stability and foster investor confidence in the Kenyan market (Rintari & Moronge, 2024).

In addition to their economic role, commercial state corporations are also tasked with fulfilling social and developmental objectives. They provide services that may not be immediately profitable but are crucial for national growth and social equity (Mohammed, Gichunge & Were, 2023). For instance, some corporations ensure affordable access to services such as electricity, water, or transport in rural and underserved areas. This dual mandate often creates a delicate balance between pursuing profitability and delivering on the government's social obligations (Aras & K'Obonyo, 2022). However, commercial state corporations in Kenya face several challenges, including mismanagement, corruption, inefficiencies, and political interference. These issues sometimes limit their ability to operate competitively and achieve their full potential. The government has often initiated reforms, such as privatization or restructuring, to improve efficiency, enhance accountability, and reduce the financial burden on taxpayers (Omwenga, 2022).

Statement of the Problem

Commercial state corporations play a vital role in Kenya's economic and social development by providing essential goods and services, creating employment opportunities, and contributing significantly to government revenue (Kathama, 2022). These institutions operate in diverse sectors such as energy, transport, agriculture, manufacturing, and finance, thereby supporting both public welfare and private sector growth (Rintari & Moronge, 2024). Their mandate often extends beyond profit-making to include addressing market failures, ensuring equitable access to critical services, and driving national development priorities. By stabilizing markets and safeguarding public interests, commercial state corporations strengthen the country's economic resilience and competitiveness (Mohammed, Gichunge & Were, 2023).

Commercial state corporations in Kenya face significant challenges which directly impact their performance. According to the Kenya National Bureau of Statistics (KNBS) 2023 Economic Survey, over 40% of commercial state corporations reported operating deficits, with personnel costs consuming an average of 57% of total operational budgets. For example, Kenya Power's 2022 annual report revealed that employee expenses rose to KSh 19.3 billion, representing a 10% increase from the previous year, despite stagnant revenue growth (Omwenga, 2022). Additionally, the Auditor General's Report (2023) flagged over KSh 18 billion in procurement anomalies across multiple state corporations, including inflated prices and non-competitive bidding. These high overheads and mismanagement issues significantly hinder cost-cutting efforts, leading to inefficiencies that reduce profitability and long-term sustainability (Rintari & Moronge, 2024).

A 2022 KIPPRA survey found that 68% of customers preferred private companies over state corporations in key sectors such as telecommunications, energy, and transport. For example, Kenya Airways' market share in regional air travel dropped from 36% in 2019 to 24% in 2023, largely due to delays, high ticket prices, and poor customer service compared to budget carriers (Mohammed, Gichunge & Were, 2023). Additionally, the Public Service Commission (PSC) reported in 2023 that only 29% of public corporation customers were "satisfied" with the services received, citing long waiting times, unresponsiveness, and lack of digital platforms as key concerns. This decline in customer trust and loyalty highlights a critical need for strategic planning to enhance competitiveness, improve customer experiences, and reclaim lost market position (Rintari & Moronge, 2024).

Strategic planning practices greatly influence the performance of organizations by providing a structured framework for decision-making, resource allocation, and long-term sustainability. Effective strategic planning enhances efficiency, improves service delivery, and ensures alignment with national development goals (Aras & K'Obonyo, 2022). Various studies have been conducted in different parts of the world on strategic planning practices and organization performance. For instance, Mohammed, Gichunge and Were (2023) assessed the relationship between strategic planning practices and performance of tour firms in the tourism sector. Aras and K'Obonyo (2022) conducted a study on the relationship between strategic planning practices and firm performance and Omwenga (2022) researched on influence of strategic planning practices on expenditure overruns in road construction projects. However, none of these studies focused on environmental analysis and monitoring & evaluation on the performance of commercial state corporations in Kenya. To fill the highlighted gaps, the current study sought to assess the influence of strategic planning practices (environmental analysis and monitoring & evaluation) on the performance of commercial state corporations in Kenya.

Objectives of the Study

General Objective

The general objective of the study was to assess the influence of strategic planning practices on the performance of commercial state corporations in Kenya

Specific Objectives

i. To examine the influence of environmental analysis on the performance of commercial state corporations in Kenya
ii. To determine the influence of monitoring & evaluation on the performance of commercial state corporations in Kenya

Theoretical Review

Contingency Theory

Contingency Theory, developed by Fred E. Fiedler (1964) often associated with leadership and organizational management, proposes that there is no one-size-fits-all approach to leadership or management practices (Yu *et al*, 2020). Instead, the effectiveness of leadership styles, organizational structures, and management strategies depends on the specific context in which they are applied. This theory suggests that different situations require different kinds of leadership and management approaches for optimal performance (Vuuren, 2020). At its core, Contingency Theory asserts that various factors in the external environment and within the organization itself interact to determine the most effective leadership style or management practice (Okwemba & Njuguna, 2021). These factors can include the organization's size, its industry or sector, the complexity of its tasks, its culture, the skills and personalities of its employees, and the external environment such as market conditions or regulatory requirements (Mang'ana, 2020).

One of the key principles of Contingency Theory is the idea of fit or match between the leader's or manager's style and the situational demands. For example, in a highly uncertain and rapidly changing environment, a more flexible and adaptive leadership style may be more effective than a rigid, authoritarian approach (Yu *et al*, 2020). Similarly, in organizations with complex tasks that require specialized knowledge and expertise, leaders who can facilitate collaboration and empower their teams may be more successful than those who rely solely on hierarchical authority (Vuuren, 2020). Contingency Theory also emphasizes the importance of understanding the unique characteristics of each situation and tailoring leadership and management practices accordingly. This flexibility allows leaders and managers to adjust their strategies based on the specific challenges and opportunities they face, thereby enhancing organizational effectiveness and performance (Okwemba & Njuguna, 2021). Critically, Contingency Theory challenges the notion of a universally "best" or "ideal" leadership style. Instead, it encourages leaders and managers to be adaptive and responsive, continuously evaluating and adjusting their approach to align with the evolving needs of the organization and its environment. By considering the contingency factors and adapting their practices accordingly, leaders can optimize their effectiveness and contribute to the overall success of their organizations (Mang'ana, 2020). This theory was used to examine the influence of environmental analysis on the performance of commercial state corporations in Kenya.

Goal-Setting Theory

Goal-Setting Theory, developed by Edwin Locke (1968), suggests that setting specific and challenging goals can lead to higher performance and greater motivation in individuals. According to this theory, the process of establishing clear, measurable goals serves as a powerful tool to guide and focus behavior, increase effort, and foster persistence (Abdi, Majdzadeh & Ahmadnezhad, 2020). The key to effective goal-setting lies in creating goals that are both specific and difficult yet achievable. This is because specific goals provide clarity on what needs to be accomplished, while challenging goals push individuals to extend their abilities, leading to improved performance (Kibiriga & Ndabananiye, 2022). One of the central principles of Goal-Setting Theory is that individuals are more likely to perform at a higher level when they have a goal that is specific rather than vague (Mbiti & Kiruja, 2020). Additionally, goals that are difficult yet attainable tend to produce the highest level of effort and performance. While challenging goals require more effort, they also provide a sense of accomplishment when achieved, boosting motivation further (Mugo & Oleche, 2020).

The theory also highlights the importance of feedback in the goal-setting process. Feedback allows individuals to monitor their progress toward their goals, make necessary adjustments, and stay motivated (Waithera & Wanyoike, 2021). Without regular feedback, it can be difficult to

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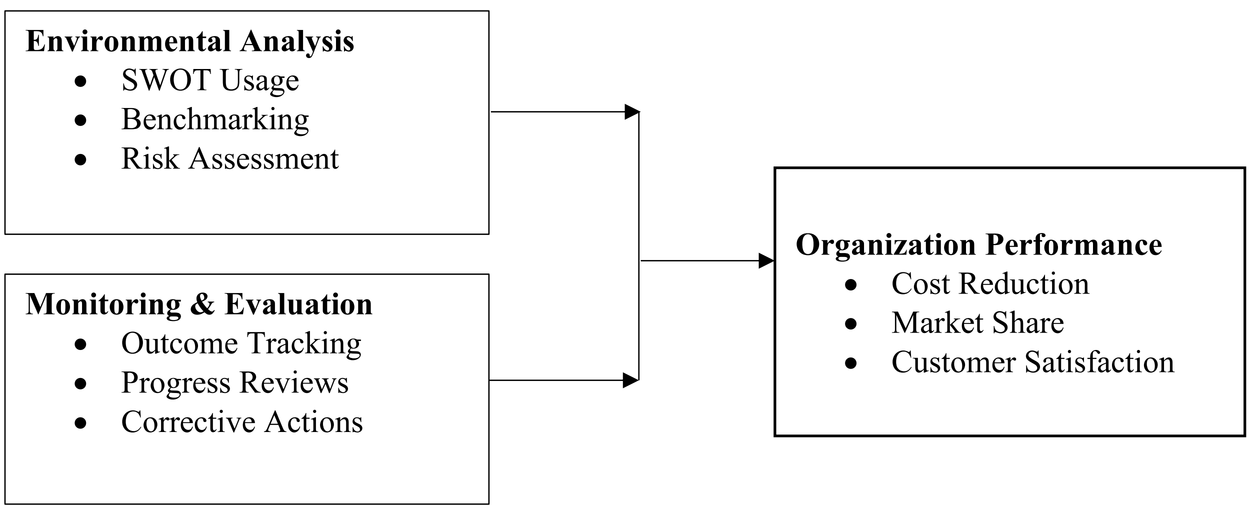
gauge progress, which might result in decreased effort or loss of focus. In this context, feedback serves as a crucial mechanism that sustains motivation and ensures that individuals stay on track toward goal completion (Abdi, Majdzadeh & Ahmadnezhad, 2020). Another significant aspect of Goal-Setting Theory is the role of commitment. For a goal to lead to high performance, individuals must be committed to achieving it. Commitment is influenced by factors like goal importance, self-efficacy, and the level of support an individual have (Kibiriga & Ndabananiye, 2022). When individuals are truly committed to a goal, they are more likely to put in the necessary effort, overcome challenges, and persist in the face of setbacks (Mbiti & Kiruja, 2020). This theory was used to determine the influence of Monitoring & Evaluation on the performance of commercial state corporations in Kenya.

Conceptual Framework

A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. When clearly articulated, a conceptual framework has potential usefulness as a tool to assist a researcher to make meaning of subsequent findings (Tromp & Kombo, 2019).



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Empirical Review

Environmental Analysis and Organization Performance

Yu *et al* (2020) conducted a study on the effect of environmental analysis and operational performance: The study used a survey data of 329 manufacturing firms in China. The results indicate that ES has a significant positive effect on operational performance. The study concluded that there is a positive and significant relationship between environmental analysis and operational performance.

Vuuren (2020) conducted a study on the effect of environmental analysis – a South African corporate communication perspective with special emphasis on the tertiary sector. Change and the management thereof has become an integral part of management. This study explores the use of environmental analysis as a strategic tool for an organization to obtain a competitive edge. A major finding was that, although most universities and technicians conduct environmental analysis and rate it as very important, there is no formalized, strategically aligned effort to integrate the findings with the strategic direction of the institution. The study concluded that although much is written about the environment and the need for environmental analysis systems, this is one of the first descriptive empirical research studies that used a sample survey

Okwemba and Njuguna (2021) conducted a study on the effect of environmental analysis on performance of Chemelil Sugar Company in Kisumu County, Kenya. The target population was 60. The study focused on the heads of departments as the key respondents. The research instruments used in the study were questionnaires. The study conducted a census because the population size was small and for accuracy. It was found that environmental analysis is positively and significantly related to performance. The results of regression analysis established that environmental analysis is positively and significantly related to performance. Based on the findings, the study concluded that majority of the respondents agreed the company is affected negatively by some of the operations carried out within its internal environment.

Mang'ana (2020) conducted a study on the influence of environmental analysis on performance of matatu savings and credit cooperatives in Kenya. A total of 635 Matatu Sacco's was selected. Sample size of 245 Matatu Sacco's was selected for the study. Quantitative data was analyzed by multiple regressions, Factor analysis, Chi-square and Anova. Qualitative data was analyzed through content analysis to generate thematic topic for discussion in line with research objective. The results of the analysis indicated that environmental analysis has a positive relationship with performance of Matatu Sacco's. In conclusion it also sought that to determine the influence of environmental analysis on performance of Matatu Savings and Credit Cooperatives in Kenya.

Monitoring & Evaluation and Organization Performance

Abdi, Majdzadeh and Ahmadnezhad (2020) conducted a study on the effect of developing a framework for the monitoring and evaluation of the Health Transformation Plan in the Islamic Republic of Iran: lessons learned. A case study and evidence-based approach was applied to develop the monitoring and evaluation framework. Results indicated that the country's health information system had many information gaps that should be filled to enable the tracking of UHC goals and measuring the success of the plan. The study concluded that applying the proposed framework would increase the comparability of the country's health indicators at the global level and specify a path to successfully achieve the objectives of the reform.

Kibiriga and Ndabananiye (2022) conducted a study on the role of monitoring and evaluation on assessing VVOB Rwanda projects paradigm in improving the school management and leadership. Quantitative methods were coupled with qualitative methods to obtain more complete picture of conventional monitoring and evaluation practices and as validity check to balance deficiencies that were found. The study shown that the most challenges found in M&E are inadequate financial resources, fear of evaluation of project implementers thinking that it is the way of judging them and sometimes causing them to have punishment like cutting the project funds. Research conclusions have shown that VVOB's monitoring and evaluation techniques are conducive to the project success.

Mbiti and Kiruja (2020) conducted a study on the role of monitoring and evaluation on performance of public organization projects in Kenya: a case of Kenya meat commission. A sample of 81 respondents of the target population was considered by use of stratified sampling method. The primary data was collected through the use of questionnaires and secondary data was obtained from published documents to supplement the primary data. According to the findings of the study, training needs are not regularly assessed at Kenya Meat Commission with regard to monitoring and evaluation; training conducted is usually not evaluated to permit revision of others and the organization does not use resources in the most economical manner to achieve project objectives. The study concluded that finally, planning on monitoring and evaluation affects performance of projects of Kenya Meat Commission

Mugo and Oleche (2020) conducted a study on the influence of project monitoring and evaluation on performance of youth funded agribusiness projects in Bahati Sub-County, Nakuru, Kenya. Data for the research was collected from survey questionnaires distributed to the personnel in the Ministry of Devolution and Planning of Kenya. The research findings outlines the factors influencing the implementation of M&E of development projects that can be used to explain the predicted probability of development projects implementing M&E activities in Kenya. Finally, the conclusions showed that the relation between political influences on probability of implementing M&E in development projects was insignificant

Waithera and Wanyoike (2021) conducted a study on the influence of project monitoring and evaluation on performance of youth funded agribusiness projects in Bahati Sub-County, Nakuru, Kenya. Data was collected through structured questionnaires and analyzed using SPSS (version 20). Frequency tables and percentages were used to present both descriptive and inferential analysis results. Findings showed that only the training of staff had a statistically significant influence on project monitoring and evaluation performance of youth funded agribusiness projects. The study concluded that youth fund managers should consider offering short, formal monitoring and evaluation training courses to all youth groups that apply for the funds.

RESEARCH METHODOLOGY

In this study, a descriptive research design was adopted. This design is appropriate because the study rely primarily on primary data collected directly from respondents. The target population comprised of 46 Commercial state corporations (SCAC, 2023). The unit of analysis was therefore the 46 commercial state corporations while the unit of observation was the management employees working in the state corporations. The study therefore targeted a total of 368 respondents comprising of 46 top managers, 138 middle level managers and 184 lower-level managers.

Sample Size and Sampling Procedure

The study's sample size was reached at using Krejcie and Morgan sample size determination formula (Russell, 2019). The formula that was used for arriving at the sample size was;

$$n = \frac{x^2 NP(1-P)}{\left(ME^2(N-1)\right) + (x^2 P(1-P))}$$

Where:

n=sample size

x^2=Chi-square for the specified confidence level at 1 degree of freedom

N=Population size (368)

P = is the proportion in the target population estimated to have characteristics being studied. As the proportion is unknown, 0.5 was used.

Chuan and Penyelidikan (2017) indicate that the use of 0.5 provides the maximum sample size and hence it is the most preferable.

ME=desired margin of Error (Expressed as a proportion)

$$n = \frac{1.96^2 368 * 0.5 * 0.5}{(0.05^2 * 368) + (1.96^2 * 0.5 * 0.5)}$$

$$n = 188$$

This research used questionnaires to collect primary data. According to Patton *et. al* (2019), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. The researcher obtained research permit from relevant authorities required for data collection. Structured and open questions were used to collect primary data from the field. The questionnaires were pilot tested using 19 respondents to ascertain the extent to which the instrument is correct and to eliminate ambiguous questions, and improve on validity and reliability

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This study gathered both quantitative and qualitative data. Qualitative data analyzed by use of content analysis. Quantitative data was coded then analyzed using Statistical Package for Social Sciences (SPSS) computer software version 28. Descriptive statistics was used to analyze the data in frequency distributions and percentages which was presented in tables and figures.

The multiple regression model was as follows:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \varepsilon$

Where;

Y = dependent variable (the performance of commercial state corporations in Kenya)

X_1 = environmental analysis

X_2 = monitoring & evaluation

β_0 = the constant term

β_{1-2} = the Beta coefficient

ε = the error term

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive Statistics

Environmental Analysis and Organization Performance

Table 3: Environmental Analysis and Organization Performance

	Mean	Std. Deviation
The corporation regularly conducts SWOT analysis to evaluate internal strengths and weaknesses.	3.894	0.668
Management decisions are informed by insights gained from SWOT analysis.	3.878	0.716
Benchmarking activities help the organization remain competitive in the market.	3.854	0.547
Management actively uses benchmarking results to set performance standards.	3.833	0.808
The corporation consistently identifies potential risks that may affect its operations.	3.815	0.818
Risk assessment outcomes are integrated into strategic planning processes.	3.784	0.669
Aggregate	**3.843**	**0.704**

From the results, the respondents agreed that the corporation regularly conducts SWOT analysis to evaluate internal strengths and weaknesses (M=3.894, SD= 0.668). In addition, the

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respondents agreed that management decisions are informed by insights gained from SWOT analysis (M=3.878, SD= 0.716). Further, the respondents agreed that benchmarking activities help the organization remain competitive in the market (M=3.854, SD= 0.547).

From the results, the respondents agreed that management actively uses benchmarking results to set performance standards (M=3.833, SD= 0.808). In addition, the respondents agreed that the corporation consistently identifies potential risks that may affect its operations (M=3.815, SD= 0.818). Further, the respondents agreed that risk assessment outcomes are integrated into strategic planning processes (M=3.784, SD= 0.669).

Monitoring & Evaluation and Organization Performance

The second specific objective of the study was to determine the influence of monitoring & evaluation on the performance of commercial state corporations in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to monitoring & evaluation on performance of commercial state corporations in Kenya. The results were as presented in Table 4.

Table 4: Monitoring & Evaluation and Organization Performance

	Mean	**Std. Deviation**
Performance indicators are regularly monitored to measure progress toward strategic objectives.	3.871	0.881
Outcome tracking provides useful insights for improving organizational performance.	3.850	0.903
Regular progress reviews are conducted to assess the implementation of strategic plans.	3.836	0.566
Progress reviews help identify gaps between planned and actual performance.	3.811	0.636
Corrective measures are based on evidence from monitoring and evaluation reports.	3.773	0.785
Lessons learned from corrective actions are integrated into future planning and decision-making.	3.750	0.702
Aggregate	**3.815**	**0.746**

From the results, the respondents agreed that performance indicators are regularly monitored to measure progress toward strategic objectives (M=3.871, SD= 0.881). In addition, the respondents agreed that outcome tracking provides useful insights for improving organizational performance (M=3.850, SD= 0.903). Further, the respondents agreed that regular progress reviews are conducted to assess the implementation of strategic plans (M=3.836, SD= 0.566).

From the results, the respondents agreed that progress reviews help identify gaps between planned and actual performance (M=3.811, SD= 0.636). In addition, the respondents agreed that corrective measures are based on evidence from monitoring and evaluation reports (M=3.773, SD= 0.785). Further, the respondents agreed that lessons learned from corrective actions are integrated into future planning and decision-making (M=3.750, SD= 0.702).

Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (performance of commercial state corporations in Kenya) and independent variables (environmental analysis and monitoring & evaluation).

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (environmental analysis and monitoring & evaluation) and the dependent variable (performance of commercial state corporations in Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

From the results, there is a very strong relationship between environmental analysis and performance of commercial state corporations in Kenya (r = 0.884, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings conform to the findings of Vuuren (2020) that there is a very strong relationship between environmental analysis and organization performance.

The results also revealed that there was a very strong relationship between monitoring & evaluation and performance of commercial state corporations in Kenya (r = 0.861, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in line with the results of Kibiriga and Ndabananiye (2022) who revealed that there is a very strong relationship between monitoring & evaluation and organization performance.

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Table 5: Correlation Coefficients

		Organization Performance	Environmental Analysis	Monitoring & Evaluation
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	167		
Environmental Analysis	Pearson Correlation	.884**	1	
	Sig. (2-tailed)	.000		
	N	167	167	
Monitoring & Evaluation	Pearson Correlation	.861**	.111	1
	Sig. (2-tailed)	.001	.077	
	N	167	167	167

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

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (environmental analysis and monitoring & evaluation) and the dependent variable (performance of commercial state corporations in Kenya)

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.673. This implied that 67.3% of the variation in the dependent variable (performance of commercial state corporations in Kenya) could be explained by independent variables (environmental analysis and monitoring & evaluation).

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821	.673	.672	.10428

a. Predictors: (Constant), environmental analysis and monitoring & evaluation

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 168.716 while the F critical was 3.051. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of environmental analysis and monitoring & evaluation on performance of commercial state corporations in Kenya.

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Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.241	2	51.121	168.716	.000[b]
	Residual	49.610	164	.303		
	Total	151.851	166			

a. Dependent Variable: performance of commercial state corporations in Kenya
b. Predictors: (Constant), environmental analysis and monitoring & evaluation

According to the results, environmental analysis has significant effect on performance of commercial state corporations in Kenya, $\beta1=0.379$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings conform to the findings of Vuuren (2020) that there is a very strong relationship between environmental analysis and organization performance.

In addition, the results revealed that monitoring & evaluation has significant effect on performance of commercial state corporations in Kenya, $\beta1=0.356$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the results of Kibiriga and Ndabananiye (2022) who revealed that there is a very strong relationship between monitoring & evaluation and organization performance.

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.241	0.063		3.825	0.000
	environmental analysis	0.379	0.098	0.378	3.867	0.000
	monitoring & evaluation	0.356	0.092	0.355	3.870	0.001

a Dependent Variable: performance of commercial state corporations in Kenya

The regression model was as follows:

$$\mathbf{Y = 0.241 + 0.379X_1 + 0.356X_2 + \varepsilon}$$

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concludes that environmental analysis has a positive and significant effect on performance of commercial state corporations in Kenya. Findings revealed that SWOT usage, benchmarking and risk assessment influence performance of commercial state corporations in Kenya. The study also concludes that monitoring & evaluation has a positive and significant effect on performance of commercial state corporations in Kenya. Findings revealed that outcome tracking, progress reviews and corrective actions influence performance of commercial state corporations in Kenya.

Recommendations

The study recommends that the management of commercial state corporations in Kenya should institutionalize continuous and systematic environmental analysis by regularly assessing political, economic, technological, legal, and competitive factors affecting their operations. The study also recommends that the management of commercial state corporations in Kenya should strengthen their monitoring and evaluation systems by establishing clear performance indicators, regular reporting mechanisms, and feedback loops that inform decision-making.

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