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**Influence of Innovative Strategic Practices and Citizen Centric Strategies on  
Performance of Commercial Parastatals in Kenya**


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### Influence of Innovative Strategic Practices and Citizen Centric Strategies on Performance of Commercial Parastatals in Kenya

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#### Abstract

**Purpose:** The main purpose of the study was to assess the influence of innovation strategic practices and the influence of citizen centric strategies on the performance of commercial parastatals in Kenya. The study is anchored on resource-based theory, market-based view and transformation leadership theory.

**Methodology:** This study adopted mixed designs and descriptive and correlational designs. The population under this study was the 21 commercial parastatals in Kenya that have headquarters in Nairobi. The study adopted a stratified sampling approach. A pilot study was carried out to pre-test the validity and reliability of data collected using the questionnaire that was administered to respondents. Quantitative data was analyzed using Statistical Package for Social Sciences (SPSS). Descriptive statistics was used to ensure meaningful description of distribution of scores and measurements using indices.

**Findings:** The results revealed that all two variables had a positive and statistically significant effect on organizational performance ( $p < 0.05$ ). Innovative strategies had the strongest influence, followed by citizen-centric strategies. The findings indicate that enhancing innovation, prioritizing citizen needs, significantly improve the performance of commercial parastatals.

**Unique Contribution to Theory, Practice and Policy:** The study concludes that the performance of commercial parastatals is significantly influenced by innovative strategies, citizen-centric approaches. To enhance performance, organizations should prioritize the adoption of innovative practices, actively engage citizens in service delivery, strengthen policy implementation, and foster visionary leadership that inspires and empowers employees.

**Keywords:** *Citizen Centric, Innovation, Performance, Commercial Parastatals*

**JEL Classification Codes:** *M10, M12, M15, O33*

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## INTRODUCTION

In today's competitive global environment, delivering quality service is considered an essential strategy for success and administrative change possible, it has become clear that it would be beneficial to implement an effective system of measurement and management of performance (Quesado et al., 2022). The key reform in parastatals has been the introduction of strategic management practices, but only a few countries have successfully implemented the same and got positive results (Gitonga, 2019). Today, parastatals are faced with intense pressure to deliver quality services and improve efficiencies (Munala, 2023). Customer needs and expectations are changing regarding government services and their quality requirements. Like many other there is a growing concern about the levels of poor service delivery rendered to the population, even though the (Presidential Taskforce on Parastatal Reforms) PTPRS advocates for improved quality of service to be provided at all parastatals in Kenya (PTPRS, 2018).

Most parastatals have adopted cutting-edge strategic management practices and made changes to their corporate culture, leadership, and ethics since Kenya's 2010 constitution and widespread adoption of strategic planning. According to a 2017 report from the Republic of Kenya (RoK), these steps are meant to promote ethical practices and encourage corporate citizenship behavior. Strategic planning, performance contracting, performance appraisal, and performance-based compensation are just some of the modern strategic management techniques mandated for implementation to enhance service delivery (Mwangi & Njuguna, 2019).

The development of commercial parastatals in Kenya can be traced back to the post-independence period in the 1960s, when the government adopted a mixed-economy model to accelerate economic development and reduce foreign dominance in key sectors. Institutions such as Kenya Railways, Kenya Power, Kenya Airways, and Kenya Meat Commission were established to provide essential services and stimulate industrial growth. During this early period, performance was largely driven by government protection, public funding, and administrative control rather than formal strategic management systems. However, inefficiencies soon emerged due to weak accountability structures, political interference, and limited managerial autonomy, leading to poor service delivery and financial underperformance.

Strategic management drivers in Kenyan commercial parastatals have evolved to include innovation, digital transformation, corporate governance, stakeholder engagement, and organizational capability development. Institutions such as Kenya Revenue Authority and Kenya Ports Authority have demonstrated improved performance through adoption of technology-driven systems and strengthened governance frameworks. Empirical studies in Kenya show that strategic planning, leadership effectiveness, resource capability, and organizational culture are the most influential determinants of performance in state corporations. Despite these improvements, gaps remain in implementation consistency and alignment between strategic plans and operational execution, highlighting the continued importance of strengthening strategic management systems in Kenyan parastatals.

## **Problem Statement**

Kenya's commercial parastatals have experienced a sustained decline in profitability over the period 2015 to 2023, as measured by return on assets (Public Service Commission, 2023). In response to this weakening financial position, many of these institutions have increasingly relied on a mix of debt financing, internally generated funds, and equity injections to sustain operations. However, despite continued access to these financing sources, overall performance has remained suboptimal. This is further reflected in broader performance assessments, where only 50.8% of state commercial parastatals met their annual performance targets, while 49.2% failed to achieve them (National Treasury, 2022). At a comparative level, the underperformance of Kenyan commercial state corporations is more pronounced when contrasted with regional benchmarks. While commercial state corporations in Sub-Saharan Africa generate revenues averaging about 14% of GDP, Kenya's equivalent contribution stands at approximately 3.5% (World Bank, 2018). This gap highlights structural inefficiencies and declining productivity within the sector. The situation is further evidenced by a sharp decline in net profits, which fell by half in the 2018/19 financial year, indicating financial stress that both predated and was exacerbated by the COVID-19 pandemic. Despite numerous reforms and capital injections, this persistent performance deficit suggests that the problem is not solely financial but also strategic and managerial in nature. In particular, inconsistencies in existing empirical findings have created both conceptual and contextual gaps in understanding the most influential drivers of performance in these organizations. Furthermore, limited evidence exists on how key strategic management factors interact to influence both financial and non-financial outcomes such as efficiency, service delivery, stakeholder satisfaction, and long-term sustainability in Kenyan commercial parastatals.

## **Research Objectives**

- i. To determine the influence of innovative strategic practices on performance of commercial parastatals in Kenya.
- ii. To determine the influence of citizen centric strategies on performance of commercial parastatals in Kenya.

## **Research Hypothesis**

H0<sub>1</sub>: There is no significant influence of innovative strategic practices on performance of commercial parastatals in Kenya

H0<sub>2</sub>: There is no significant influence of citizen strategies on performance of commercial parastatals in Kenya

## **Theoretical Framework**

### **Resource Based Theory**

The present investigation was grounded in the theoretical framework of resource-based theory. Penrose (1959) first proposed the idea of resource-based theory, and Barney (1989, 1991, and 2003) has since developed it further to provide a thorough understanding of how organizations can strategically position themselves in the market by efficiently utilizing their

available resources. This theory posits a presumption of heterogeneity among firms operating within an industry or strategic group regarding the resources they possess. Additionally, it declares that resource heterogeneity may endure due to the limited mobility of resources utilized in firms' strategic implementations. Specifically, certain resources cannot be exchanged in factor markets and are challenging to accumulate and replicate.

According to resource-based theory, contemporary organizations depend on their workforce as the primary provider of competitive resources. The theory emphasizes the notion that the unique skills possessed by employees have the potential to augment a firm's competitive advantage. Hence, allocating resources to employees via strategic planning is pivotal to providing services. This theory can be applied to commercial parastatals that aim to maintain competitiveness in the context of growing globalization and quality control systems. These companies can sustain their competitiveness by prioritizing investment in distinctive assets like intellectual capital. This study examines the impact of strategic management drivers on the performance of parastatals in Kenya, utilizing resource-based theory as the theoretical framework.

### **Market Based View**

Mason and Bain initially proposed the market-based view (MBV) theory 1950. The researchers provided evidence of a relationship between an industry's structure and a company's performance within the framework of the Structure-Conduct-Performance Paradigm. The Market-Based View (MBV) underscores the importance of market conditions in shaping a business's strategic decisions. This proposition posits that external environmental factors influence the accomplishments of a company. The formulation of this hypothesis was grounded in the theoretical framework of the five forces, which posits that external forces exert a substantial influence on businesses. Hence, companies must adopt and execute efficient strategies to endure and sustain competitiveness.

The Market-Based View Theory is relevant to the study because organizational policy is key in addressing customer needs. Parastatals policies should be flexible to adapt to changing customer needs and preferences to remain competitive. The theory emphasizes the importance of capturing value from the market to generate profits and sustain growth, as it suggests that organizations must be able to capture value from the market in order to achieve sustainable competitive advantage.

### **Empirical Review**

#### **Influence of Innovative Strategies and Performance of Commercial Parastatals in Kenya**

A study done in Zimbabwe (Lawal et. al., 2017) to investigate the relationship between performance and the level of innovation among non-governmental organizations revealed that adoption of strategic innovations techniques improved performance and relative standing of organization, and that adoption of sound strategic innovation tools in terms of organizational structure, resource allocation, corporate culture, leadership, managing conflict and resistance to change leads to high organization performance.

Another study by Kamal, Kumar, and Sharma (2021) investigated the impact of discontinuous innovation on firm performance, with a focus on the role of market turbulence and absorptive capacity. The authors found that firms operating in more turbulent markets and with higher levels of absorptive capacity were more likely to adopt and implement discontinuous innovation, leading to improved performance. A study conducted to examine the relationship between the level of strategic innovation and financial performance of commercial banks in Kenya by Kariuki (2016) used an exploratory research design on a sample of 693 to gather data. Findings revealed that commercial banks have continuously employed various technological innovations which have led to increased financial performance through bank sales, return on equity and profits.

Rajapathirana and Hui (2018) pointed out that production process innovation focuses on cost reduction, manufacturing process improvement to enhance efficiency and effectiveness, and fast production of goods and services using the latest production methods. These factors are critical for an organization as they help gain and sustain a competitive advantage, which ultimately translates into improved organizational performance in the manufacturing processes of an organization.

Mardia and Namusonge (2016) did a study on influence of information technology practices in procurement on organization performance in public institutions in Kenya. The study focused on Jomo Kenyatta University of Agriculture and Technology. In their study, Mardia and Namusonge (2016) found that information technology positively influenced procurement efficiency through enhancement of continuous quality improvement as well as enhancing transparency and service delivery. Mardia and Namusonge (2016) recommended that the institution should embrace use of IT in strategic management to promote performance and growth.

Kihara, Bwisa, and Kihoro (2016) also found that technology played a central role in the implementation of strategies and performance of small and medium manufacturing firms in Thika Town, Kenya. The Pearson correlation method was used to test the relationship between technology use, strategy implementation, and organizational performance. Results showed that firms that paid greater attention to technological issues during the strategy implementation process had greater performance than those who paid less attention to technological issues. The results showed that technology deployment is a vital capability that all manufacturing organizations need to execute their strategies and improve their performance.

### **Influence of Citizen Centric Strategies on Performance of Commercial Parastatals in Kenya**

Ngundi and Sikalieh (2022) examined the influence of the logical-incremental strategy implementation style on the performance of commercial state corporations in Kenya. Using a descriptive research design and data collected from 327 middle-level managers, the study established that customer-oriented practices such as goal clarity, employee commitment, and continuous improvement positively and significantly influenced both financial performance and customer satisfaction. The findings suggest that citizen-centric approaches enhance organizational effectiveness and service quality among commercial state corporations.

Ndegwa, Ogutu, Awino, and Kitiabi (2021) investigated the influence of strategy implementation on the performance of Kenya-owned state corporations. Using data from 249 state corporations, the study found that effective implementation of strategies that promote stakeholder awareness, organizational responsiveness, and customer-focused service delivery significantly improved organizational performance. The study concluded that aligning organizational structures and culture with stakeholder expectations enhances the performance of state corporations.

Mwendwa and Ochiri (2019) assessed the influence of contract management practices on the performance of state corporations in Kenya. The study established that stakeholder management, monitoring and evaluation, and conflict management had a positive and significant effect on organizational performance. Since stakeholder management is a key component of citizen-centric governance, the findings indicate that organizations that actively engage citizens and customers achieve better performance outcomes. While these studies establish a link between technology and performance, they often fail to account for the unique regulatory pressures of Kenyan commercial parastatals.

### Conceptual Framework

Figure 1 shows the independent variables innovative strategic practices and customer centric strategies and the dependent variable performance.

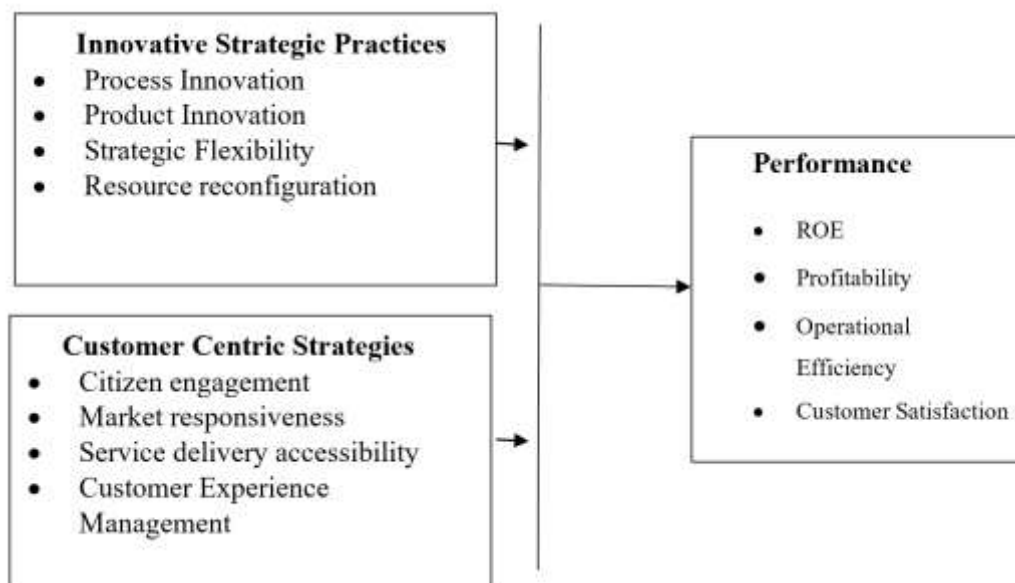


Figure 1: Conceptual Framework

Source: Researcher (2026)

### METHODOLOGY

The study applied mixed research design, which are descriptive and correlational design. Vianney, Iravo and Namusonge (2020) observed that a mixed method is best suited for gathering descriptive and correlational information when the researcher wants to describe the

state of affairs as they exist and establish the relationship of the variables. The descriptive aims to gather quantitative and qualitative data that describes the nature and characteristics of the strategic management drivers influencing performance of parastatals in Kenya. Descriptive design allows the researcher to gather information, summarize, present and interpret it for purpose of clarification, (Karama, Iravo, & Shale, 2019). The study focused on the 21 commercial parastatals which have headquarters in Nairobi. The study focused on the heads of departments and head of divisions of the commercial parastatals. The unit of analysis for this study was commercial parastatals in Kenya, as they are the primary entities responsible for service delivery to citizens. The units of observation comprised Heads of Departments and Heads of Divisions within the selected parastatals, who provided organizational-level information on strategic management drivers and performance.

The sample size determination as per Cochran (1963) is given as:

$$n = \frac{z^2 pq}{0.05 \times 0.05}$$

Where: n = the desired sample size (if target population is large)

z = the standard normal deviate at the required confidence level.

P = the proportion in the target population estimated to have characteristic being measured. q = 1-p d = the level of statistical significance set.

Assuming 50% of the population have the characteristics being measured, q=1-0.5 Assuming we desire accuracy at 0.05 level. The Z-statistic is 1.96 at this level. Then n is calculated as

$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05 \times 0.05} = 38$$

Since the population is less than 10000 the sample size is adjusted by following the formula Cochran (1977).

$$\frac{n}{1 + \frac{n-1}{N}} = \frac{384}{1 + \frac{384-1}{1314}} = 297$$

The 297 number of respondents were distributed to the identified population using the proportionate stratified sampling distribution technique using the formula;

$$n_i = \left( \frac{N_i}{N} \right) n$$

Where  $n_i$  =sample size for the strata i (where i=1, 2)

N = Total Population

$N_i$  = Population size for strata i

$Nf$  =Final sample size under Fisher’s formula.

Therefore, the sample size for each stratum using the above formulas will be as shown below:

$$n_i = \frac{N_i}{N} \times nf$$

$$= \frac{147}{588} * 297 = 74 \quad \text{Heads of department}$$

$$= \frac{441}{588} * 297 = 223 \quad \text{Heads of divisions}$$

The sample size distribution is given in Table 3.2.

**Table 1: Sample Size Distribution**

Category	N
Heads of department	74
Heads of divisions	223

The study used questionnaires to obtain quantitative and qualitative data for analysis. The study intends to collect primary and secondary data. Primary data is first-hand information collected from the field by the researcher purposefully for the study at hand. Secondary data is a data set collected and compiled by other agencies related to the area of study and or study variables.

The study employed the linear regression model. The statistical analysis was done using the model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Whereby;

Y = Performance of parastatals

$\beta_0$  = Constant

Y= Performance of Parastatals (Dependent variable);

$X_1$  =Innovative Strategic Practices;

$X_2$  = Citizen Management Strategies;

## FINDINGS AND DISCUSSIONS

For demographic characteristics, majority of the respondents 52.7% were females while the least 47.3% were males, 60.6% of the respondents were aged 35-44 years, 19.5% were aged above 45 years, 18.3% were aged 25-34 years and 1.7% were aged 18-24 years, 50.6% of the respondents had bachelor’s degree, 16.6% had master’s degree, 7.5% had PhD and 2.1% had secondary education, 68.5% of the respondents had worked for a period of more than 10 years, 27.4% had worked for a period of between 5-10 years and 4.1% had worked for a period of less than 5 years.

## Descriptive Statistics

### Influence of Strategic Innovative Strategies on Performance of Commercial Parastatals

The study results clearly show that strategic innovation is strongly embraced and practiced within the organizations, as evidenced by both the high percentages of agreement and the high mean scores across all statements. For instance, an overwhelming 95.4% of respondents strongly agreed that new knowledge and ideas are encouraged through strategic innovation, resulting in the highest mean score of 4.95 with a very small standard deviation (0.236), showing strong consensus. Similarly, 55.6% strongly agreed and 43.2% agreed that strategic innovation is highly valued in the organization, corresponding to a mean of 4.54, indicating a generally positive view though with slightly more variation (SD = 0.524). In addition, 64.3% strongly agreed and 34.4% agreed that employees are encouraged to experiment with new ideas through strategic innovation (Mean = 4.63), suggesting that the organization fosters a supportive environment for creative thinking. Likewise, 60.2% strongly agreed and 38.2% agreed that strategic innovation has encouraged the development of new business strategies (Mean = 4.59), while 58.9% strongly agreed and 39.8% agreed that it has enabled the company to invent new business models (Mean = 4.58). These responses reflect the organization's ability to adapt and innovate at a strategic level. Furthermore, 61.4% of respondents strongly agreed and 37.8% agreed that there is constant strategic innovation to facilitate access to new business environments (Mean = 4.61). A similar pattern is observed in the statement that strategic innovation enables reallocation of resources to align with emerging opportunities, where 60.6% strongly agreed and 39.4% agreed (Mean = 4.61), indicating that innovation is driving flexibility in resource management. The highest overall agreement was on the statement that strategic innovation has led to the development of new products or services, with 68% strongly agreeing and 31.5% agreeing (Mean = 4.68), highlighting a clear link between innovation and tangible organizational outcomes. Overall, the combination of high percentages of agreement (above 90% in all cases) and high mean scores (all above 4.5) demonstrates that employees perceive strategic innovation as a key driver of creativity, adaptability, and organizational growth, with minimal disagreement across the responses.

**Table 2: Innovative Strategic Practices**

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Dev
New knowledge ideas are encouraged through Strategic innovation	0	0	0.4	4.1	95.4	4.95	0.236
Strategic innovation is highly valued in our Organisation	0	0	1.2	43.2	55.6	4.54	0.524
Through strategic innovation employees are encouraged to experiment new ideas	0	0	1.2	34.4	64.3	4.63	0.509
Strategic innovation has encouraged innovation of new business strategies	0	0	1.7	38.2	60.2	4.59	0.526
Strategic innovation has enabled the company to invent with new business models	0	0	1.2	39.8	58.9	4.58	0.52
There is constant strategic innovation to facilitate increased access to new environment business charges	0	0	0.8	37.8	61.4	4.61	0.506

### **Influence of Citizen Centric Strategies on Performance of Parastatals in Kenya**

The study sought to determine the descriptive statistics for citizen centric strategies. The findings in the table 4.6 indicate generally positive perceptions of citizen centric strategies that support performance of commercial parastatals. This suggests that respondents generally agreed that the organization prioritizes citizen needs, promotes participation, ensures service quality, and adopts digital and innovative approaches to improve service delivery. The relatively low standard deviation values across most items further indicate consistency in respondents' perceptions.

The statement that the organization prioritizes citizen needs when designing policies and services recorded the highest mean score (Mean = 4.83, SD = 0.422), with 84.2% of respondents strongly agreeing. This demonstrates a very strong perception that the organization places citizens at the center of policy formulation and service design. The low standard deviation indicates high agreement among respondents, suggesting a shared view that citizen needs are a primary consideration in organizational decision-making. Similarly, the use of digital platforms to improve citizens' access to services also recorded a high mean score (Mean = 4.55, SD = 0.498), with 55.2% strongly agreeing and 44.8% agreeing. This implies that the organization has effectively adopted technology to enhance service accessibility, efficiency, and convenience, reflecting commitment to digital enablement in service delivery. The organization's adoption of innovative solutions to enhance citizen experience and service efficiency also recorded a high level of agreement (Mean = 4.43, SD = 0.520), with most respondents agreeing or strongly agreeing, indicating that innovation plays a significant role in improving service outcomes and citizen satisfaction.

Further, the quality of services provided was perceived positively, with a mean score of 4.47 (SD = 0.345), where a majority of respondents either agreed or strongly agreed that services meet citizens' expectations. The low variability in responses suggests consistent perceptions regarding service quality, implying that the organization maintains standards that satisfy citizen expectations. The results also show that citizen feedback is regularly collected and used to improve service delivery (Mean = 4.14, SD = 0.641). Although agreement levels remain high, the slightly higher standard deviation suggests moderate variation in perceptions, indicating that while feedback mechanisms exist, their effectiveness or consistency may vary across different service areas.

The findings on responsiveness and participation indicators show comparatively moderate but still positive results. The organization's responsiveness to citizen complaints and concerns recorded a mean score of 3.96 (SD = 0.877), indicating general agreement but with greater variability in responses compared to other indicators. This suggests that although the organization is perceived as responsive, there may be inconsistencies in how promptly concerns are addressed. Similarly, stakeholder consultation before implementing major changes recorded a mean score of 3.90 (SD = 0.782), while citizen involvement in decision-making on important public matters recorded the lowest mean score (Mean = 3.87, SD = 0.645). These results indicate moderate agreement, suggesting that inclusive participation and co-creation practices exist but may not be fully institutionalized or consistently implemented. The relatively higher dispersion in responses implies differences in respondents' experiences regarding participation opportunities.

**Table 3: Citizen Centric Strategies**

<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>Std. Dev</b>
The organization prioritizes citizen needs when designing policies and services.	0	0	1.7	14.1	84.2	4.83	0.422
Citizen feedback is regularly collected and used to improve service delivery.	0	0.4	13.3	58.5	27.8	4.14	0.641
Citizens are actively involved in decision-making on important public matters.	0	0.4	27	58.1	14.5	3.87	0.645
The organization consults stakeholders and communities before implementing major changes.	0	0.8	33.2	40.7	25.3	3.9	0.782
The organization responds promptly to citizen complaints and concerns.	1.2	2.9	24.1	41.9	29.9	3.96	0.877
The quality of services provided meets citizens' expectations.	0	0	15.8	41.9	41.9	4.47	0.345
Digital platforms are used to improve citizens' access to services.	0	0	0	44.8	55.2	4.55	0.498
The organization adopts innovative solutions to enhance citizen experience and service efficiency.	0	0	1.2	54.8	44	4.43	0.52

### Performance of Commercial Parastatals in Kenya

The study sought to determine the descriptive statistics for performance. The results are displayed in Table 4.9. Under the return on equity (ROE) dimension, respondents were asked whether the organization had experienced improvement in return on equity over the past few years. The findings indicate that 47.7% agreed and 30.7% strongly agreed, while 21.6% remained neutral. The statement recorded a mean score of 4.09 and a standard deviation of 0.719, indicating that respondents generally perceived improvement in return on equity, although there was relatively greater variation in responses compared to other indicators.

On the statement that the organization effectively utilizes shareholders' investments to generate returns, 50.2% agreed and 28.6% strongly agreed while 21.2% were neutral. The statement achieved a mean score of 4.07 and a standard deviation of 0.703. This suggests that respondents believed that the organization effectively uses invested resources to generate value.

Similarly, regarding whether the organization consistently achieves favorable returns relative to its invested capital, 42.3% agreed and 39.0% strongly agreed while 18.7% were neutral. The mean score was 4.20 with a standard deviation of 0.733, implying favorable perceptions regarding the organization's financial return performance.

Under the profitability dimension, respondents indicated positive perceptions regarding the organization's financial outcomes. On whether the organization has experienced growth in overall profitability in recent years, 49.0% agreed and 40.7% strongly agreed while 10.4% were neutral. The statement recorded a mean score of 4.30 and a standard deviation of 0.648, indicating strong agreement among respondents.

Regarding whether the organization consistently achieves its profit targets and financial objectives, 50.6% agreed, 36.5% strongly agreed, and 12.9% remained neutral. The statement

attained a mean score of 4.24 and a standard deviation of 0.663, suggesting that respondents perceived the organization as achieving its financial goals consistently.

Further, on the statement that the organization effectively manages costs to improve profitability outcomes, 42.3% agreed, 44.4% strongly agreed, 12.9% were neutral, and only 0.4% disagreed. The mean score was 4.31 with a standard deviation of 0.705, indicating effective cost management practices that support profitability.

Additionally, respondents indicated that the organization has maintained stable financial performance over time, with 40.2% agreeing and 49.4% strongly agreeing while 10.4% remained neutral. The statement recorded a mean score of 4.39 and a standard deviation of 0.669, reflecting positive perceptions regarding financial stability.

Under the operational efficiency dimension, the results reveal particularly high agreement levels among respondents. Regarding whether the organization effectively utilizes available resources to maximize productivity, 49.4% agreed and 48.1% strongly agreed while only 2.5% remained neutral. This statement recorded a mean score of 4.66 and a notably low standard deviation of 0.238, suggesting a strong consensus among respondents regarding efficient resource utilization.

Similarly, on whether organizational processes are carried out efficiently with minimal wastage of resources, 56.0% agreed and 41.9% strongly agreed while 2.1% remained neutral. The mean score was 4.40 with a standard deviation of 0.531, indicating positive perceptions regarding process efficiency.

On the statement that the organization delivers services or products within expected timelines, 45.2% agreed, 54.4% strongly agreed and only 0.4% were neutral. The statement achieved a mean score of 4.54 and a standard deviation of 0.508, implying that respondents viewed the organization as efficient in service and product delivery.

Likewise, continuous improvement of internal processes to enhance operational performance was highly rated, with 43.6% agreeing and 55.2% strongly agreeing while 1.2% remained neutral. The statement attained a mean score of 4.54 and a standard deviation of 0.524, suggesting strong organizational commitment to operational improvement.

Under the customer satisfaction dimension, respondents expressed highly positive perceptions. On whether customers are satisfied with the quality of products and services offered by the organization, 36.1% agreed and 61.0% strongly agreed while 2.9% remained neutral. The statement recorded a mean score of 4.58 and a standard deviation of 0.550.

Further, on whether the organization responds effectively to customer needs and concerns, 35.7% agreed and 62.2% strongly agreed while 2.1% remained neutral. The statement attained a mean score of 4.60 and a standard deviation of 0.531, indicating strong customer responsiveness.

Finally, regarding whether the organization consistently maintains positive relationships with its customers, 34.4% agreed and 63.5% strongly agreed while 2.1% remained neutral. This

statement recorded a mean score of 4.61 and a standard deviation of 0.529, suggesting that customer relationship management was highly regarded.

**Table 4: Performance**

Statement	SD	D	N	A	SA	Mean	Std. Dev
The organization has experienced improvement in return on equity over the past few years.	0	0	21.6	47.7	30.7	4.09	0.719
The organization effectively utilizes shareholders' investments to generate returns.	0	0	21.2	50.2	28.6	4.07	0.703
The organization consistently achieves favorable returns relative to its invested capital.	0	0	18.7	42.3	39	4.2	0.733
The organization has experienced growth in overall profitability in recent years.	0	0	10.4	49	40.7	4.3	0.648
The organization consistently achieves its profit targets and financial objectives.	0	0	12.9	50.6	36.5	4.24	0.663
The organization effectively manages costs to improve profitability outcomes.	0	4	12.9	42.3	44.4	4.31	0.705
The organization has maintained stable financial performance over time.	0	0	10.4	40.2	49.4	4.39	0.669
The organization effectively utilizes available resources to maximize productivity.	0	0	2.5	49.4	48.1	4.66	0.238
Organizational processes are carried out efficiently with minimal wastage of resources.	0	0	2.1	56	41.9	4.4	0.531
The organization delivers services or products within the expected timelines.	0	0	0.4	45.2	54.4	4.54	0.508
The organization continuously improves internal processes to enhance operational performance.	0	0	1.2	43.6	55.2	4.54	0.524
Customers are satisfied with the quality of products and services offered by the organization.	0	0	2.9	36.1	61	4.58	0.55
The organization responds effectively to customer needs and concerns.	0	0	2.1	35.7	62.2	4.6	0.531
The organization consistently maintains positive relationships with its customers.	0	0	2.1	34.4	63.5	4.61	0.529

### Inferential Statistics

There is a positive and a significant correlation between performance and the set of independent variables innovative strategic practices and citizen centric strategies.

**Table 5: Correlation Analysis**

		Y	X1	X2
Y	Pearson Correlation	1		
X1	Pearson Correlation	.627**	1	
X2	Pearson Correlation	.668**	.356**	1

Where X1 is Innovative Strategic Practices, X2 is Citizen Centric Strategies, and Y is Performance

### Regression Analysis

The study used regression analysis to determine the statistical significance of the independent variables on the dependent variable.

### Regression Analysis of Innovative Strategic Practices and Performance

The first objective was to find out the influence of innovative strategic practices on performance. The following hypothesis was formulated:

**H0<sub>1</sub>:** Innovative Strategic Practices has no statistically significant influence on performance of commercial parastatals in Kenya.

In Table 6, innovative strategic practices have an R square of 0.391 implying that innovative strategic practices accounts for 39.1% of the variation in performance of commercial parastatals in Kenya.

**Table 6: Model Summary for Innovative Strategic Practices**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.627 <sup>a</sup>	.393	.391	2.82475

The findings on the ANOVA as shown in Table 7 indicates that  $F = 155.002$ ,  $p = 0.000$  which is less than 0.05 implying that the model summary is statistically significant.

**Table 7: Model Summary for Innovative Strategic Practices**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1236.790	1	1236.790	155.002	.000 <sup>b</sup>
	Residual	1907.031	239	7.979		
	<b>Total</b>	<b>3143.820</b>	<b>240</b>			

Based on the regression coefficients in Table 8, there is a statistically significant positive relationship between innovative strategic practices and performance of commercial parastatals, ( $\beta = 2.270$ ,  $p = 0.000 < 0.05$ )

**Table 8: Table of Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	1.245	.153			8.137	.000
X1	2.270	.182	.627		12.450	.000

The results show that performance of commercial parastatals will rise by 2.270 units for every unit increase in innovative strategic practices. The regression equation is given as:

$$Y = 1.245 + 2.270 X_1$$

Y = Performance of Commercial Parastatals and  $X_1$  = Innovative Strategic Practices

### Regression Analysis of Citizen Centric Strategies and Performance

The second objective was to find out the influence of citizen centric strategies on performance. The following hypothesis was formulated:

**H0<sub>2</sub>:** Citizen Centric Strategies has no statistically significant influence on performance of commercial parastatals in Kenya.

In Table 9, citizen centric strategies have an R square of 0.444 implying that citizen centric strategies accounts for 44.1% of the variation in performance of commercial parastatals in Kenya.

**Table 9: Model Summary for Citizen Centric Strategies**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.668 <sup>a</sup>	.446	.444	2.69899

The findings on the ANOVA as shown in Table 10 indicates that  $F = 192.573$ ,  $p = 0.000$  which is less than 0.05 implying that the model summary is statistically significant.

**Table 10: Model Summary for Citizen Centric Strategies**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1402.810	1	1402.810	192.573	.000 <sup>b</sup>
	Residual	1741.010	239	7.285		
	<b>Total</b>	<b>3143.820</b>	<b>240</b>			

Based on the regression coefficients in Table 11, there is a statistically significant positive relationship between citizen centric strategies and performance of commercial parastatals, ( $\beta = 2.418$ ,  $p = 0.000 < 0.05$ )

**Table 11: Table of Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	0.678	.201		-3.373	.000
	X <sub>2</sub>	2.418	.174	.668	13.877	.000

The results show that performance of commercial parastatals will rise by 2.418 units for every unit increase in citizen centric strategies. The regression equation is given as:

$$Y = 0.678 + 2.418 X_2$$

Y = Performance of Commercial Parastatals and X<sub>2</sub> = Citizen Centric Strategies

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

The study concludes that both innovative strategic practices and citizen-centric strategies significantly and positively influence the performance of commercial parastatals in Kenya. The correlational and regression analyses established strong statistically significant relationships between these strategic approaches and organizational performance, indicating that commercial parastatals that embrace innovation, continuously improve their processes, and prioritize citizen needs through responsive, customer-focused service delivery are more

likely to achieve enhanced operational efficiency, service quality, stakeholder satisfaction, and overall organizational performance. Therefore, the adoption and effective implementation of innovative and citizen-centric strategies are critical drivers of sustainable performance improvement among commercial parastatals in Kenya.

### **Recommendations**

Based on the findings that innovative strategic practices and citizen-centric strategies significantly enhance the performance of commercial parastatals in Kenya, the study recommends that managers and policymakers institutionalize innovation-driven and citizen-focused approaches as integral components of organizational strategy. Commercial parastatals should invest in continuous innovation, including the adoption of emerging technologies, process improvement initiatives, and knowledge management systems, while simultaneously strengthening mechanisms for citizen engagement, feedback collection, and service customization. Additionally, organizations should cultivate a culture that supports innovation and responsiveness to stakeholder needs through regular staff training, performance monitoring, and strategic resource allocation. Such efforts will enable commercial parastatals to improve service delivery, increase stakeholder satisfaction, enhance operational efficiency, and achieve sustainable organizational performance in an increasingly dynamic and competitive environment.

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