

Journal of Strategic Management



Strategy Formulation and Organizational Performance of State Corporations in Rwanda: A Case of Ultimate Developers Ltd

Mr. Emmanuel Nyamurangwa & Dr. Eugenia Nkechi Irechukwu

ISSN: 2616-8472

Strategy Formulation and Organizational Performance of State Corporations in Rwanda: A Case of Ultimate Developers Ltd

Mr. Emmanuel Nyamurangwa¹ & Dr. Eugenia Nkechi Irechukwu²(PhD)

¹ School of Social Sciences, Master of Public Administration and Management, Public Policy and Administration, Mount Kenya University, Kigali, Rwanda

²Mount Kenya University, Kigali, Rwanda

How to cite this article: Nyamurangwa E., & Irechukwu E., N. (2023). Strategy Formulation and Organizational Performance of State Corporations in Rwanda: A Case of Ultimate Developers Ltd. *Journal of Strategic Management*. Vol 7(4) pp. 23-41. <https://doi.org/10.53819/81018102t2158>

Abstract

This study examined the effects of strategy formulation on the organizational performance of Ultimate Developers Ltd (UDL), a State Corporate in Rwanda. The objectives included evaluating the influence of mission development, assessing the impact of environment scanning, and determining the effects of strategic options generation on UDL's performance. The study population consisted of 553 staff, clients, and stakeholders, with a sample size of 138 determined using Slovin's Formula. Primary and secondary data were utilized, and descriptive research design, correlation analysis, and multiple regression were employed for data analysis. The findings proved that Developing mission had a positive and significant relationship with service delivery ($r=0.724$ and $\text{sig}=0.00<0.01$), with operational efficiency ($r=0.683$ and $\text{sig}=0.00<0.01$), and Accountability ($r=0.622$ and $\text{sig}=0.00<0.01$) at 1% level of significance. The multiple regression analysis proved that Developing mission has significance and positive effect on Organizational performance as indicated by $\beta_1=0.172$, $p=0.009<0.05$, $t=2.630$. The implication is that an increase of one unit in developing mission would lead to an increase in Organizational performance by 0.172 units. The results of correlation analysis proved that Environment scanning had a positive and significant relationship with service delivery ($r=0.701$ and $\text{sig}=0.00<0.01$), with operational efficiency ($r=0.663$ and $\text{sig}=0.00<0.01$) and accountability ($r=0.626$ and $\text{sig}=0.00<0.01$). The multiple regression analysis proved that Environment scanning has significance and positive effect on Organizational performance as shown by $\beta_2=0.482$, $p=0.000<0.05$, $t=9.318$. This shows that when there is an increase of 1 unit in Environment scanning, this would lead to an increase in Organizational performance by 0.482 units. The results of correlation analysis revealed that Strategic Options Generation had positive and significant relationship with service delivery ($r=0.712$ and $\text{sig}=0.00<0.01$), with operational efficiency ($r=0.674$ and $\text{sig}=0.00<0.01$) and Accountability ($r=0.561$ and $\text{sig}=0.00<0.01$). Strategic options generation has significance and positive effect on Organizational performance as indicated by $\beta_3=0.455$, $p=0.000<0.05$, $t=4.672$. The implication is that an increase of one unit in Strategic options generation will increase Organizational performance by 0.455 units. Based on findings from the chapter, the study concluded that there is significant and positive relationship between Strategy formulation and

<https://doi.org/10.53819/81018102t2158>

organizational performance of UDL Ltd where 54.6% variation in organizational performance of UDL was due to changes in Strategy formulation measured in terms of Developing mission, Environment scanning and Strategic Options Generation. The findings also implied that the organizational performance of UDL Ltd has been measured in terms of service delivery, operational efficiency, and accountability. The study recommended that UDL Ltd has to improve its accountability to its stakeholders, which may improve its organizational performance.

Keywords: *Strategy Formulation, Organizational Performance, State Corporations, Ultimate Developers Ltd, Rwanda*

1. Introduction

The interaction between business and society has transformed significantly due to trade globalization, corporate growth, government repositioning, and the increasing importance of stakeholder connections and brand reputation. Performance is crucial for business success, and organizations focus on effective planning and strategy formulation to thrive in competitive markets. Improved strategic formulation has shown positive effects on company performance across various geographical contexts. In 2020, there was an increase in the number of procurement entities with clean audits for public financial management compared to 2015. This indicates a gradual adoption of proper organizational management practices by government organizations (Bhargavi & Yaseen, 2016).

However, state firms, despite implementing important government policies, remain risky public businesses (Report the Auditor General of State Finances for 2015-2020 Financial Years). The office of the auditor general (OAG) documented 37 instances of delayed contracts totaling Frw 201,017,126,883 in 28 public institutions and state corporations in its report for the year ended June 2022. Compared to the previous three years, there have been more contracts abandoned, with eight (8) cases totaling Frw 965,096,392 in total. Moreover, 11 projects worth Frw 102,927,477,956 were found by the auditors to have stalled in nine (9) state corporations. These projects' contracts had already been cancelled because of non-performance, a lack of planning, or execution delays. Nevertheless, the remaining project components had not yet started up again as first anticipated by public organizations (OAG, 2022).

There has been prior empirical research on the relationship between strategy and organizational performance, such as the study by AIDhaheri, Ameen, and Osama (2021) in the United Arab Emirates, which concluded that strategy formulation accounts for 19.3% of the variation in organizational performance. Moreover, Nwachukwu et al. (2019) discovered that the factors that influence strategy formulation together affect the strategic performance of mobile telecommunications companies in Nigeria since they account for 23% of the variation in performance.

In addition, Okwemba and Njuguna's research from 2023 on the impact of strategy formulation on the performance of the Chemelil Sugar Company in Kisumu County, Kenya, revealed that 27.4% of the variation in organization performance could be explained by strategy formulation, indicating that it has a significant and positive impact on performance ($=.689$, $t=.774$, $p=.046$). Karangwa and Irechukwu (2023) discovered a strong and positive correlation between the development of the plan and both timely and high-quality performance ($r=0.647$ and $\text{sig}=0.000.01$), respectively. Thus, the researcher felt the need to assess the strategy formulation

and the organizational performance of State Corporations in Rwanda, with the case study of Ultimate developers Ltd.

1.1 Objectives of the study

1.1.1 General objective

The main purpose of this study was to assess the strategy formulation and the organizational performance of State Corporations in Rwanda, with evidence from Ultimate developers Ltd as the case study.

1.1.2 Specific objectives

- (i) To evaluate the influence of developing mission on the organizational performance of Ultimate developers Ltd.
- (ii) To assess the impact of Environment Scanning on organizational performance in Ultimate developers Ltd.
- (iii) To determine the effects of Strategic Options Generation on organizational performance of Ultimate developers Ltd.

1.1.3 Research Hypotheses

HO₁: There is no statistically significant influence of developing mission on the organizational performance of Ultimate developers Ltd.

HO₂: There is no statistically significant impact of Environment Scanning on organizational performance in Ultimate developers Ltd.

HO₃: There is no statistically significant effects of Strategic Options Generation on organizational performance of Ultimate developers Ltd.

2.1 Empirical review

2.1.1. Influence of developing mission on the organizational performance

Assessing the impact of strategic management methods on service delivery in the County Government of Bombay City, India, was the primary goal of a research project from Kumar (2020). The study used descriptive and correlational research designs. Goal planning, systems, results, and the overall operations theory served as the study's pillars. As of January 2019, the target population included 130 respondents from the county executive committee, the chief officer, two directors, an accountant, a finance officer, an economist, a supply chain officer, and two office administrators from the county government of Bombay's thirteen (13) ministries. Using SPSS, descriptive and inferential statistics were used for the data analysis and interpretation. 121 of the 130 questionnaires that were distributed were completed and returned, yielding a return rate of 121 (93.1%). The results of the study's goals showed that strategic management practices (strategic formulation, strategic leadership, and strategy execution) had a substantial impact on service delivery ($t = 3.166$; $p < 0.05$).

The impact of strategic management on organizational performance in Delta State, Nigeria was examined by Nkemchor and Ezeanolue in 2021 with special reference to several of the state's postsecondary institutions. The resource-based theory and contingency theory serve as the study's pillars. In this study, a descriptive research survey was used. The population of the study included 1480 chosen employees from tertiary institutions in Delta state, Nigeria, to determine the impact of strategic management on organizational performance. The sample size was made up of 343 chosen individuals from the same tertiary institutions. To calculate the sample size,

the Borg and Gall formular was employed. The data produced were analyzed using multiple regression analysis and descriptive statistics. Strategy formulations were discovered to have a substantial impact on organizational performance at tertiary institution Delta state, Nigeria, based on the t-statistics of 2.755 and p-value of 0.001.

Owich, *et al.* (2019) looked at the impact of organizational performance on strategic formulation for companies listed on the Nairobi Stock Exchange (NSE). It was founded on the explanatory research design and positivist research philosophy. 325 top managers of firms listed on the NSE were the intended audience. Real estate investment trust, telecommunication and technology, manufacturing and allied, investment services, insurance, energy and petroleum, construction and allied, commercial and services, banking, cars and accessories, and agricultural sectors formed the strata of the stratified sampling technique. Data were gathered from 147 respondents, or 82.12% of the sample size of 179, representing the response rate. When the data was gathered, descriptive and inferential analysis was carried out. The results showed a positive and substantial correlation between organizational performance and strategy formulation, as shown by the t-statistics of 11.655 and the p-value of 0.000.

A case study of Burera, Karongi, Nyagatare, Nyarugenge, and Ruhango was used by Nuwagaba (2021) to investigate the reasons behind the implementation of performance contracts, or "imihigo," by districts. From the five districts, 175 respondents were chosen using a purposeful sample procedure, with 35 respondents for each district. Members of the district council and executive committee, the technical team, village chiefs, and stakeholder representatives were included in the target population. Both qualitative and quantitative research methods were used in this study. According to the findings, there are both internal and external causes or factors that contribute to the district's poor public service delivery. These include a lack of teamwork among district leadership and staff, poor communication, coordination, weak monitoring systems, a lack of adequate strategy planning skills, and a lack of focus.

2.1.2. Impact of Environment Scanning on organizational performance

Fahad, *et al.* (2020) conducted research on strategic management and its considerable contribution to the institutions in the context public sector in the United Arabs Emirates. To conduct a reliable investigation, the study utilizes a measurable study design. As a result, a set of questions was created and utilized to elicit the respondents' opinions regarding the impact of method development on the effectiveness of the public sector in the United Arab Emirates. Using the partial least squares (PLS) statistical software for social science and 403 valuable feedbacks, the research version was evaluated using the sem-vb structural formula modeling variance based. To gather the necessary measurable data, a non-probability sampling approach was used. Based on the findings in relation to this objective, the study concluded that strategy application, which included strategy, framework, and personnel, has a significant and favorable impact on business efficiency and accounts for 19.3% of the variation in organizational efficiency. Findings would provide information for the public sector in the United Arab Emirates, particularly for the Abu Dhabi judiciary.

The goal of Nwachukwu *et al.* (2019) was to make recommendations to managers of MNCs active in Nigeria's mobile telecommunications industry about how to improve and sustain strategic performance based on an analysis of the factors that drive strategy formation. The emphasis on the company's vision, mission, and long-term goals contributes to the development of fresh perspectives on the influence of strategy formulation drivers on tactical performance. The authors employed quantitative techniques and a survey to gather data from managers of

mobile telecommunication businesses operating in Nigeria while concentrating on a single industry. Among the finance/audit, sales, marketing, customer service, and engineering departments of the four mobile telecommunication companies in Nigeria's head offices and eight regional offices, 120 managers were chosen at random. To evaluate the resulting data, the authors employed multiple regression approaches as well as descriptive statistics. Software called SPSS 25 (Statistical Package for Social Sciences) was used to conduct the various analyses. The study discovered that the factors involved in strategy creation collectively affect the strategic performance of mobile telecom companies in Nigeria. According to the t-statistics of 2.795 and p-value of 0.06, paying attention to the company's vision and long-term objectives has a significant and favorable impact on strategic performance. The strategic performance was also negatively and significantly impacted by the focus on the business mission.

The study by Njagi and Kombo (2019) used a correlational research methodology to examine how strategy execution affected the performance of commercial banks in Kenya. The findings show a reasonably substantial link between organizational performance and strategy implementation. The multiple regression analysis's model summary is displayed in the findings. The table's R-value displays the analysis's regression coefficient, which indicates that there is a significant and favorably skewed association between organizational performance and strategy implementation ($r = 0.693$). The adjusted R square coefficient of determination is 44.8%. This demonstrates that the independent variable accounts for 44.8% of the variation in the dependent variable (organizational performance) (strategy implementation). The regression equation is consequently written as: $Y = 5.086 + 0.442 x_1 + 0.409 x_2$ from the entire regression model in table 2. The researcher advises institutions to adopt plans successfully if they want to succeed and compete.

Karangwa and Irechukwu (2023) investigated how the strategic management approach affected the organizational performance of the Rwandan engineering and construction firm NDP Ltd. The study used a combined method of qualitative and quantitative data in a descriptive research design. Using Krejcie and Morgan's calculations, the sample size from 500 responders was determined to be 217. (1970). However, only 188 respondents—out of 217—participated in the study, with a response rate of 86.6%. The results of the second objective showed that, with an overall mean of 1.324 and a tendency toward a high score of to a very large extent, strategy design has a significant and favorable impact on organizational performance in Rwanda. This is therefore corroborated by the findings of the correlation study, which showed that there is a significant and positive association between the formulation of the strategy and timely performance ($r=0.647$ and $\text{sig}=0.000.01$) and quality performance ($r=0.696$ and $\text{sig}=0.000.01$). The study made recommendations for managers, evaluators, and those responsible for developing and implementing strategies to assure organizational performance.

2.1.3. Effects of Strategic Options Generation on organizational performance

The findings of the same study by Mansour (2018) also revealed that the only two independent variables (within the construct of scanning interest from X2 to X8) that have significant relationships with performance as measured by ROE are competition (X3) and economical scanning (X6), with p values of 0.002 and 0.009, respectively. The sole independent variable (within the construct of impersonal sources of scanning from X28 to X38) that significantly correlates with performance as assessed by ROE is governmental report (X32), with a p-value of 0.020. The sole independent variable (within constraints of scanning from X58 to X64) that significantly correlates with performance as evaluated by ROE is uncertainty over government long-term policies (X61), with a p value of 0.018.

Abiola and Fava (2022) investigated how strategy development affected Innoson Manufacturing Company Ltd Emene, Enugu's organizational performance. The researcher used survey research to find out the extent of the relationship between organizational structure and strategy formation, as well as the impact of strategy formulation on employee behaviors at (Innoson Manufacturing Company Ltd Emene, Enugu). Using the Freund and William's formula, a total sample size of 100 was derived from a population of 185 workers. The questionnaire served as the primary tool. Descriptive statistics were employed in the study to address the questions that were posed. The three hypotheses that served as the study's guiding principles were tested using the parametric tests technique (T-test statistical technical and non-parametric tests method (chi-square (χ^2))). The study found that a well-thought-out strategy enhances organizational productivity by 34% when combined with the right structure.

Oduor and Were (2019) conducted a survey of the African Union in Nairobi, Kenya with the intention of examining how the strategic management process affects performance in intergovernmental institutions. The resource-based perspective theory, contingency-based theory, stakeholder theory, and resource dependence theory served as the study's foundations. A descriptive research design was employed in the study. The population was made up of every employee at African Union organizations located in Nairobi, Kenya, in the year 2018, and the sampling method was convenience random sampling. Descriptive statistics, such as means and standard deviation, were used to analyze the data. Also, the multiple regression model and Pearson's Correlation Analysis were utilized to illustrate the relationships between the study variables in the inferential statistics that were derived for analysis. All predictor variables, including environmental scanning, strategy creation, implementation, and evaluation, were found to be significant drivers of organizational success, according to the findings. The results also demonstrated a positive relationship between environmental scanning, strategy design, implementation, and evaluation, and organizational efficiency.

The performance of public organizations in Rwanda was evaluated by Uwitonze (2019) with reference to the five years that Kitabi College of Conservation and Environmental Management (KCCCEM) was in operation. To reach its goals, this study used a case study research design. The top, medium, and lower-level management employees of KCCCEM and T&C were the intended audience in relation to KCCCEM strategic planning. The secondary data was gathered via reading journals, books, and textbooks. Questionnaires were used to collect the primary data. In accordance with KCCCEM's strategic planning, 37 questionnaires were given to the chosen employees, and an 81% response rate was obtained. Frequencies and percentages were produced as part of the descriptive statistical analysis method used to analyze and interpret the findings. This study shows that KCCCEM as an organizational entity has a distinct strategic plan that is communicated to all its employees at different levels and divisions within the company. 1.99 is the statistical value calculated for 0.05 at 79 degrees of freedom. Since the calculated value $t = 68.865$ is higher than the calculated value of 1.99, the strong agreement of factors of different strategic planning dimensions indicated the effectiveness and efficiency of such planning adopted by employees of the organization. This has a positive impact on the organization's accountability. As a result, it was concluded from the answers given above that strategic planning improves organizational performance.

2.3 Research Gap

According to the literature assessment, many scholars looked at organizational performance and strategy creation in public institutions and other business sectors, but few looked at state corporations. The studies by Kumar (2020), Okwemba and Njuguna (2020), Nkemchor & Ezeanolue (2020), etc. all fall within this category.

<https://doi.org/10.53819/81018102t2158>

Many studies were conducted in Rwanda, including the one by Uwanyiligira (2021), but they employed a different approach from the one that would be used here because they made use of correlation analysis instead of regression analysis. As a result, their results could differ from those of this study. The private sector carried the others. For instance, although this study tries to evaluate the issue within the public sector, Karangwa and Irechukwu's research (2023) evaluated strategic management, but only within private enterprises. The accountability of public institutions, which the current study seeks to evaluate, has not been taken into consideration in other studies conducted within public institutions, such as those by (Uwambayingabire & Mulyungi, 2018; Uwanyiligira, 2021). The assessment of the literature revealed that researchers who have studied the factors under investigation have suggested developing a strategy to improve the performance of the institutions. They did not, however, specifically focus on State Corporations. Since there are few studies explicitly undertaken in the Rwandan setting, the researcher cannot claim that the study has uncovered all literature on strategy creation and organizational performance of State corporates. The researcher is prompted by this circumstance of the lack of such investigations on State corporations and by taking the UDL as case study.

2.3 Conceptual Framework

This conceptual framework guides the researcher in planning, developing, and organizing a study while pointing at the research's final findings.

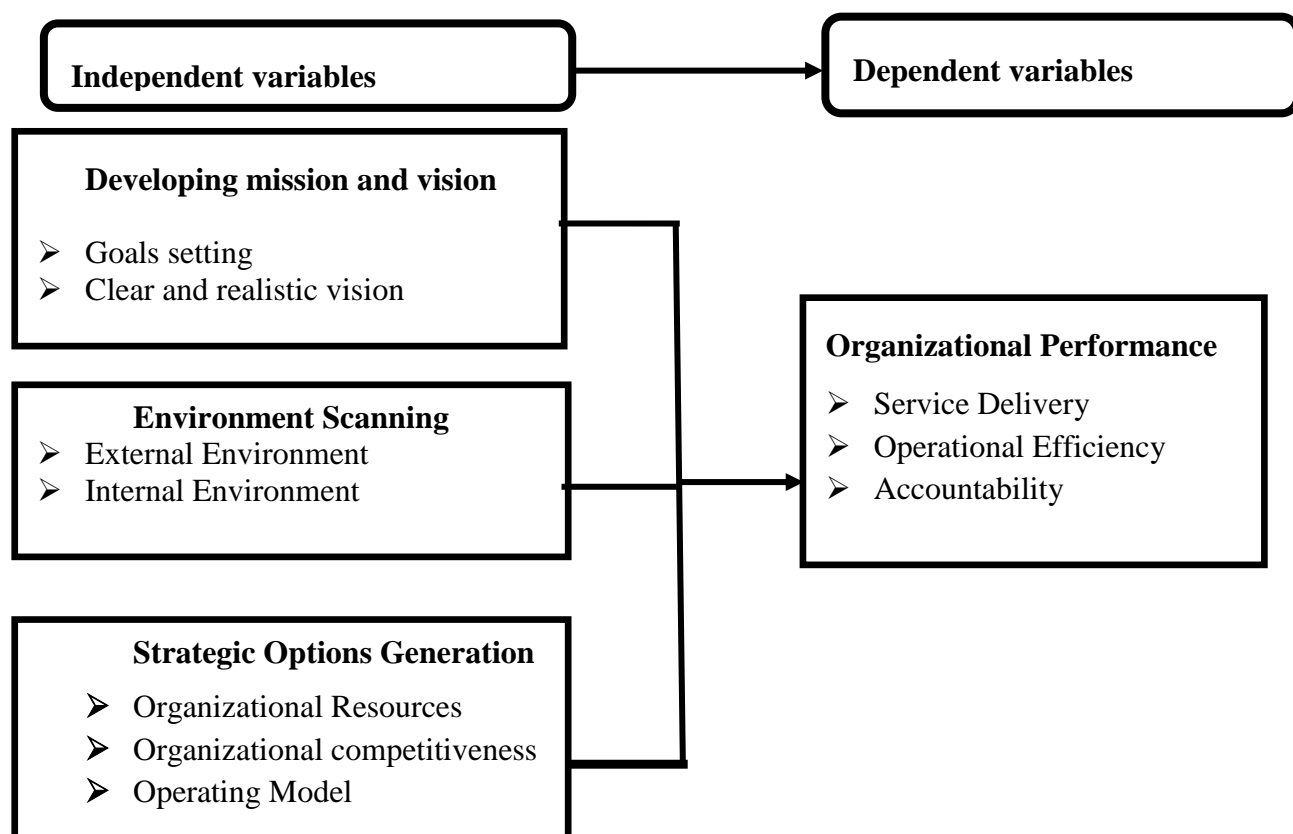


Figure 1: Conceptual Framework

Figure 2.1 presents the variables of interest in the present study alongside their corresponding sub-components. The independent variables depict the how assessment of Strategy formulation in State corporates. The dependent variable shows the components of concern in

determining the organizational performance of a state corporate performance of a state corporate.

3. Materials and Methods

The research design chosen for this study is a descriptive research design. It aims to gather the perceptions of respondents on the strategy formulation and organizational performance in UDL (Ultimate Developments Ltd.). The data collected will be quantitative in nature, and frequencies, means, and coefficients of variation will be used to analyze the data. The study also employs a correlational design to evaluate the relationship between the variables and multiple regression analysis to test hypotheses.

The target population for the study consists of 45 staff members of UDL, 4 contractors, and 504 customers, totaling 553 respondents. These individuals were selected as they possess the relevant characteristics and can provide valuable insights into the strategy formulation and organizational performance of UDL. To determine the sample size, Yamane's formula is used, considering a population size of 553. The calculated sample size is 138 respondents from UDL. The sampling technique employed is stratified sampling. Respondents from different functions within UDL are selected as strata, and a portion of each stratum is included in the study to ensure a representative sample.

Data collection involves both primary and secondary data. Primary data is collected through self-administered questionnaires distributed to the selected respondents. The Likert scale is used in the questionnaire to capture respondents' perceptions, and the scale's interpretations are provided. Secondary data is obtained through a desk review of available literature, including books, reports, journals, and other relevant sources. Validity and reliability of the data collection instrument are ensured through various measures. The questionnaire is validated by experts in strategic management, and face validity is established by leveraging the researcher's experience in the field. Confirmatory Factor Analysis (CFA) is conducted to determine the validity of the research instrument. The reliability of the instrument is assessed using Cronbach's Alpha coefficient, with a value higher than 0.7 indicating high reliability.

For data analysis, descriptive and inferential statistics are employed. Descriptive statistics such as mean, and coefficient of variation are used to characterize strategy formulation and organizational performance. Pearson correlation coefficient is utilized to measure the statistical relationship between the variables, and multiple linear regression analysis is conducted to examine the effects of independent variables on the dependent variable. Diagnostic tests are performed to ensure the model's fit and accuracy. These tests include checking for multicollinearity and assessing normality. Ethical considerations are observed throughout the study. Informed consent is obtained from the participants, and their anonymity and confidentiality are assured. Participants are informed about the purpose of the study and their rights to withdraw at any time.

4. Presentation of findings

4.1 Descriptive findings

The study analyzed the case of UDL Ltd using descriptive statistics such as frequency, percentage, mean, and standard deviation. The interpretation of mean and standard deviation was based on the scoring range. Mean scores between 4.00-5.00 indicated a very great extent, between 3.00-3.99 indicated a great extent, between 2.00-2.99 indicated a small extent, and between 1.00-1.99 indicated no extent. A standard deviation of ≤ 0.5 indicated homogeneity, while greater than 0.5 indicated heterogeneity.

4.2.1 Developing mission and organizational performance of UDL Ltd

The study sought to examine the effect of developing mission on the organizational performance of the UDL Ltd. The respondents were questioned if they agreed or disagreed with the statements and findings are presented in the table 4.3.

Table 1: Developing mission in UDL

Developing mission	Mean	SD
UDL sets vision geared towards better service delivery	3.75	0.64
UDL focuses on what really matters to the stakeholder, thanks to its strategy formulation.	3.90	0.54
UDL possess a formal mission to pursue its objectives regarding effective service delivery to customers.	3.88	0.58
Level of service provided is well articulated in the mission statement of UDL.	3.74	0.62
Authority and responsibilities for the entire top management are formally defined in UDL	3.95	0.69
Performance goals are set periodically to assess whether UDL is achieving its objectives	3.73	0.64
Composite Mean	3.20	

Source: Researcher (2023)

The results from table 1 indicated a mean of 3.75 and standard deviation (SD) of 0.64 with most of respondents 56 (50.9%) agreed that UDL sets vision geared towards better service delivery to a great extent. The mean of 3.90 and SD of 0.54 with most of respondents 58 (52.7%) of respondents agreed that UDL focuses on what really matters to the stakeholder, thanks to its strategy formulation to a great extent. The mean of 3.88 and SD of 0.58 with 66 (60%) of the most respondents asserted that UDL possess a formal mission to pursue its objectives regarding effective service delivery to customers to a great extent.

The mean of 3.74 and SD of 0.62 with 45 (40.9%) of respondents agreed that Level of service provided is well articulated in the mission statement of UDL to a great extent. The mean of 3.95 and SD of 0.69 with 76 (69.1%) of respondents agreed that Authority and responsibilities for the entire top management are formally defined in UDL to a great extent. The mean of 3.73 and SD of 0.64 with 52 (47.3%) of respondents agreed that Performance goals are set periodically to assess whether UDL is achieving its objectives. The overall mean of 3.20 tends to 4 which is the second score of great extent which implies that the Developing mission is considered more in UDL Ltd as it is appears to a great extent.

4.2.2 Environment scanning of UDL Ltd

The study sought to assess perception of respondents on the Environment scanning in UDL Ltd, the respondents were questioned if they agreed or disagreed with the statements with regard to Environment scanning. The findings were presented in the table 2.

Table 2: Environment scanning in UDL

Environment scanning	Mean	SD
Top management of UDL scan the external environment before formulating strategies aiming at enhancing the service delivery.	3.91	0.52
UDL consider its internal environment while formulating strategies that create competitive advantage in service delivery.	3.90	0.55
UDL management always adjust their policies to changing environment for a sound strategic management.	4.05	0.49
UDL anticipate changes in its strategy formulation	3.92	0.58
UDL takes a deep look at the type of business operations and processes involved	3.95	0.55
In strategy formulation, the UDL always Tracks events in order to promote its organizational performance	3.91	0.56
Composite Mean	3.29	

Source: Researcher (2023)

The results from table 2 show that the mean of 3.91 and SD of 0.52 with 75 (71.4%) of respondents agreed that Top management of UDL scan the external environment before formulating strategies aiming at enhancing the service delivery. The mean of 3.90 and SD of 0.55 with 69 (65.7%) of respondents agreed that UDL consider its internal environment while formulating strategies that create competitive advantage in service delivery. The mean of 4.05 and SD of 0.49 with 71 (67.6%) of respondents agreed that UDL management always adjust their policies to changing environment for a sound strategic management.

The mean of 3.92 and SD of 0.58 with 65 (61.9%) of respondents agreed that UDL management always adjust their policies to changing environment for a sound strategic management. The mean of 3.95 and SD of 0.55 with 70 (66.7%) of respondents agreed that UDL takes a deep look at the type of business operations and processes involved t. The mean of 3.91 and SD of 0.56 with 69 (65.7%) of respondents agreed that Staff in UDL Ltd are regularly trained on skills that involve M&E data collection, reporting of data, interpretation of data, and analysis of data. The mean of 4.23 and SD of 0.45 with 69 (66.3%) of respondents strongly agreed that In strategy formulation, the UDL always Tracks events in order to promote its organizational performance. Thus, the overall mean of 3.29 tends to the second highest score of 4 which implies that a big number of respondents agreed that environment scanning appears more in strategy formulation of the UDL Ltd.

4.2.3 Strategic Options Generation in UDL Ltd

The study sought to assess perception of respondents on the Strategic Options Generation and organizational performance of UDL Ltd. The respondents were questioned if agreed or disagreed with the statements with regard to Strategic Options Generation within UDL Ltd. The findings were presented in the following table 3.

Table 3: Strategic Options Generation in UDL Ltd

Strategic Options Generation	Mean	SD
Performance goals are set periodically to assess whether the organization is providing a better service to customers.	3.68	0.52
UDL formulate strategies allowing it to be responsible for the achievement of previously established performance goals	3.67	0.55
Thanks to its strategy, UDL improve accountability and responsiveness to public and parliament.	3.82	0.49
Stakeholders have an active role within the administration and activities of UDL	3.69	0.58
UDL embrace a dynamic perspective not static for delivering public goods.	3.73	0.55
UDL do regularly publish performance reports on its activities.	3.68	0.56
Composite Mean	3.10	

Source: Researcher (2023)

The results from table 3 indicated that the mean of 3.68 and SD of 0.52 with 75 (70.5%) of respondents agreed that Performance goals are set periodically to assess whether the organization is providing a better service to customers. The mean of 3.82 and SD of 0.49 with .71 (64.5%) of respondents agreed that UDL formulate strategies allowing it to be responsible for the achievement of previously established performance goals. The mean of 3.94 and SD of 0.54 with 80 (76.2%) of respondents agreed that Thanks to its strategy, UDL improve accountability and responsiveness to public and parliament.

The mean of 3.69 and SD of 0.58 with 65 (59.1%) of respondents agreed that Stakeholders have an active role within the administration and activities of UDL. The mean of 3.73 and SD of 0.55 with 70 (63.6%) of respondents agreed that UDL embrace a dynamic perspective not static for delivering public goods. The mean of 3.68 and SD of 0.56 with 69 (62.7%) of respondents agreed that UDL do regularly publish performance reports on its activities. Thus, the overall mean of 3.10 tends to the second highest score of 4 which implies that Strategic Options Generation appears more in the UDL Ltd, and plays a significant effect in strategy formulation of UDL Ltd.

4.2.4 Views on the Organizational performance in UDL Ltd

The study sought to assess perception of respondents on the organizational performance in UDL Ltd as measured by service delivery, operational efficiency, and accountability. The respondents were asked whether agreed or disagreed with the statements regarding organizational performance, and the results were presented in the table 4.

Table 4: Organizational performance of UDL Ltd

Performance Statement	Mean	SD
Strategy formulation allow UDL ltd to deliver an utmost quality	3.77	0.71
Thanks to our strategy formulation, there is easy follow up to ensure the good service delivery.	3.78	0.64
We use our resources efficiently due to strategy formulation	3.58	0.67
Effective strategy formulation enables us to produce high quality products and services at the lowest possible cost	3.67	0.69
Thanks to strategy formulation, we make use of the project's expected overall cost.	3.64	0.73
Thanks to the strategy formulation there is delivery of activities on time in UDL	3.39	0.78
In UDL, UDL is accountable to its stakeholders thanks to effective strategy formulation	2.96	0.81
Composite Mean	3.10	

Source: Researcher (2023)

Considering the service delivery, the results from table 4 indicated that the mean of 3.77 and SD of 0.71 with 56 (50.9%) of respondents agreed that Strategy formulation allow UDL ltd to deliver an utmost quality. The mean of 3.78 and SD of 0.64 with 57 (54.3%) of respondents agreed that Thanks to our strategy formulation, there is easy follow up to ensure the good service delivery. The mean of 3.58 and SD of 0.73 with 42 (40%) of respondents agreed that We use our resources efficiently due to strategy formulation.

Considering operation efficiency, the mean of 3.67 and SD of 0.69 with 42 (40%) of respondents agreed that they use resources efficiently due to strategy formulation. The mean of 3.64 and SD of 0.69 with 49 (36.7%) of respondents agreed that Effective strategy formulation enables us to produce high quality products and services at the lowest possible cost. The mean of 3.64 and SD of 0.73 with 51 (48.6%) of respondents agreed that Thanks to strategy formulation, we make use of the project's expected overall cost.

The mean of 3.39 and SD of 0.78 with 35 (33.6%) of respondents agreed that Thanks to the strategy formulation there is delivery of activities on time in UDL. The mean of 2.96 and SD of 0.81 with 35 (31.8%) of respondents agreed that UDL is accountable to its stakeholders thanks to effective strategy formulation.

Thus, the overall mean of 3.10 tends to the second highest score of 4 which is agree and implies that most of respondents agreed that, due to Strategy formulation, Organizational performance is achieved to a great extent within UDL Ltd.

4.3. Inferential statistics

The study used inferential statistics such as correlation analysis and multiple regression to determine the evaluate the influence of developing mission on the organizational performance of Ultimate developers Ltd, by assessing the impact of Environment Scanning on organizational performance in Ultimate developers Ltd, and by determine the effects of Strategic Options Generation on organizational performance of Ultimate developers Ltd. Based on the results from inferential analysis, the study can show the effect of each predictor such as

(Developing mission, Environment scanning, and Strategic Options Generation) on the Organizational performance.

4.3.1. Correlations analysis

The study utilized Pearson's coefficient of correlation to assess the strength and direction of association between the independent variables (Developing mission, environment scanning, and Strategic Options Generation) and the dependent variable (organizational performance). A coefficient greater than 0 indicated a positive relationship, while a coefficient less than 0 indicated a negative relationship. The correlation findings are presented in the tables below.

Table 5: Correlation analysis between Developing mission and Organizational performance

		service delivery	operational efficiency	Accountability
Developing mission	Pearson correlation	.724**	.683**	.622**
	Sig. (2-tailed)	.000	.000	.000
	N	110	110	110

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

The results of the study in Table 5 show that there is a positive and significant relationship between Developing mission and Organizational performance because the calculated Pearson correlation and significance level between Developing mission and service delivery is positive and significant ($r=0.724$ and $\text{sig}=0.00<0.01$) level of significance. The calculated Pearson correlation and significance level between Developing mission and operational efficiency is positive and significant ($r=0.683$ and $\text{sig}=0.00<0.01$) level of significance. The calculated Pearson correlation and significance level between Developing mission and Accountability is positive and significant ($r=0.622$ and $\text{sig}=0.00<0.01$) level of significance. Thus, this implies that Developing mission plays a positive and significant effect in organizational performance of UDL Ltd. Basing on that, the null hypothesis stating that there is no statistical significant influence of developing mission on the organizational performance of Ultimate developers Ltd is not accepted at 1% level of significance.

The results of the current research proved a positive and significant relationship between Developing mission and organizational performance of UDL Ltd. Thus, the results of this current research are supported by the results of the study of Nkemchor and Ezeanolue (2021) who have also shown that Developing mission Strategy formulations were discovered to have a substantial impact on organizational performance at tertiary institution Delta state, Nigeria, based on the t-statistics of 2.755 and p-value of 0.001.

Table 6: Correlation analysis between Environment scanning and Organizational performance

		service delivery	operational efficiency	Accountability
Environment Scanning	Pearson correlation	.701**	.663**	.626**
	Sig. (2-tailed)	.000	.000	.000
	N	110	110	110

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

The results of the study in Table 6 proved that there is a positive and significant relationship between Environment scanning and Organizational performances because the calculated Pearson correlation and significance level between Environment scanning and service delivery is positive and significant ($r=0.701$ and $\text{sig}=0.00<0.01$) level of significance. The calculated Pearson correlation and significance level between Environment scanning and operational efficiency is positive and significant ($r=0.663$ and $\text{sig}=0.00<0.01$) level of significance. The calculated Pearson correlation and significance level between Environment scanning and accountability is positive and significant ($r=0.626$ and $\text{sig}=0.00<0.01$) level of significance. Thus, this implies that Environment scanning plays a positive and significant effect in organizational performance of UDL Ltd. Basing on these results, the null hypothesis stating that There is no statistical significant impact of Environment Scanning on organizational performance in Ultimate developers Ltd is rejected.

The results of the study from the correlation analysis between Environment scanning and Organizational performance have revealed that Environment scanning and Organizational performance have a positive and significant relationship. This is supported by the previous study of Njagi and Kombo (2019) which demonstrates that environmental scanning accounts for 44.8% of the variation in the dependent variable (organizational performance) (strategy implementation). The regression equation is consequently written as: $Y = 5.086 + 0.442 x_1 + 0.409 x_2$ from the entire regression model in table 7.

Table 7: Correlation analysis between Strategic Options Generation and Organizational performance

		service delivery	operationa l efficiency	Accountability
Strategic Options Generation	Pearson correlation	0.712**	0.674**	0.561**
	Sig. (2-tailed)	.000	.000	.000
	N	110	110	110

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

The results of the study in Table 7 revealed that there is a positive and significant relationship between Strategic Options Generation and Organizational performances because the calculated Pearson correlation and significance level between Strategic Options Generation and service delivery is positive and significant ($r=0.712$ and $\text{sig}=0.00<0.01$) level of significance. The calculated Pearson correlation and significance level between Strategic Options Generation and operational efficiency is positive and significant ($r=0.674$ and $\text{sig}=0.00<0.01$) level of significance. The calculated Pearson correlation and significance level between Strategic Options Generation and Accountability is positive and significant ($r=0.561$ and $\text{sig}=0.00<0.01$) level of significance. Thus, this implies that Strategic Options Generation plays a positive and significant effect in organizational performance of UDL Ltd. Basing on these results, the null hypothesis stating that there is no statistical significant effects of Strategic Options Generation on organizational performance of Ultimate developers Ltd is rejected.

The results of the research revealed that Strategic Options Generation plays a positive and significant effect on organizational performance of the UDL Ltd which is supported by the research of Uwitonze (2019) which findings showed a positive linear association between Strategic Options Generation, and the effectiveness of organizational performance in Kitabi College of Conservation and Environmental Management (KCCEM). The ANOVA test (F-

statistic) indicated the significant results for all organizational performance measures ($p < 0.05$).

4.3.2. Diagnostics test of the regression model

After running the regression model, post-estimation tests were conducted to ensure that the model was a good fit and the estimates received from the model were efficient and reliable. This study satisfactorily performed conditional diagnostics statistical tests. The study tested for normality, and multicollinearity.

4.3.2. 1.Multicollinearity test

Multicollinearity is the undesirable situation where the correlations among the independent variables are strong. Variance Inflation Factor (VIF) was used to assess multicollinearity in the multiple regression models. Zikmund, Babin, Carr and Griffin (2013) mentioned when there are two or more variables have a Variance Inflation Factor (VIF) of 5 and above, amongst them one should be removed from the regression analysis as this shows multicollinearity. Thus, in a study, if two or more variables have a Variance Inflation Factor of 5 or more than that one of them must be removed out if the same.

Table 8: Test for Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
Developing mission	0.803	1.245
Environment scanning	0.596	1.678
Strategic Options Generation	0.461	2.167

Source: Researcher (2023)

Table 8, indicated that all the independent variables were not highly correlated with each other as indicated by the Variance Inflation Factors (VIF) of below five. Since all 3 variables has VIF which is less than 5 indicating that there is no multicollinearity. Therefore, all variable of predictors will be included in the model.

4.3.3. Multiple linear regression on effect of strategy formulation on organizational performance

The study sought to identify the effect of Strategy formulation on organizational performance in State Corporates in Rwanda by using multiple linear regression model to determine the effect of independent sub-variables on each dependent variable in UDL Ltd. The regression models were run to test whether the model is significant or not. The statistical significance was verified by the Coefficient (β), t-statistic and Prob. In additional, statistically significant relationship between the dependent variable and independent variable from the model were accepted at 5% significance level. The analysis applied the Statistical Product & Service Solutions (SPSS) version .27 to compute the measurements of the multiple regressions for the study. Model relationship with Strategy formulation these variables can be arranged in a function or equation as follows:

$$\text{Organizational performance} = Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon, \text{ Model 1}$$

X_1 = Developing mission (DM), X_2 = Environment scanning (ES), X_3 = Strategic Options Generation (SOG), ε = error term

Table 9: Model Summary between strategy formulation and Organizational performance

Model	R	R Square	Adjusted R Square	Std Error of the estimate
1	.739a	0.546	0.538	0.30875

a. Predictors: (Constant), DM, ES, SOG

b. Dependent Variable: organizational strategy

The results from the above table 9, the value of coefficient of determination (R-Square) was 0.546 (54.6%) an indication that there was variation of 54.6% in organizational performance of Ultimate Developing Ltd was due to changes in strategy formulation which implies that the three independent variables (developing mission, environment scanning, and strategic options generation) contributes to 54.6% on organizational performance as represented by R². Since the contribution of all factors either in the model or not in the model count 100%, therefore there are other factors that influence organizational performance of Ultimate Developing Ltd that are not included in the model which account for 45.4%.

Table 10: ANOVA between strategy formulation on Organizational performance

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	25.123	3	6.281	65.886	0.000a
	Residual	20.877	106	0.095		
	Total	45.999	109			

a. Predictors: (Constant), DM, ES, SOG

b. Dependent Variable: Organizational performance

The findings in the table 10, indicate that the overall model was significant because calculated F statistic of 65.886 was large than the critical $F(V_1=3, V_2=219) = 2.26$ and also because p-value calculated =0.000 is less than Critical p-value =0.05 level of significant. Therefore, this implies that the variables: Developing mission, Environment scanning, and Strategic options generation had significant contribution to the variation of Organizational performance. Therefore, it can be concluded that the R and R² between strategy formulation and Organizational performance of Ultimate Developing Ltd is statistically significant, and strategy formulation can significantly influence Organizational performance. This demonstrated that strategy formulation significantly affects the Organizational performance in Ultimate Developing Ltd.

Table 11: Regression coefficients between strategy formulation and Organizational performance

Model		Unstandardized Coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.348	0.321		1.086	0.3
	DM (X1)	0.172	0.027	0.134	2.630	0.009
	ES (X2)	0.482	0.052	0.550	9.318	0.000
	SOG (X3)	0.455	0.097	0.313	4.672	0.000

As per the SPSS generated table 11, the equation $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$ becomes:

$$\text{Organizational performance} = 2.348 + 0.172X_1 + 0.482X_2 + 0.455X_3$$

The regression equation above has established that taking all factors into account (Developing mission, Environment scanning, and Strategic options generation are constant at zero, the Organizational performance will be 2.348.

The regression results revealed that Developing mission has significance and positive effect on Organizational performance as indicated by $\beta_1 = 0.172$, $p = 0.009 < 0.05$, $t = 2.630$. The implication is that an increase of one unit in developing mission would lead to an increase in Organizational performance by 0.172 units. Therefore, the study rejected the null hypotheses H_01 that stated that There is no statistically significant influence of developing mission on the organizational performance of Ultimate developers Ltd, as it was proven that developing mission in Ultimate Developing Ltd had statistically significant effect on its Organizational performance. These results are consistent with the findings by Kumar (2020) who examined impact of strategic management methods on service delivery in the County Government of Bombay City, India, and whose results point to a strong correlation between developing mission and vision and project success.

The study found a significant and positive effect of environment scanning ($\beta_2 = 0.482$, $p = 0.000 < 0.05$, $t = 9.318$) and strategic options generation ($\beta_3 = 0.455$, $p = 0.000 < 0.05$, $t = 4.672$) on organizational performance in Ultimate Developers Ltd. An increase of 1 unit in environment scanning led to a 0.482 unit increase in organizational performance, while a 1 unit increase in strategic options generation resulted in a 0.455 unit increase. These findings support Fahad et al. (2020), who observed a positive correlation between environment scanning and organizational performance in the UAE public sector, and Oduor and Were (2019), who highlighted the influence of strategic options generation on organizational performance in intergovernmental institutions.

5.1 Conclusion

In conclusion, based on findings from the chapter, the study concluded that there is significant and positive relationship between Strategy formulation and organizational performance of UDL Ltd where 54.6% variation in organizational performance of UDL was due to changes in Strategy formulation measured in terms of Developing mission, Environment scanning and Strategic Options Generation. The findings also implied that the organizational performance of UDL Ltd has been measured in terms of service delivery, operational efficiency, and accountability.

Also, based on the result showed from the test of hypotheses, all null hypotheses were rejected at 0.5 level of significance because the results indicated that there is positive and significant effect between variables. Therefore, objectives of this research were so achieved very well.

5.2 Recommendations

Based In line with some weaknesses found within the research, the following recommendation is proposed to improve organizational performance of State Corporates in Rwanda:

1. The findings showed that only 35 (31.8%) of respondents agreed that UDL is accountable to its stakeholders thanks to effective strategy formulation. Hence, the study recommends that UDL Ltd has to improve its accountability to its stakeholders, which may improve its organizational performance.

5.3 Acknowledgement

Firstly, I channel my heartfelt gratitude to all individuals who made this study possible. Further, I acknowledge my lovely family, who encouraged and prayed for me and kept my morale up during the studies. Finally, I cannot forget to thank all Mount Kenya University staff and lecturers for their dedication, assistance, and general guidance, without which this research would not have been possible.

References

- Abiola A. W. & Fava S. (2022). Effect of Organizational strategic management methods and practices on the performance of Real Estate companies in Nigeria. *Management Today*, 25(3), 11–15
- AlDhaheri, F., Ameen, A., & Isaac, O. (2020). The influence of strategy formulation (vision, mission, and goals) on the organizational operations. *Journal of Critical Reviews*, 7(17), 1932-1941
- Bhargavi T. & Yaseen J.L (2019). Innovation capabilities and performance: Are they truly linked in SMEs? *International Journal of Innovation Science*, 12(1), 23-30.
- Karangwa G. & Irechukwu N. E. (2023). Strategic Management Process and Performance of Construction and Engineering Company in Rwanda: A Case of NPD Ltd. *Journal of Strategic Management*, 7 (1), 124-140.
- Kumar B. S. (2021). Effect of Strategic Management Practices on Performance of pharmaceutical companies in India. *Journal of Strategic Management*, 5 (3), 2616-8472.
- Nkemchor E. M. & Ezeanolue E. T. (2021). Effect Of Strategic Management On Organizational Performance In Tertiary Institution In Delta State, Nigeria. *International Journal of Innovative Social Sciences & Humanities Research* 9(3):75-87.
- Nuwagaba S. (2021). Analysis of the causes for poor performance in implementation of performance contracts “imihigo” by districts: a case of Burera, Karongi, Nyagatare, Nyarugenge and Ruhango. *Journal of Public Administration Research and Theory*, 17, 357–377.
- Nwachukwu C. Hieu M. V. & Fadeyi O. (2019). Influence of strategy formulation drivers on strategic performance. *International Journal of Human-Computer Interaction*, 16(2), 185-210.
- Oduor A. A. & Were S. (2019). influence of strategic management process on performance in intergovernmental institutions; A survey of African Union in Nairobi, Kenya. *International Journal of Social Science and Humanities Research*, 7 (2), 653-677.
- Okwemba J. A. & Njuguna N. (2021). Effect of strategy formulation on performance of Chemelil sugar company in Kisumu County in Kenya. *African Journal of Emerging Issues (AJOEI)*. 3 (11), 29-42
- Owich S., Katuse P. & Ngari J. (2019). The Influence of Strategy Formulation on Organizational Performance of Companies Listed at Nairobi Securities Exchange. *International Journal of Novel Research in Marketing Management and Economics*, 5 (2), 33-49.

- Uwambayingabire C. & Mulyungi P. (2019). The Influence of Strategic Planning on Organizational Performance; Case Study Cogeбанque Rwanda. *International Journal of Research & Review*, 5 (6), 21-78.
- Uwanyiligira J. (2021). Strategic Management Practices and Service Delivery in Public Institutions in Rwanda, A Case of National Land Centre. *International Journal of Scientific and Research Publications*, 11 (1), 230-350.
- Uwitonze H. P. (2019). Effect of strategic planning on performance of public organisation in Rwanda with the reference to the operation of Kitabi College of Conservation and Environmental Management (KCCEM). *IOSR Journal of Business and Management*, 7(1), 24-32.