



**Journal of International Business, Innovation and Strategic Management**

2018: 1 (7): 270 - 290

ISSN: 2617-1805

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**EFFECT OF COST REDUCTION STRATEGIES ON ORGANIZATION PERFORMANCE: A CASE OF KENYA FOREST SERVICE**

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**To cite this Article:**

Kegera, J.A. & Nzulwa, J. (2018). Effect of cost reduction strategies on organization performance: A case of Kenya Forest Service. *Journal of International Business, Innovation and Strategic Management*, 1(7), 270 - 290

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**Abstract:** This study sought to establish the effect of cost reduction strategies on the performance of Kenya Forest Service specifically planned recruitment and training, process automation, service outsourcing and community participation as a cost reduction strategy on the performance of Kenya Forest Service. The study targeted 219 employees of Kenya Forest Service from which a sample size of 33 employees were selected to represent 219 employees from various management levels of Kenya Forest Service. The data was obtained from the respondents by use of structured closed and open-ended questionnaires. The study found out that planned recruitment and training has enhanced the performance of Kenya Forest Service through improved operations and reduction of conflict between the staff and members of the public as well as defining the job holder's position. Process automation has improved saving in revenue through increased revenue collection, its average use in community and security operations due the sensitivity of security matters that requires dialogue and consultations. Further, the study revealed that service outsourcing helps to improve skills and knowledge that improve the performance of an organization. Community participation was found to be very important in an organization's performance through structured guidelines, policies and regulations.

**Key Words:** *Planned Recruitment, Process Automation, Service Outsourcing, Community Participation, Performance*

## **Introduction**

Organizations spend resources when carrying out activities representing the basic mechanism that enables the organization to function. Spending represents a form of resource investment in the creation of enterprise results; it acts as determinant, the driver and the consequence of the functioning of an enterprise (Figar, 2009). Dess (2008) argued that when faced with high cost of production, there is need for an organization to effect major and minor changes in their business organization's strategic direction. Carroll (2009) avers that, it is essential that a firm implements the strategy of cost reduction whenever the organization experiences tough time or to propel future growth.

John, Brierley, Cowton and Colin, (2008), suggest that cost reduction can be achieved Kaplan and Norton (2009) on their part observe that in the effort to attain and sustain a competitive advantage in the market, most organizations focus their management strategies on the financial themes of increasing revenues, minimizing cost and increasing productivity, enhancing asset utilization and reducing risk as a way of attaining and sustaining competitive advantages in the market. Davis (2010) points out that the dual challenge facing many organizations today is to improve the quality of goods and services while cutting corporate overhead costs.

## **Statement of the Problem**

The changing business environment has brought about so many changes in organizations including policies on cost management (Richtel, 2008). Robert (2009) stated that a company with adequate cost structure possesses the higher chance of attaining its profit target. The increasingly competitive global economy pushes firms to exploit all of their available resources as a means of achieving competitive advantage (Andersen, 2009). Innes, *et al* (2013) assert that the survival triplet today for any company is how to manage product or service cost, quality, and performance. Santos, (2012) noted that even though organizations have formal standards of performance measurement systems, their degree of comprehensiveness is different. The scope of the organization and its association with different international organizations, the experience and qualifications of managers and partners needed for the design and execution of similar performance procedures, the resources required for the introduction of such performance procedure and the uniqueness of the organization and customer association with the need to uphold impartiality and confidentiality while providing high-quality services are the mainly great challenges that face organizations in measuring their performance (Mohammed, 2015). Other key challenges also include entrepreneurs' characteristics, processes of founding, venture attributes, and environmental characteristics.

There is heavy dependence of new ventures upon environmental developments, many of which may be very difficult to predict. Thus, well-conceived ventures can fail because of unforeseen environmental shocks and the lack of enough finance to ride out hard times. These same factors can cause organization performance to swing widely; confounding attempts to identify predictors of good or poor performance. The Kenya Forest Service customers are increasingly demanding for quality products and better services, with low price. This has been a great challenge to Kenya Forest Service hence affecting its performance as an organization. Thus, this study therefore seeks to investigate effects of cost reduction strategies on organization performance in KFS Headquarters, Nairobi.

## **Objectives of the Study**

- i. To evaluate the effect of planned recruitment and training as a cost reduction strategy on the performance of Kenya Forest Service.

- ii. To establish the effect of process automation as a cost reduction strategy on the performance of Kenya Forest Service.
- iii. To examine the effect of service outsourcing as a cost reduction strategy on the performance of Kenya Forest Service.
- iv. To determine the effect of community participation as a cost reduction strategy on the performance of Kenya Forest Service.

## **Literature Review**

### **Theoretical Review**

The Resource Based Theory by Barney (1991) notes that organizations are heterogeneous because they possess heterogeneous resources, meaning organizations can have different strategies because they have different resource mixes. The organization's resources are financial, legal, human, organizational, informational and relational; resources are heterogeneous and imperfectly mobile and that management's key task is to understand and organize resources for sustainable competitive advantage. According to the Resource Based theory, an organization's internal capabilities determine the strategic choice it makes in competing in its external environment. This is in line with the influence that strategic management practices have on the performance of an organization.

Agency Theory argues that the contract agreement between the principal and the agent is sealed with set incentives by the principal and in turn the agent is required to accomplish the contract smoothly. The agent is also mandated by the principal to make decisions during the contract period. The agency relationship has two critical issues that the parties have to realize. Each party may have disagreeing goals, and since the agent has a specialized field it may be difficult for the principal to measure the end result of the contract (Eisenhardt, 1989). This theory therefore explains how organizations in the business field have different problems and ways of solving them interdependently. Resourcefulness is essential characteristic in the relationship between the principal and the agent. According to Benoit et al (2008), bad relationship in the agency is determined by dishonesty, being non-committal and being argumentative.

Transaction Cost Theory form the basis of an economic thinking and was introduced by the institutional economist John R. Commons in 1931. Ronald Coase, in 1937 then used it to develop a theoretical framework for predicting when certain economic tasks would be performed by organizations, and when they would be performed on the market. This theory tries to explicate the relevance of organizations existence and its desire to develop to the next level. It also give reasons why organizations struggle to reduce cost of producing internally by evaluating cost service outsourcing services.

Resource Dependency Theory by Pfeffer and Salanci in 1978 is used as a basis to study and explain the influences of environments on organizational relations. The theory states that for smooth production process in the organizations, the organization must depend external parties for resources supply since it doesn't have all resources (Pfeffer & Salanick 1978, Pfeffer 1984). The essential point of this theory is to encourage organizations to develop strategies that will advance their independence and pursue their interests, improve their reputation and embrace their power by understanding internal and external activities of the organizations. Since organizations want to exist and improve their creativity by producing improved products, they therefore need to have enough capital, adequate raw material and experienced labour. This dependence of external resource means that they should move through the principle of scarcity.

The stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization. The theory generally identifies five primary stakeholder groups for a company: three of them, shareholders, customers, and communities, define the external expectations of a

company's performance; the other two suppliers, contractual professionals and employees, participate with the company to plan, design, implement and delivers the company's products and services to its customers (Atkinson *et al.*, 1997). The managerial viewpoint in an organization is to embrace stakeholders-based performance since the main focus of managers is to achieve higher performance which can actually be measured. Managers are not only focusing on economic measures of performance, but they are also shifting their focus on stakeholder-based performance measure which has propelled them to scrutinize the value their organization is creating from the stakeholders involvement in development.

### Conceptual Framework

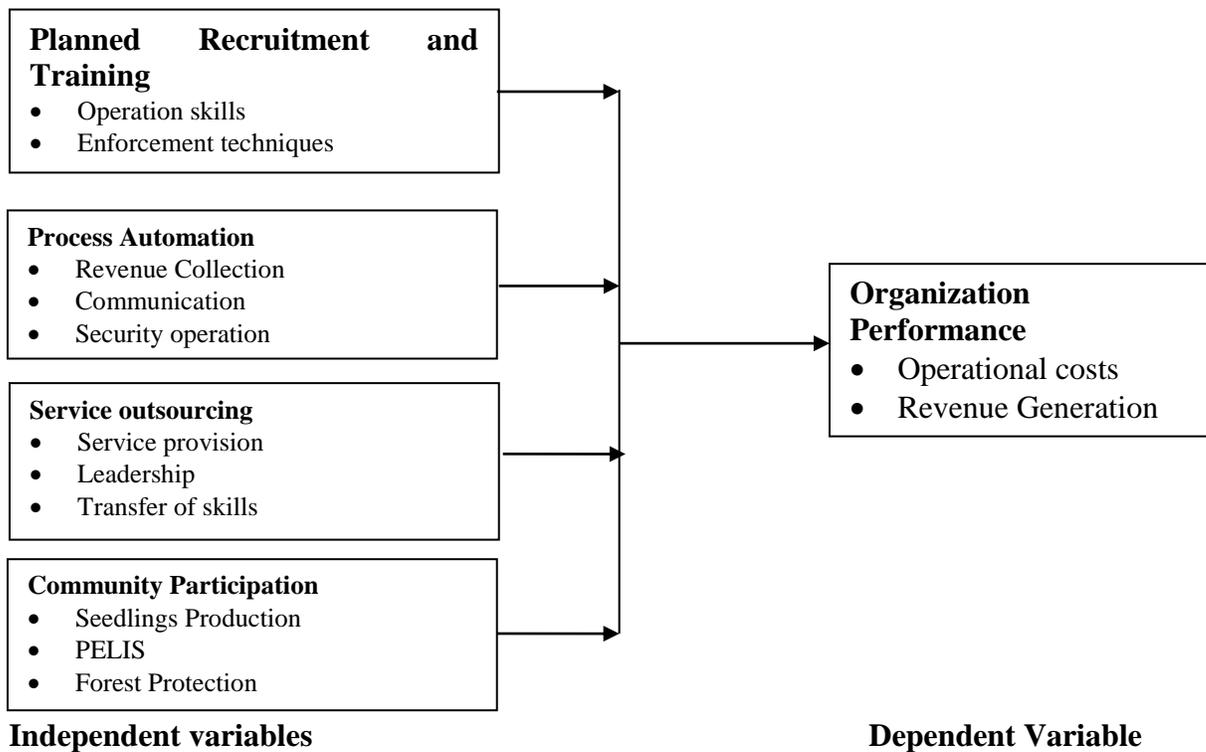


Figure 1: Conceptual Framework

### Planned Recruitment and Training and Organization Performance

Learners are imparted knowledge and skills from a well-designed training which they needed for their present job to perform better (Fitzgerald, 2010). Very few people come to the job with complete knowledge and experience required to perform their allocated job. Becker (2012) provides a logical explanation of investment in human capital and related productivity, wages and flexibility of workers. Such investment not only generates competitive benefits for an organization (Salas & Cannon-Bowers 2011), but also delivers innovations and openings to learn new technologies and advance employee knowledge, skills and organization performance Thang *et al* (2010). For organization to improve in organizational performance in terms of increased sales and productivity, enhanced quality and market share, absence and conflict, reduced turnover, the organization need to invest in trainings (Huselid 2015, Martocchio & Baldwin 2009, Salas & Cannon-Bowers, 2010).

### **Process Automation and Organization Performance**

Organizations with high increases in scale and scope of automation have faster productivity growth than other organizations. Moreover, automation improves the efficiency of all stages of the production process by reducing setup time, run time, and inspection time and increasing uptime and quantity produced per worker. The efficiency improvement varies by type of automation. Information integration can improve business process (Bhatt, 2010) and plays a critical role in an organizations. In the manufacturing function, information integration implement through utilizing network and other information technologies (Dan *et al.*, 2015) to share product and process data (Deng *et al.*, 2012; Gao *et al.*, 2012; Cho & Seo, 2012) and coordinating process planning and scheduling (Zhang *et al.*, 2013). Process integration mainly includes integration of design, manufacturing and inspection systems (Cho *et al.*, 2012) and integration of production and logistics functions (Chikan, 2011; Gimenez & Ventura, 2015).

### **Service outsourcing and Organization Performance**

Bolat and Yilmaz (2009) noted that service outsourcing is the key to the success of an organizational performance. Cooperation with outsourced organization it leads to significant improvement in organizational effectiveness, productivity, profitability, quality, continuous improvement, quality of work life, and social responsibility levels. The global market has brought drastic changes in services hence organizations are looking for contemporary ways to gain competitive power and create value. Lysons and Farrington (2009) avers that for organization to deal with business dynamics and external environmental forces, they need to gain competitive power to be superior to its competitors. Service outsourcing makes organisations achieve competitive advantage by focusing on core function. Ogolla (2013) noted that when organizations outsource some of the functions it improves its performance by increasing its productivity, being flexible in some other function, quality products, reduction of operating cost, advancement of technology and customer satisfaction.

Kamanga and Ismael (2016) noted that before service outsourcing and entering into a contract, organizations need to ascertain the capability of the service provider in handling activities. The organization need to know the quality standards expected. The organization should consider the technical consistence and managerial strength from the service provider and when handling some given tasks s agreed in the contract, it should not affect the other business running of organization.

### **Community Participation and Organization Performance**

Stakeholders' involvement is paramount in development projects. Even though, minor decisions and emergency situations are generally not appropriate for stakeholder participation, a complex situation with far-reaching impacts warrant stakeholder involvement and when done proactively, rather than in response to a problem, helps to avoid problems in the future (Maina, 2013).

### **Research Methodology**

This study adopted descriptive research design. The study focused on 219 employees working at KFS headquarters in the following management levels: Top level management who are in salary scale 1 to 4; Middle level management in between salary scale 5 to 9 and Lower level management in salary scale 10 to 14. The staff members were stratified according to their levels of management. This stratum was further divided as per their individual responsibilities in Kenya Forest Service as outlined in KFS career progression. Simple random sampling technique was then used to randomly select the respondents from the levels of management (sampling frame). The sample size was drawn from 219 employees working at KFS in the following management levels: Top level management, Middle level management and Lower level management which formed the sampling frame by

employing stratified sampling technique. According to Mugenda and Mugenda (2008) a sample size of between 10% and 30% is a good representation of the target population. The researcher used 15% sampling frame from each stratum in the population for adequate analysis. Structured questionnaire containing close-ended questions was used to collect primary data that assisted the researcher to get reliable information by seeking opinion from the respondents. Descriptive statistics was employed and data presented in form of frequency tables that facilitated description and explanation of the study. The study also used regression analysis, as it is able to relate dependent variable with multiple variables using the following formula:

$$(y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon)$$

Where:- y = Dependent variable (Firm Performance), X<sub>1</sub>=Independent variable (Planned recruitment and training), X<sub>2</sub>= Independent variable (Process automation), X<sub>3</sub>= Independent variable (Service outsourcing), X<sub>4</sub>= Independent variable (Community participation), β<sub>1</sub> – β<sub>4</sub> = Regression coefficient for each independent variable and ε –Random or stochastic term.

### **Research Findings and Discussion**

After administering 33 questionnaires to the respondents, 32 questionnaires were filled and returned for analysis while 1 questionnaire was not returned. This translated to 96.97% response rate and 3.03 non-response rate respectively. 2(100%) were from senior management, 7 (100%) from middle management and 23(95.83%) from lower level management. This was mainly achieved by the researcher handing over the questionnaires of the various management levels to the respective staff members of the departments and sections of the Kenya Forest Service. The commendable response was also realized as a result of the researcher’s emphasis to the enumerators on maximizing on data collection and making follow ups to ensure that the data collection process was carried out as planned. This response rate is considered adequate, as according to Idrus and Newman (2002); a response rate of 50% is good enough in social studies. Therefore for the purpose of analysis, the sample size was taken as 32 (n).

### **Descriptive Analysis**

#### **Descriptive Analysis of Planned Recruitment**

This section of the study sought information on the planned recruitment and training on organization performance. Respondents were asked to rate their responses based on the planned recruitment and training on organization performance, the respondents responded as shown in Table 1.

**Table 1 : Improvement of Services**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very High	2	6.25
High	5	15.63
Average	17	53.13
Low	6	18.75
Very Low	2	6.25
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 1 shows that majority of the respondents agreed that the planned recruitment and training is on average affecting the performance of an organization at 17 (53.13%), followed by low at 6 (18.75%), high at 5 (15.63%), while very high and very low both had 2 (6.25%) This due to the fact Kenya Forest Service planned recruitment and training is not regular but is seasonal due to the fact that majority of the staff are forest rangers who are recruited and taken for training after 5 years. The respondents were also asked if planned recruitment and training process has improved work operations in the organization, the response were as in Table 2.

**Table 2 : Improvement on Organization Operations**

Response	Frequency	Percentage (%)
Yes	28	87.50
No	4	12.50
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 2 shows that majority of the respondents agreed that the planned recruitment and training has improved the operations of the organization at 28 (87.50%), compared to 4 (12.5%) who did not agree. Kenya Forest Service has acquired and retained high quality talent in different sections in the organization. The study further sought to know if planned recruitment and training has help in reducing conflict between the organization and members of the public. The response was as in Table 3.

**Table 3 : Reduction of Conflict**

Response	Frequency	Percentage (%)
Yes	29	90.63
No	3	9.38
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 3 shows that planned recruitment and training has helped in reducing conflict between staff of the organization and members of the public at 29 (90.63%), compared to 3 (9.38%) who felt that it has not reduced conflict between the staff and member of the public when enforcing law. Kenya Forest Service recruits potential Rangers and train them for six months on enforcement techniques, Kenya laws and other skills that makes them handle the public professionally. The study further established whether planned recruitment and training defines job holder's position exhaustively, the respondents responded as in Table 4.

**Table 4 : Defining Job Holder's Position**

Response	Frequency	Percentage (%)
Yes	17	53.13
No	15	46.88
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 4 shows that planned recruitment and training has defined every job holder's position exhaustively at 17 (53.13%), closely followed by 15 (46.88%) who felt that it has not defined the job holder's position exhaustively. Kenya Forest Service has clearly defined its job descriptions and specification that attracts capable applicants for employment.

### Descriptive Analysis of Process Automation

This section of the study sought information on process automation and organization performance. Respondents were asked to rate how the process automation has saved in revenue collection in the organization, the respondents responded as shown in Table 5.

**Table 5 : Revenue Collection**

Extent	Frequency	Percentage (%)
Very Much	12	37.50
Much	9	28.13
Moderate	9	28.13
Low	1	3.13
Very Low	1	3.13
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 5 shows that process automation has very much saved in revenue collection at 12 (37.5%), much and moderate equally at 9 (28.13%) while low and very low equally at 1 (3.13%) each. This has led to increased revenue collection due bridging the gaps that existed in physical collection and depositing of revenue. Kenya Forest Service has embraced the advancement of information communication technologies in revenue collection which has started improving its services in revenue collection. Communication and automation helps in determining the flow and structure of an organization. It is to this respect that the researcher sought to know the respondents rating of process automation in communication of an organization. Their response was as in Table 6.

**Table 6 : Process Automation in Communication**

Extent	Frequency	Percentage
Very High	4	12.50
High	9	28.13
Average	17	53.13
Low	1	3.13
Very Low	1	3.13
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 6 shows that use of automation in Kenya Forest Service in communication is on average at 17 (53.13%), followed by high at 9 (28.13%), very high at 4(12.50%) while low and very low equally stood at 1 (3.13%) each. This is due to the fact that Kenya Forest Service is still integrating automation in her processes in various departments and divisions. Since security is an important exercise in Kenya Forest Service operations due to protection of the forest, it was therefore important to sought respondents view on process automation in security operations of the organization. Their response was as in Table 7.

**Table 7 : Process Automation in Security Operations**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very High	4	12.50
High	10	31.25
Average	15	46.88
Low	1	3.13
Very Low	2	6.25
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 7 shows that use of process automation in Kenya Forest Service in security operations is on average at 15 (46.88%), followed by high at 10 (31.25%), very high at 4(12.50%), very low at 2(6.25%) and low at 1 (3.13%). This is due to the fact that Kenya Forest Service is in the process of integrating automation in security operations that requires a lot of consultations before implementation due the sensitivity of security operations in the organization, nationally, regionally and globally. Asked if process automation has improved efficiency in the organization, the respondents responded as indicated in Table 8.

**Table 8: Process Automation and Efficiency**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	27	84.38
No	5	15.63
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 8 shows that majority agreed that process automation has improved efficiency in Kenya Forest Service at 27 (84.38%), against 5 (15.63%) who said process automation has not improved efficiency in the organization. The process automation has enhanced turn -around time of the services thereby reducing wastage, enhanced ways of making payments minimizing corruption, reduces loss of assets and finance as well instant delivery of services such as online application for forest produce movement permits at border points.

### **Service outsourcing and Organization Performance**

This section of the study sought information on service outsourcing and organization performance. Asked to rate their responses based on the performance of the organization upon service outsourcing services, the respondents

responded as shown in Table 9.

**Table 9 : Service outsourcing and Organization Performance**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very High	4	12.50
High	12	37.50
Average	16	50.00
Low	0	0.00
Very Low	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 9 shows that the organization performance upon service outsourcing is on average at 16 (50.00%), high at 12 (37.50%) and very high 4 (12.50%). This implies that service outsourcing is an important aspect in organization performance. Kenya Forest Service employees are appreciating the service outsourcing services since it makes them to concentrate on their area of expertise. Capacity building is important in individual growth that ultimately impact on the organization performance. When asked on this, the respondents responded as in Table 10.

**Table 10 : Capacity Building and Organization Performance**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very Much	13	40.63
Much	12	37.50
Moderate	7	21.88
Low	0	0.00
Very Low	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 10 shows that the respondents concurred that capacity building has improved the organization performance at 13 (40.63%), much at 12 (37.50%) and moderate at 7 (21.88%). This implies that capacity building is an important aspect in organization performance. Capacity building reinforces the skills that an employee already has. Kenya Forest Service has shown it clearly by undertaking refresher courses after a given period of time of its employees. Asked if service outsourcing skills have assisted in empowering staff in skills development, the respondents responded as in Table 11.

**Table 11 : Service outsourcing and Skills Development**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	22	68.75
No	10	31.25
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 11 shows that the majority of respondents agreed that service outsourcing of skills has assisted in empowering staff in skills development at 22 (68.75%), vis a vis 10 (31.25%) who had the contrary opinion. This is due to emerging services that need service outsourcing and expertise. Kenya Forest Service as an organization has different section of departments which on different occasions due to dynamism the organization outsource expert to upgrade systems.

**Descriptive Statistics of Community Participation**

Community participation is important and determines the performance of an organization. Asked on how much community participation has enhanced the performance of Kenya Forest Service, the respondents responded as in Table 12.

**Table 12 : Community Participation and Organization Performance**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very Much	11	34.38
Much	17	53.13
Moderate	4	12.50
Low	0	0.00
Very Low	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 12 shows that the majority of respondents agreed that community participation has much contributed to organization performance at 17 (53.13%), followed by very much at 11 (34.38%) and moderate at 4 (12.50%). This is because community participation is provided for by the Forest ACT 2005 and Forest Management and Conservation ACT 2016 that recognize the community as main stakeholders in forest management, protection and conservation. Most of the activities that has immensely contributed to the organization’s performance is through Plantation Establishment and Livelihood Improvement Scheme (PELIS). Policies and regulations guide the operations of an institution which ultimately determine the performance of an organization. The respondents’ involvement in formulation of policies and regulations was as recorded in Table 13.

**Table 13: Involvement in Formulation of Policies and Regulations**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	19	59.38
No	13	40.63
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 13 shows that majority of respondents are involved in formulation of policies and regulations at 19 (59.38%) as compared to those who are not involved in the formulation of policies and regulation of the organization at 13 (40.63%). This implies inclusive involvement of the consumers of the policies and regulations giving them an opportunity to share their ideas on issues governing the organization. Policies govern the operations of an organization. Asked how they would rate Kenya Forest Service Policies in enabling community participation on delivering service to the organization, the respondents responded as in Table 14.

**Table 14: Organization Policies on Community Participation**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very High	4	12.50
High	14	43.75
Average	13	40.63
Low	1	3.13
Very Low	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 14 shows that majority of respondents noted that Kenya Forest Service policies have highly enabled community participation on delivering of services to the organization at 14 (43.75%), average at 13 (40.63%) very high 4 (12.50%) and low at 1 (3.13%). This is because the forest policies outline operation guidelines as well the community user rights as they participate in forestry matters as main stakeholders.

**Organization Performance**

This section of the study sought information on the organization performance in the application of cost reduction strategies. Asked to rate their responses based on the organization performance, the respondents responded as shown in Table 15.

**Table 15 : Organization Performance**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very High	5	15.63
High	11	34.38
Average	14	43.75
Low	2	6.25
Very Low	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 15 shows that the organization performance is on average at 14(43.75%), followed by high performance at 11 (34.38%), very high at 5 (15.63%) and low at 2 (6.25%). None recorded a very low performance. This implies

that the cost reduction strategies have not been fully implored to improve the organization performance. Quality is an integral aspect in service delivery. The respondents were asked on their satisfaction to the quality of services offered by Kenya Forest Service. Their response were summarised in table 16.

**Table 17 : Satisfaction on Quality of Services**

Extent	Frequency	Percentage (%)
Very High	4	12.50
High	11	34.38
Average	15	46.88
Low	2	6.25
Very Low	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 17 shows that the level of satisfaction with the quality of services provided by Kenya Forest Service is on average at 15 (46.88%), followed by high at 11 (34.38%), very high at 4 (12.50%) and low at 2 (6.25%). None recorded very low as satisfied with the quality of services. This is due to the fact that KFS is in the process of establishing measures to ensure that services are delivered as expected through collaboration with other development partners. The success of an organisation is determined on whether it is making improvement in the delivery of service or not. The respondents were asked whether the organisation has made improvement so far and their response were as in Table 18.

**Table 18 : Improvement of Services**

Extent	Frequency	Percentage (%)
Strongly Agree	4	12.50
Agree	27	84.38
Neutral	1	3.13
Disagree	0	0.00
Strongly Disagree	0	0.00
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 18 shows that majority of the respondents agreed that the organization has made improvement since the enactment and implementation of Forest ACT 2005 at 27 (84.38%), followed by strongly agreeing at 4 (12.5%), and those who are neutral at 1 (3.13%). This due to the fact Kenya Forest Service was created by the Forest ACT 2005 and implemented in 2007. This brought most of the stakeholders on board who have seen improvement within the organization.

### Correlation Analysis

The correlation findings indicated that planned recruitment had a positive but not significant effect on performance

( $r = 0.127$ ,  $Sig > 0.05$ ). This implies that an increase in planned recruitment increases performance but not significantly. The effect of process automation on performance was positive and significant ( $r = 0.230$ ,  $Sig < 0.05$ ). This implies that an increase in process automation leads to a significant increase in performance. It was also established that service outsourcing has a positive and significant effect on performance ( $r = 0.367$ ,  $Sig = < 0.05$ ). It implies that an increase in service outsourcing leads to a significant increase in performance. Lastly, it was established that community participation has a positive and significant increase in performance ( $r = 0.373$ ,  $Sig < 0.05$ ). The findings imply that an increase in community participation leads to a significant increase in performance. The findings are consistent with Huselid (2015) who argued that for organization to improve in organizational performance in terms of increased sales and productivity, enhanced quality and market share, absence and conflict, reduced turnover, the organization need to invest in trainings. The findings also agree with Bhatt (2010) that information integration can improve business process and plays a critical role in an organizations as well as the argument by Bolat and Yilmaz (2009) who noted that service outsourcing is the key to the success of an organizational performance. The findings are also in congruence with Njogu (2014) who inferred that the high ranking of performance of Podo water project in Kiambu was linked to the high level of Community Participation

**Table 19 : Correlation Analysis**

		Planned recruitment	Process automation	Service outsourcing	Community participation	Performance
Planned recruitment	Pearson Correlation	1				
Process automation	Pearson Correlation	-0.332	1			
Service outsourcing	Pearson Correlation	-0.3	-0.294	1		
Community participation	Pearson Correlation	0.049	-0.041	0.244	1	
Performance	Pearson Correlation	0.127	0.230*	.367*	.373*	1
	Sig. (2-tailed)	0.487	0.040	0.039	0.036	
	N	32	32	32	32	32

\* Correlation is significant at the 0.05 level (2-tailed).

**Regression analysis**

The value of R-square was 0.518 which showed that cost reduction strategies (planned recruitment and training, process automation, service outsourcing and community participation) account for up to 51.8% of the variation in performance of Kenya Forest Service as shown in Table 20.

**Table 20 : Model Summary**

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
.720	0.518	0.447	0.3101
Predictors: (Constant), Community Participation, Process Automation, Planned Recruitment, Service outsourcing			

The study also conducted an Analysis of Variance to establish the model fitness or significance and established that the test for the joint significant which is given by the F statistic is 7.26 and as observed in table 4.23, it is statistically significant (0.000) which is less than .05) at 5 percent level of significance.

**Table 21 : ANOVA**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	2.793	4	0.698	7.26	.000
Residual	2.596	27	0.096		
Total	5.389	31			
Dependent Variable: Performance					
Predictors: (Constant), Community Participation, Process Automation, Planned Recruitment, Service outsourcing					

The model coefficients indicated that community participation has a positive and significant effect on performance of Kenya Forest Service (Beta = 0.277, Sig < 0.05). This implies that an increase in community participation by one unit leads to an increase in performance by 0.277 units. It was also established that process automation has a positive and significant effect on performance of Kenya Forest Service (Beta = 0.200, Sig < 0.05). This implies that an increase in process automation by one unit leads to an increase in performance by 0.200 units. The regression results showed that service outsourcing has a positive and significant effect on performance of Kenya Forest Service (Beta = 0.265, Sig < 0.05). This implies that an increase in service outsourcing by one unit leads to an increase in performance by 0.265 units. Lastly, the findings showed that planned recruitment and training has a positive but not significant effect on performance of Kenya Forest Service (Beta = 0.235, Sig > 0.05). This implies that an increase in planned recruitment and training by one unit leads to an increase in performance by 0.235 units although the increase is not significant.

The findings are consistent with the findings of a study by Salas and Cannon-Bowers (2011) which indicated that an investment in training not only generates competitive benefits for an organization but also delivers innovations and openings to learn new technologies and advance employee knowledge, skills and organization performance. Similarly, the findings are consistent with Ogolla (2013) which noted that when organizations outsource some of the functions it improves its performance by increasing its productivity, being flexible in some other function, quality products, reduction of operating cost, advancement of technology and customer satisfaction as well as the findings of Maina (2013) that stakeholder involvement improves performance.

**Table 22 : Model Coefficients**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.515	0.821		0.627	0.536
Community Participation	0.277	0.087	0.507	3.171	0.004
Process Automation	0.200	0.053	0.596	3.766	0.001
Service outsourcing	0.265	0.067	0.642	3.947	0.001
Planned recruitment and Training	0.235	0.152	0.216	1.546	0.134

**Dependent Variable: Performance**

### Conclusion of the Study

The findings of the study establishes that the performance of an organization is affected by various factors to varying degrees. Planned recruitment and training have enhanced the performance of Kenya Forest Service and reduced the conflict between the staff and members of the public. This has necessitated smooth operations of the organization in many cases. Further it has impacted skills and knowledge necessary in day to day operations of the organization. Process automation is key in all departments of an organization. This will realize improved revenue collection, saves time and minimize loss of organization’s assets and finance. Further, it readily avails some services which would have been costly to provide or get manually through on-line services. Service outsourcing helps in improving organization’s performance especially for services or goods that it cannot provide by herself. This helps in improving skills and knowledge of the staff that than can be used for the development and growth of the organization. Finally, the study notes that community participation in organization’s operations is important. However, this should be done upon the outlined policies, rules and regulations.

### Recommendations of the Study

An organization should have routine recruitment and training programs. This will ensure continuity of the services; improve the skills and knowledge of the staff members which will make them adapt to changing environment of the service points. Organizations should embrace automation since it saves turnaround time of service delivery, increases revenue, some services can be offered on-line saving resources as well as availability of information. Service outsourcing should only be done where the goods and services cannot be adequately provided by the members of the staff or the organization. Otherwise, more capacity building should be conducted to equip them with skills and knowledge.

### Conflict of Interest

No potential conflict of interest was recorded by the authors

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