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Financial Goal Orientation and Its Effect on Finance Mobilization of Mega Projects in Kenya: Case of Parastatals in Energy Sector

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Abstract:
The energy sector has many projects which are initiated and/or are being implemented in tandem with the Kenya's Vision 2030. However, the successful implementation and completion of these mega projects is inhibited by untimely availability or inadequacy of financial resources. This article sought to examine the influence of financial goal orientation on finance mobilization by parastatals in the country's energy sector. It was guided by goal setting theory. Descriptive research design, deductive approach and quantitative method were employed by the study. The study population comprised 32 managers in charge of ongoing projects in the energy sector. A census design was used due to the small size of the study population. A structured questionnaire and data collection sheet were used in data collection. The collected data were analyzed with the aid of the Statistical Package for Social Sciences and using both descriptive and inferential statistics. The results of correlation analysis indicated that there existed strong and statistically significant relationship between financial goal orientation and finance mobilization. Moreover, it was revealed the effect of the aforesaid orientation on finance mobilization was significant. The article concluded that mega projects, usually take extended duration of time reflected by several years for them to recoup the capital initially invested in them. Both commercial and concessional loans were inferred to play a significant role in funding mega projects in the energy sector. The article has recommended that the monitoring and evaluation of the implementation of these projects should be very critical on the aspect of cost overruns. It was recommended that the aforesaid parastatals should go for long-term loans to fund mega projects.

Keywords: Energy sector, mega projects, finance mobilization, financial goal orientation, parastatals

1. Introduction

Based on OECD (2015), project finance is distinct from corporate finance in that it represents the financing of a standalone, clearly demarcated economic unit (Weber & Alfen, 2010). Lending arrangements are based solely on the cash flow generation of the project. Risk sharing structures amongst the various project partners (financiers, managers, public sector) are allocated based on their varying abilities to manage and control risks. Liability is limited to the contributed equity capital, and lenders often have limited recourse to project sponsors.

According to the United Nations Conference on Trade and Development (UNCTD) strengthening domestic public resource mobilization is crucial for the Governments in financing national sustainable development strategies and implementing Agenda 2030 for Sustainable Development and the Addis Ababa Action Agenda. The particular role of fiscal revenues in public resource mobilization lies in their greater stability and predictability compared to other sources of long-term finance. As noted in the Addis Ababa Action Agenda, economic growth is the main determinant of fiscal revenue. An enabling macroeconomic policy stance, including appropriate countercyclical fiscal policies, plays an important growth-enhancing role at the national level.

Infrastructural projects often have higher levels of leverage than non-infrastructure investments, given less volatile cash flows and the willingness of sponsors of infrastructure projects to accept higher levels of debt (Beeferman & Wain, 2012). Debt instruments have historically comprised 70-90% of the total capitalisation of infrastructure projects. Infrastructure's projects are capital intensive in nature, generally low-to-manageable operating risk, and the long-term importance of infrastructure services can help to support higher levels of leverage than similarly rated non-financial corporations. In UK, Sawant (2010) exemplifies that Second Severn and Skye Bridge crossings were 100% financed through debt.

In Africa, most countries are still struggling to improve their infrastructure. The World Bank-commissioned Africa Infrastructure Diagnostic Study estimated that inefficiencies in State-owned utilities and infrastructure providers in Sub-Saharan Africa cost around US$6 billion a year(World Bank, 2018). This is because often construction projects managed by government run well over budget and behind schedule and any changes to the project cost are often at the expense of the Government. More so service delivery by Government entities is often poor due to limited capacity and week management incentives. In Nigeria for example infrastructure deficit has trailed country's development and economic growth for quite a while now and the country needs more than US$ 19 trillion to provide the much-required infrastructure.

A World Bank report on the financing role that China plays in infrastructure development in Sub-Saharan indicated that China funds large projects such as railways and hydropower generation (Foster, Butterfield, Chen, & Pushak, 2009). It claimed that 35 African governments had engaged the Chinese in infrastructural development with Sudan, Ethiopia, Nigeria and Angola being the largest beneficiaries. A more recent World Bank report found that China's investment in Sub-Saharan Africa's power generation plants for the period between 1990 and 2013 accounted for 15% of total investment and had added 16.45% of the power generated in this period (Eberhard, Gratwick, Morella, & Antmann, 2016). It also observed that IPPs contribute significantly as they are responsible for 22.17% of the total investments made in this period.

Realizing huge investment needs in the sector and inability to meet all the financing needs through public sector funding, the GoK, with World Bank support, has been pioneering the approach to increased commercial financing participation, which is today referred to as Maximizing Finance for Development (MFD). Starting with the World Bank supported Energy Sector Reform and Power Development Project (P001344), approved in 1997, with the aim was to create an enabling environment for private investments, followed by Kenya Private Sector Power Generation Support Project (P122671) approved in 2012, where an US$166 million5 of IDA Guarantee was able to help mobilize US$623 million of total investments, out of which US$357 million was from private investments and commercial lenders; and more recently, Kenya Electricity Modernization Project (KEMP) (P120014) approved in 2015, which was able to help attract US$500 million of long-term commercial debt financing (through an IDA Guarantee support of US$200 million) used to restructure the KPLC's existing debt, thus generating significant savings. In Kenya's energy sector, China is the largest bilateral donor and the second largest donor after the World Bank's International Development Association (IDA). China's total contribution to energy projects was more than doubled between 2010/11 and 2014/15, from $74 million to $157 million (World Bank, 2018).

The Government of Kenya has been facing herculean challenges in financing mega projects. The inadequacy of funds collected locally has obliged the national government to source the same through various loans (commercial and concessional loans). The foregoing is underlined by the huge project loans amounting to Ksh 250.5 billion and which constitute a significant amount of the total deficit of Ksh 840.6 billion as espoused in FY 2020/21 national budget(Republic of Kenya, 2020). The aforesaid underlines lack of self-reliance of Kenya in funding mega projects, most of which fall under the purview of the energy sector. Therefore, it is imperative to investigate financial goal orientation and its effect on finance mobilization amongst projects in the aforesaid sector.

2. Statement of the Problem

The energy sector has the largest number of mega projects whose implementation and eventual completion is imperative in the realization of Kenya's 2030 Vision. The main debacle with regard to the timely and successful completion of these projects is the untimely availability of financial resources and/or inadequacy of these resources. Kenya, just like other developing nations, does not collect revenue enough to address both its recurrent and development expenditure. Indeed, the former is largely prioritized whereas the latter faces a myriad of challenges in that it has to depend on grants, commercial and concession loans as well as PPP (Republic of Kenya, 2020). On this note, it is imperative to examine various factors that influence mobilization of finances needed to fund mega projects in the energy sector. In the context of the present study, the factor put into perspective is financial goal orientation and how it affects finance mobilization.

3. Objective of the Study

To establish the effect of financial goal orientation on finance mobilization for mega projects in Kenya with specific focus on parastatals in the energy sector

4. Research Hypotheses

- H_0:Financial goal orientation has no significant effect on finance mobilization for mega projects in energy sector's parastatals in Kenya.
- H_A:Financial goal orientation has significant effect on finance mobilization for mega projects in energy sector's parastatals in Kenya.

5. Theoretical Review

The goal setting theory which was developed by Locke and Latham (1990) has been reviewed and discussed relative to financial goal orientation. The theory states that goal setting is essentially linked to the task performance and that specific and challenging goals along with appropriate feedback contribute to higher and better task performance (Locke & Latham, 1990). Goals have pervasive influence on employee performance and behaviour in an organization (Latham, 2003). The theory also holds that there are two cognitive determinants of behaviour which include; values and intentions. The theory postulates that challenging goals lead to higher effort, energy mobilization, and increased persistent effort (Locke & Latham, 2006).

The goal setting theory encourages participants to put in substantial effort due the set expectations for their role. Goal setting also assists managers to constantly drive motivation and keep track on an employees work by on a regular basis since goals act as self-regulatory mechanisms which ensures that employees prioritize their work (Locke & Latham, 2002). Goal setting theory also ensures that employee's behaviour is in line with the set personal goals and the overall goals the organization (Locke & Latham, 2006).

Goals setting theory also encouragews self efficacy since it encourages individuals to set higher goals. The theory also suggests that people with higher self efficacy set higher goals, are more commited to the assigned goals, find and

identify better strategies to achieve the goal and have a good response to negative feedback and criticism. The theory also emphasizes on the imporntance of setting higher difficult goals rather than simple goals which do not encourage any effort (Locke & Latham, 2002).

The goals of an individual and those of an individual manager can sometimes be in conflict especially in cases where managers are rewarded for the people, they lead rather that for the overall performance of the organization. Goal conflict on the other hand undermines performance especially if it motivates incompatible action tendencies. According to the theory when specific, difficult goals of a person are aligned with the goals of a group the group's performance is enhanced without such an arrangement, however, the goals have a negative impact on a group's performance (Seijts & Latham, 2000).

According to Murphy (2001)) goal setting theory does not focus on the subconscious since people can take action and get results without being fully aware of what is motivating them and what is leading them to make such choices. Goal setting theory can also foster unethical behaviour especially when one does not achieve their desired goals (Murphy, 2001). It may also impair performance and inhibit learning since it encourages a simple focus on the outcomes without openness to exploration understanding and growth (Schweitzer & Ordonez, 2004).

The goal setting theory can be used in the energy sector to encourage and motivate employees through setting challenging achievable goal for each individual employee. In mega projects goal setting can play a crucial role since it ensures that the tasks set to be performed at a specified time and cost are accomplished with no delays or cost overruns since the management devices the most effective and efficient strategies to be used to achieve the goal with the available resources. The goal setting theory can also be used by the government to monitor the progress of the projects they initiate within the energy sector.

6. Conceptual Framework

The conceptual framework illustrated below (Figure 1) guided the study. It shows the independent variable (financial goal orientation, and the dependent variable (financial mobilization). According to the illustrated framework, there exists a relationship between financial goal orientation and finance mobilization. This hypothesis was duly tested in this article.
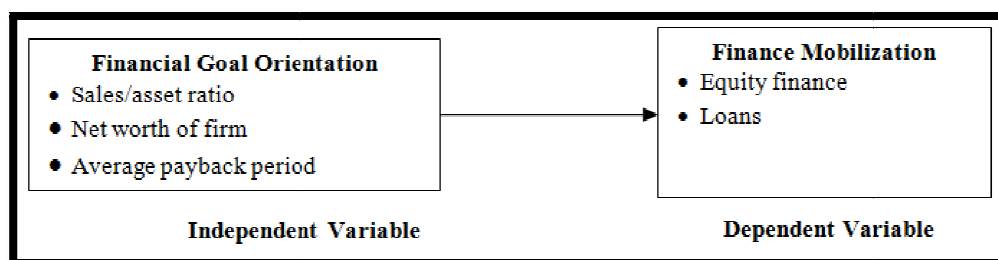

Figure 1: Conceptual Framework

7. Empirical Review

This section covers a review of empirical studies onfinancial goal orientation and finance mobilization.

7.1. Financial Goal Orientation

Goal orientation has been defined as the collective state that represents the shared perceptions of team members on the goals that their teams are pursuing (Gong, Kim, & Zhu, 2013). Alexander and Van Knippenberg (2014) argued that goal orientations will define the goals that a team prioritizes and the measures that are adopted to regulate the behaviours of team members in pursuit of these goals. They further observed that goal orientation theory identifies successful performance, learning, and avoidance of failure as the motivating factors (Alexander & Van Knippenberg, 2014). In the case of large organizations such as governments and large private sector firms, it is argued that financial goals were the common denominators in these organizations' performances and thus they play an important role in the decision-making process (Dos, 2017).

A study by Lovering, Yip and Nordhans (2016) focused on curating overnight costs of 349 reactors covering the full cost history to establish trends in costs of the reactors built in these countries. This study focused primarily on Nuclear Board reactors in the United States, Germany, France, India, United Kingdom, South Korea, and Japan. It used the IAEA Power Reactor Information System database to collect information on all global reactors completed by the year 2015. After analysis of the available data, it was established that reactors in the U.S. had experienced inflation in costs since the 1960s, which were associated with changes in regulations. On the other hand, the costs in France remained largely rose though not as sharply as in the United States. This was linked to changes in technology and labour costs. West Germany and Canada experienced mild increases, which was connected to consistency in manufacturers and builders used. Minimal changes in costs were experienced in India, South Korea and Japan. The study concluded that there is no intrinsic learning that should be expected for the case of the Nuclear Board plants because the costs evolve and are dependent on a complex set of historical, regional and institutional factors.

In Canada, Gharaibeh (2013) adopted the Delphi method to investigate the problems encountered in managing project risks and used these findings to suggest various ways that they could be overcome. The study was undertaken using two teams within the same organization. Questionnaires designed to capture the problems, opportunities, forecasts

and solutions were used to collect the experts' judgments on a variety of questions. A total of 15 people participated in project A while 12 people participated in project B. Employee turnover, heavy industry regulations and continuous design changes were identified as the most important problems that increased project costs. Additionally, a clear understanding of the scope of work, documentation of assumptions made on the scope of work, staff retention, and alignment of the project with key project stakeholders were identified as the main solutions that could help mitigate project costs (Gharaibeh, 2013).

A study conducted in Sub-Saharan Africa by Gbahabo and Ajuwon (2017) examined the impacts of project cost overruns on infrastructure procurement in developing countries that had huge infrastructure deficits. An exploratory research approach was adopted with police documents and study reports from reliable organizations such as African Development Bank, World Bank, the Standish Group, and Ernest & Young used to provide insights to the study. It was noted that these cost overruns resulted in Pareto-inefficient allocation of resources, contractual disputes and litigation, cost escalations, loss of job and income, negative public perceptions, and total project abandonment. It also recommended numerous strategies that could be employed to mitigate project overruns including reference class forecasting, enhanced project management capabilities, prequalification of contractors, risk and contingency planning, use of public-private partnerships, and computer-aided cost estimation models. It is evident from these findings that failure to attain desired financial goals has adverse consequences. It further suggests that the adoption of these mitigating factors can help project teams to achieve their financial goals (Gbahabo & Ajuwon, 2017).

In Kenya, Ocharo and Kimutai (2018) assessed the effects of monitoring, planning, evaluation and participation of stakeholders in power sector projects. The explanatory survey research design was adopted for this study. A census survey was conducted on 380 organizations involved in these projects including 100 contractors, 80 consultants, and 200 Ministry of Energy employees that were involved in Kenya Power Lighting Company, Rural Electrical Authority (REA), Independent Power Producers, and Kengen projects. The data was collected using a self-administered survey questionnaire. It was established that power projects in the country were usually costlier than budgeted for and only a few achieved their objectives or goals. Furthermore, it was noted that these government agencies were not keen on involving shareholders hence the sense of ownership, awareness and accountability was not created. The results of this study demonstrate how financial goal orientation can fail merely because of poor stakeholder participation in mega government projects.

7.2. Finance Mobilization

Financial mobilization is defined as the process of gathering capital which is required to achieve organizational goals and objectives. Financial capital forms the basis for procurement, utilization and maintenance of all types of resources. Without a strong financial base, it is challenging for an organization to produce the right types of goods or services in desirable quality and quantity. The availability of funds, therefore, is vital to the overall success of an organization (Omukoba, Simatwa, & Ayondo, 2011).

Another global study conducted byAwais (2018) examined the financing model and financing efficiency of the construction of China Pakistan Economic Corridor (CPEC). The study sought to determine the financing model and efficiency of the CPEC project. Qualitative research approaches were used for the study. Secondary data were collected from the media reports and from the Ministry of Planning and Development. Primary data was also obtained from funding banks. It was established that the Bank of China disbursed up to US$11 billion in concessionary loans for the project at a bargain basement rate of 1.6%. The study also noted that 80% of the investment funds came from private investments while the remaining 20% were composed of soft loans.

An empirical analysis conducted by Mawejje and Munyambonera (2017) analyzed financing infrastructure development in Uganda. The study explored the options in scaling up infrastructure development in the transport and energy sector. Data were collected through review of literature and a survey of key stakeholders. The results of the study revealed that domestic revenue mobilization is the primary available option for financing energy and transport projects in the country. The study also concluded that the development form of financing from donors such as grants have decreased significantly. The study, therefore, recommended that the government should diversify its sources of financing and also improve capacity for public investment management.

An empirical, analysis conducted by Kariuki (2014) analyzed the effect of financing infrastructure projects using public private partnerships in Kenya. The study adopted descriptive survey design. Cluster sampling was used to draw a sample of 60 infrastructure projects. Systematic selection was then employed to draw 30 projects which were under public and private partnerships. The study utilized secondary data. Multiple regression analysis was used in data analysis. The findings of the study indicated that financing infrastructure projects under public private partnerships is critical. The study further noted that infrastructure projects should be self-financing.

8. Research Methodology

8.1. Research Design, Approach and Method

The article adopted a descriptive research design. Descriptive research is associated with gathering of facts about a given phenomenon or simply intelligence gathering (Philips & Pugh, 2005). In the context of the present research, the interest was in establishing facts in relation to financial goal orientation and finance mobilization by parastatals in the Kenya's energy sector. In contending with scholarly assertion (Mackenzie, 2000b), the guiding research question was, 'What is the influence of financial goal orientation on finance mobilization?' Besides the descriptive research design, deductive approach and quantitative method were also used.

The choice of the aforesaid approach was informed by the objective of the study to draw inferences pertinent to financial goal orientation and finance mobilization. Quantitative method was used since the data collected were numerical and the subsequent analysis was quantitative. Quantitative methods are also known to enable generalization of study findings (Saunders, Lewis, & Thornhill, 2009). The results of this research will be replicated to other mega projects being executed by Ministries, Departments and Agencies (MDAs) in Kenya and beyond.

8.2. Population and Census Design

The target population, defined as the group of participants or individuals sharing specific attributes of interest and relevance (Creswell, 2003), constituted all project managers in charge of mega projects across all public sectors in Kenya. However, the accessible or study population, which is defined as a subset of the target population which a researcher can access (Asiamah, Mensah, & Oteng-Abayie, 2017), involved 32 managers responsible for ongoing (as at 2019) mega projects in the energy sector in Kenya.

Given the conspicuously small-sized accessible population (32 project managers), a census design was adopted. A census is described as a count of the entire members of a population (House, 2001). This means that all the aforesaid managers were projected to take part in the study. One of the major merits of adopting a census design is the fact that it enhances the reliability and generalizability of the study findings since it eliminated both sampling bias and sampling error.

8.3. Instrumentation and Data Collection Procedure

The study employed a structured questionnaire and data collection sheet to collect data from the project managers and published financial documents respectively. The two instruments facilitated collection of quantitative data in line with the research method adopted by the study. The questionnaire contained ordinal data items or factors on a 5-point Likert scale. This tool was subjected to both validity and reliability testing. It was only used in data collection after having been ensured that it met the requisite validity and reliability minimum threshold. Data were collected from the respondents and secondary sources after obtaining the necessary research permit from the National Commission of Science, Technology and Innovation (NACOSTI) – the State agency mandated with issuance of such permits to scholars in Kenya. The consent of the senior management of all the involved parastatals was also sought. The data collection was carried out by the researcher in person.

8.4. Data Analysis and Results Presentation

The collected data were cleaned in order to get rid of outliers which ordinarily emanate from non-responses and/or incomplete data collection instruments. The Statistical Package for Social Sciences (SPSS) was used to aid in the electron data analysis. Descriptive and inferential statistics comprised the tools for data analysis. Whereas descriptive statistics entailed, frequencies, percentages, means, and standard deviations, inferential statistics took the form of Spearman Rank Correlation, Pearson's Product Moment Correlation Coefficient, as well as simple linear regression analyses. The following empirical model guided the inferential analysis.

$$Y = \beta_0 + \beta_i X_i + \varepsilon$$

Where Y represented 'Finance Mobilisation'

X_1 represented 'Financial Goal Orientation'

B_0 represented 'Constant'

B_1 represented 'Parameter Estimate for Financial Goal Orientation'

ε represented 'Error term for the Regression Coefficient'

The results of the analyses were presented in tabular form and were interpreted and discussed in tandem with the research objectives.

9. Findings

This section outlines the results that emanated from the analysis of the collected data which was pertinent to financial goal orientation as well as finance mobilization. The results (descriptive and inferential) are interpreted adequately and in line with the article's objective.

9.1. Descriptive Analysis

The views of the representatives of the mega projects in the Kenya's energy sector were collected and subsequently analyzed. These views were in respect of financial goal orientation and finance mobilization. The results to this effect are presented in Table 1 and Table 2. It is important to note that the views were on a Likert scale where 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Not Sure (NS), 4 = Agree (A), and 5 = Strongly Agree (SA).

	SA (%)	A (%)	NS (%)	D (%)	SD (%)
Our project is likely to take considerably long duration to recoup the initial capital.	78.1	21.9	0.0	0.0	0.0
The project progress is monitored throughout.	56.3	43.8	0.0	0.0	0.0
The project has clear goals for termly expenditures.	56.3	31.3	3.1	3.1	6.3
The project milestones in terms of funds used in executing various activities under the project are tracked on a regular basis.	21.9	62.5	6.3	9.4	0.0
The implementation progress of the mega projects is evaluated quarterly (every three months) against projected goals.	31.3	37.5	0.0	25.0	6.3

Table 1: Descriptive Statistics for Financial Goal Orientation

In accordance with the results shown in Table 1, it is apparent that all (100%) of the respondents concurred that mega projects were likely to take considerably long duration of time to recoup the initial capital. Accordingly, 100% of the participating project managers agreed that the project progress was monitored throughout. Regarding the opinion that the project had clear goals for termly expenditures most (87.6%) of the respondents agreed to the assertion while rest held contrary opinions. It was also indicated that 84.4% of the respondents admitted that the project milestones in terms of funds used in executing various activities under the project were tracked on a regular basis. Only 9.4% of the staff disputed the proposition. It was further observed that most (68.8%) of the project's managers were in agreement that the implementation of the mega projects was evaluated quarterly (every three months) against projected goals. Nonetheless, 31% of them disagreed and the rest were indifferent.

	SA (%)	A (%)	NS (%)	D (%)	SD (%)
In order to successfully implement its mega projects, our parastatal relies a lot on the government funding.	78.1	21.9	0.0	0.0	0.0
Commercial loans play a substantial role in financing of mega projects in our parastatal.	31.3	62.5	0.0	6.2	0.0
Concessional loans, whose acquisition is facilitated by the government, are used to fund mega projects in our parastatal.	34.4	53.1	6.3	6.3	0.0
Apparently, conditional loans adequately finance mega infrastructural projects in our parastatal.	21.9	56.3	6.3	6.3	0.0
Funds raised through issuance of bonds contribute significantly towards our parastatal's project funds.	25.0	53.1	3.1	3.1	15.6

Table 2: Descriptive Statistics for Finance Mobilization

The descriptive results shown in Table 2 illustrate that all the surveyed project managers (100.0%) were in agreement that parastatals in the energy sector relied a lot on the government funding to successfully implement their mega projects while the vast majority (93.8%) admitted that commercial loans played a substantial role in financing of the aforesaid mega projects. It was also found that most of the managers concurred that concessional loans whose acquisition was facilitated by the government, were employed to fund mega projects in the energy sector (agreed = 53.1%; strong agreed = 34.4%); conditional loans adequately financed these projects (agreed = 56.3%; strongly agreed = 21.9%), and also that the funds raised through the issuance of bonds made a significant contribution towards the parastatals' project funds (agreed = 53.1%; strongly agreed = 25.0%). It is also important to note that a sizeable number of project managers held contrary opinion with respect of the latter assertion on the contribution of amounts raised through the issuance of bonds (disagreed = 3.1%; strongly disagreed = 15.6%).

9.2. Inferential Analysis

The article sought to establish the relationship between financial goal orientation and finance mobilization as well as the effect of the aforesaid orientation on mobilization of finances by parastatals in the energy sector in Kenya. The results to this effect are presented in Tables 3 to 10.

9.2.1. Correlation Analysis

The Spearman rank correlation analysis was employed to examine the relationship between financial goal orientation and finance mobilization. The choice of this correlation was premised on the fact that, the data being analyzed does need to adhere to the assumptions of linearity, homoscedasticity, collinearity and/or normality. In this instance, the collected primary data could only, with certainty, adhere to the linearity assumption. The results of the correlation analysis using the primary data are shown in Table 3.

			FGO	FM
Spearman's rho	**FGO**	Correlation Coefficient	1.000	.955**
		Sig. (2-tailed)	.	.000
		N	32	32
	FM	Correlation Coefficient	.955**	1.000
		Sig. (2-tailed)	.000	.
		N	32	32

Table 3: Spearman Correlation Analysis between FGO and FM
**. Correlation Is Significant at the 0.01 Level (2-Tailed)

In accordance with the findings shown in Table 3, it was apparent that there existed a positive, strong relationship between financial goal orientation (FGO) and finance mobilization (FM) amongst parastatals in the energy sector (r = 0.955). The aforesaid relationship was further established to be statistically significant (p = 0.000) at p-value = 0.05. These results implied that there was great likelihood that, when financial goal orientation was enhanced, finance mobilization increased by an almost equal margin. The aforestated increased was also found to be substantial. Interpretatively, the role of FGO in mobilization of finances by the parastatals in the energy sector was an issue that could not be overlooked; rather, the orientation was supposed to be highly emphasized by the management of these State agencies.

Additionally, the correlation (Pearson Product Moment Correlation Coefficient) analysis between financial goal orientation and finance mobilization, in respect of secondary data, was also conducted. The pertinent results are as shown in Table 4. It is important to note that the secondary data (panel data) was in respect of a period of 7 financial years (hence, n = 7).

			APP (FGO)	TL(FM)
APP (FGO)		Pearson Correlation	1	.901**
		Sig. (2-tailed)		.006
TL (FM)		Pearson Correlation	.901**	1
		Sig. (2-tailed)	.006	
		n	7	7

Table 4: PPMCC between FGO and FM
**. Correlation Is Significant at the 0.01 Level (2-Tailed)

Key:
APP: Average Payback Period
FGO: Financial Goal Orientation
FM: Finance Mobilization
TL: Total Loans

According to the results of PPMCC shown in Table 4, the relationship between average payback period (representing financial goal orientation) and total loans (representing finance mobilization) was positive, strong and statistically significant at p-value = 0.05 (r = 0.901; p = 0.006). The results meant that there were high chances that total loans borrowed by parastatals in the energy sector could increase if and when their average payback period was increased. The results illustrated a high dependence of the total loans by these State corporations on the average time required to repay them. Therefore, access to long term loans made these parastatals to borrow more. These results mirrored the findings of correlation analysis in respect of primary data as shown in Table 3. This justified the great importance of financial goal orientation in mobilization of finances by parastatals in the energy sector.

9.2.2. Regression Analysis

Simple linear regression analysis was used to assess the effect of financial goal orientation on finance mobilization amongst parastatals in the energy sector in Kenya. Both primary and secondary data in respect of the foregoing constructs were analyzed accordingly. The results of the primary data regression analysis are presented in Table 5, Table 6, and Table 7 respectively.

Model	r	r Square	Adjusted r Square	Std. Error of the Estimate	P-value
1	.954[a]	.910	.907	.24171	.000

Table 5: Model summary for FGO against FM
a. Predictors: (Constant), FGO

In line with the results of coefficient of determination shown in Table 5 ($r^2 = 0.907$), it was evident that financial goal orientation could explain 90.7% of variability in mobilization of finances. Other factors besides FGO explained the remaining proportion (9.3%) of variability. These results underlined the importance of financial goal orientation in finance mobilization by parastatals in the energy sector, a fact that was supported by the significance of the statistical results linking the two concepts (p-value = 0.000). The linearity, or lack thereof, of the relationship between FGO and FM was examined using the analysis of variance (ANOVA) whose results are illustrated in Table 6.

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.656	1	17.656	302.203	.000a
	Residual	1.753	30	.058		
	Total	19.409	31			

Table 6: ANOVAfor FGO against FM
a. Predictors: (Constant), FGO
b. Dependent Variable: FM

Illustratively (Table 6), the results of F-statistics ($F_{1,30}$ = 302.203; p = 0.000) indicated that the relationship between financial goal orientation and finance mobilization was statistically significant at p-value = 0.05. This was interpreted to mean that there existed a linear relationship between the two study constructs, and that the collected data fitted the adopted simple linear regression model ($Y = \beta_0 + \beta_i X_i + \varepsilon$). These results led to further analysis to determine the effect of FGO on finance mobilization. The results to this effect are illustrated in Table 7.

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.065	.245		-.265	.793
	FGO	.989	.057	.954	17.384	.000

Table 7: Regression Coefficientsfor FGO against FM
a. Dependent Variable: FM

The results shown in Table 7 ($Y = -0.065 + 0.989X_i$) indicated that for every unit change in finance mobilization (FM = Y = 1), there had to be 0.989-unit change in financial goal orientation (FGO = β_i = 0.989) when other factors were held constant (β_0 = -0.065). It is noteworthy that β_i represent the coefficient of FGO (X_i). As such the interpretation of the FGO was in form of the aforesaid coefficient (β_i = 0.989). It was also observed that the change in financial goal orientation had almost an equal effect on finance mobilization. Importantly, according to the results of t-statistics (t = 17.384, p = 0.000), the effect of FGO on FM was established to be statistically significant at p-value = 0.05, hence the rejection of the null hypothesis which stated that financial goal orientation has no significant effect on finance mobilization for mega projects in the energy sector's parastatals in Kenya. These results further acknowledge the crucial role played by financial goal orientation in mobilization of finances required to finance, mostly, infrastructural projects being implemented by the parastatals in the energy sector in Kenya.

The results of the simple linear regression analysis using the secondary data (total loans linearly regressed against average payback period) are presented in Table 8, Table 9, and Table 10 in that order.

Model	r	r Square	Adjusted r Square	Std. Error of the Estimate	P-value
1	.901a	.812	.774	6.66981	.006

Table 8: Model Summary of Average Payback Period on Total Loans
a. Predictors: (Constant), Average Payback Period

According to the results shown in Table 8 (r^2 = 0.812), average payback period, which represented financial goal orientation, explained 81.2% of variability in total loans (parameter of financial mobilization) while 18.8% of the variance was due to other factors besides average payback period. The results underlined the very major role played by aligning mega projects to the overall financial goals of parastatals when seeking finances to fund the aforesaid projects.

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	960.995	1	960.995	21.602	.006a
	Residual	222.432	5	44.486		
	Total	1183.427	6			

Table 9: Simple Regression Analysis Of Average Payback Period On Total Loans
a. Predictors: (Constant), Average Payback Period
b. Dependent Variable: Total Loans

The results of ANOVA shown in Table 9 indicated the value of F-statistics ($F_{1,5}$ = 21.602; p = 0.006) was statistically significant at p-value = 0.05. This meant that the sample data fitted the adopted simple linear regression model ($Y = \beta_0 + \beta_3 X_3 + \varepsilon$), and hence the model could feasibly be employed to examine the effect of financial goal orientation on financial mobilization in parastatals in the Kenya's energy sector. From the statistical results, the third null hypothesis which stated that: There is no significant effect of financial goal orientation on financial mobilization in the aforesaid parastatals, was rejected. The alternate hypothesis was deemed to be true since financial goal orientation played a substantive role in mobilization of funds through commercial and concessional loans as shown in Table 10.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1519.364	330.315		-4.600	.006
Average Payback period	213.052	45.839	.901	4.648	.006

Table 10: Beta Coefficients of Average Payback Period on Total Loans
a. Dependent Variable: Total Loans

As indicate in Table 10, it was observed that a unit change in total loans required 213.052-unit changes in average payback period while other factors were held constant. The effect of average payback period on finance mobilization represented by total loans was found to be statistically significant at p-value = 0.05 (t = 4.648; p = 0.006). This implies that the null hypothesis which stated that there was no significant influence of financial goal orientation on finance mobilization, was rejected.

10. Conclusions and Recommendations

The article concluded that mega projects, which are the centrepiece of the energy sector, ordinarily take extended duration of time (several years) for them to recoup the capital initially invested in them. In the due course of the implementation of these projects, it was inferred that they were continually monitored. Relative to these projects, it was concluded that there were clear goals for termly expenditures. The implementation of a majority of the mega projects in the energy sector was concluded to be evaluated at least after every three calendar months, and that the evaluation was against the projected goals. In light of these conclusions, it was recommended that the monitoring and evaluation of the implementation of these projects should be very critical on the aspect of cost overruns. This is due to the fact that the project execution should be within the budget for it to be deemed successful.

It was also concluded that the largest proportion of funding of mega projects in the energy sector was provided by the national government. Every year, the government through its budget allocates huge sums of money translating to tens of billions of Kenya shillings to infrastructural projects which fall under the Ministry of Energy. Both commercial and concessional loans were inferred to play a significant role in funding mega projects in the energy sector. Other notable sources of funds required by the aforesaid projects included conditional grants as well as the proceeds of issuance of bonds. Given the non-repayment characteristic of grants, the parastatals in the energy sector should persuade the national government to facilitate the grants particularly from international organizations and countries which have bilateral ties with Kenya. Apparently, the average payback period positively and significantly influenced finance mobilization by parastatals in the energy sectors. Relative to the foregoing, it was recommended that the aforesaid parastatals should go for long-term loans to fund mega projects under their purview.

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