

INVESTIGATE THE EFFECT OF STRATEGIC PLANS IMPLEMENTATION ON PERFORMANCE IN KENYA'S PUBLIC UNIVERSITIES. A CASE STUDY OF THE UNIVERSITY OF NAIROBI.

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### ABSTRACT

The 21st century has brought challenges and opportunities for higher education in Kenya. The institutions need to understand their resources, capabilities and core competencies which have a direct link to the institutions' ability to achieve their strategic plans. This study sought to investigate the effect of strategic plans implementation on performance of public universities in Kenya. Four main strategic planning parameters were considered ranging from: Strategic financial allocation, strategic expansion, strategic alliances and strategic collaborations. A descriptive case study research design was adopted. The study was conducted at the University of Nairobi and its campuses where senior university management heads were targeted. A sample of 65 respondents out of the 178 employees was obtained. The researcher managed to obtain 59 completed questionnaires out of 65 administered questionnaires hence a response rate of 91%. The research findings revealed strategic financial allocation, strategic expansion, strategic collaboration and strategic alliances respectively influenced the performance of public universities in Kenya. The findings were presented in tables and figures based on the study findings the following recommendations were arrived at: The management of public universities to allocate adequate financial resources for the strategic planning process; the management of public universities to adopt clear policies that create conducive environment to support strategic expansions; there is need for public universities to form strategic alliances with development partners so as to enhance their performance and there is also need to form strategic collaborations which will enhance student intake. Future research should also focus on both public and private universities in Kenya in order to find out the relationship between strategic planning and their performance.

**Keywords:** *Strategic Plans in Kenya's State Corporations*

### Introduction

Strategic planning practices enhance employee performance and the ability of agencies to achieve their mission. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives. Performance gains from the diffusion of technological innovations are also incorporated into both public and private sector organizations (Kochhar, 2001). Antikainen (2008), asserts that performance is a key factor

specifying the organization capacity for progress in the competition field. Performance improvement provides an opportunity for organizations to contribute to the organizations' profits via improving the production processes, rather than merely seeking the reduction or omission of costs (Ramírez & Nembhard, 2004).

According to Muchiri (2010), today, most universities are collaborating with other institutions and industries to enhance performance. The partnerships have involved linkages between local Kenyan universities and their foreign counterparts. The linkages are typically a one way stream in which Kenyan universities receive books, equipment, training opportunities and even grants support for their development. In return, foreign academics have an opportunity to spend time in the local universities as visiting lecturers or researchers where they collaborate with the Kenyan counterparts. To coordinate and manage these linkages, all state universities have established International liaison offices under the headship of a senior academic, thus calling for clear and effective strategic plans to ensure that performance is promoted and the institutions benefit from the collaborations. (Muchiri, 2010). This research study focused on the University of Nairobi, which implements strategic plans to enhance its performance. Today there are over 36,000 students enrolled in the University of Nairobi. Of this enrolment, 16,000 are Government sponsored while another 20,000 are privately sponsored. The University of Nairobi has the largest concentration of scholars in the country. It has been, and continues to be a centre for intellectual life, a locus of research activity extending the boundaries of knowledge, a resource for professional development, and a key player in the growing global network of scholarship (UoN Strategic Plan, 2014). The University has a great variety of disciplines within its wide array of academic programmes. These disciplines include: humanities and social sciences; natural and mathematical sciences; engineering and the built environment; arts and design; computing and informatics; law and business studies; medicine and health sciences; agriculture and food sciences; veterinary and animal sciences; and education. The programmes in these disciplines are backed up by an ever expanding open learning facility. The diversity encourages shared ideas across disciplines and promotes multidisciplinary endeavours (UoN Strategic Plan, 2014).

The university's international network of knowledge and exchange is increasing opportunities within and across disciplines, and creating new partnerships and collaborations, resulting in remarkable improvements in higher education worldwide and strengthening the quality of life. There is no doubt that higher education is facing escalating expectations and demands while at the same time experiencing serious economic shortfalls. Thus strategic Plans must therefore take recognition of these challenges and respond to them adequately. The University is therefore compelled to chart a new strategic direction guided by a shared vision, strategic thinking and agility, while at the same time being increasingly aware of the importance of its position in a worldwide context. This is the major driving force for the university's strategic plan. Through its strategic plan, the University intends to marshal its acknowledged strengths around identified opportunities, in order to address its weaknesses and minimize associated threats to its development, transformation and contribution to the national agenda and the society in general. This Institutional Strategic Plan assumes that the need for change is a genuine concern to all stakeholders, that the concerned parties will seek appropriate solutions, and that they are capable of working together for the common good (UoN Strategic Plan, 2014). This study has gone beyond the observation of some research that questioned the existence of direct casual relationships between the use of strategic planning and improved performance. This study has

drawn from some of the many publications on the use of strategic planning in the private sector and from the growing number of those that deal with its uses and potential for the public sector.

### Statement of the Problem

Strategic planning in higher education can be a mammoth undertaking. Higher education institutions are typically large and complex. In addition, there is often a great deal of internal competition among self contained departments who may be more loyal to their discipline than to the university and therefore emphasise on achieving their departmental strategic plans other than achieving the overall university strategic plans. The effect of planning in public organizations has been widely debated but never tested conclusively (Boyne, 2003). Several studies have been carried out in Kenya pertaining to various facets of this research topic. Arasa (2008) researched on strategic planning, employee participation and firm performance in the insurance sector. His findings provided evidence that there is a strong link between strategic planning and firm performance. However, his research failed to control for the effects of context and time periods. Aosa (1992) focused on strategy plan in large, private manufacturing companies operating in Kenya and proposed that it would be useful to conduct a similar research in the public sector firms. Nevertheless, the empirical studies conducted in Kenya in the field of strategic planning have failed to address the public sector and also the effects of strategic plans on organizational performance in the public sector. This study, therefore sought to fill the knowledge gap on the effects of strategic plans implementation on performance in public universities in Kenya. A case study of the University of Nairobi.

### General Objective

The general objective of this study was to investigate the effect of strategic plans implementation on performance in Kenya's Public Universities. A case study of the University of Nairobi.

### Specific Objectives

1. To determine the influence of strategic financial allocation on performance of Kenya's Public Universities.
2. To explore the influence of strategic expansion on performance of Kenya's Public Universities.
3. To assess the influence of strategic alliances on performance of Kenya's Public Universities.
4. To examine the influence of strategic collaborations on performance of Kenya's Public Universities.

### Literature Review

#### Bureaucratic Theory

According to Saleemi (2006) bureaucracy refers to a situation where the organizational structures, rules and procedures are stringently followed without any digression. The system is characterized by complex administrative systems, high specialization levels, inflexible authority levels and detailed rules and regulations which are also strictly enforced. Impersonality is dominant whereby the management exhibits an impersonal aloofness and detachment from the subordinates. According to Jones and George (2003) in Weber (1922) bureaucracy was intended

to ensure efficiency and effectiveness, in an effort to help Germany manage its growing industrial enterprises at the time when it was undergoing an industrial revolution. Saleemi (2006) argues that the main advantage of a bureaucratic system is that it is stable and enables amalgamated focusing of organizational resources and efforts in achievement of its objectives. Managers may allow the rules and standard operating procedures (bureaucratic red tape) to become so complicated that decision making becomes slow and inefficient and organizations become unable to change (Jones & George, 2003). Thus, bureaucratic systems pose a challenge to managers, who may therefore use them to harm rather than to benefit the organization. Further, decision making could be slower in organizations with many levels. According to Koteen (2001) managers at the highest levels, who are responsible for making organization-wide decisions, are often not equipped with complete or timely information to do so, as it takes a substantial amount of time for information to reach them. Gareth (2011) argues that slow decision making increases organizational costs, impedes performance and may result in organizational failure. Decision making is usually slower in hierarchical structures because responsibility and authority are concentrated in a few people at the top.

According to Baron (2000) organization needs communication to make more efficient their tasks. Organizations with many levels are often plagued with communication problems, because information must pass through many individuals and layers before reaching their intended destinations (Gareth, 2011). This increases the risk of distortion and slows the speed of communication. Decisions made at the upper level take time to move down to lower managers and employees, and it may be a while before the results of a particular decision are communicated from the bottom to the top (Koteen, 2001). Abugre (2012) found out that regular communications between managers and employees have a direct positive effect on employee work output.

### **Theory of Evaluation**

Evaluation is a way of consolidating lessons and a way of synthesizing prior experience (Mark, 2005). It is important to evaluate because funders need to be assured that their resources are being used efficiently and making great impact. It also makes those leading the programme/strategy better communicators so that issues can be resolved before they reach a crisis level (Anderson & Kleiner, 2003). Evaluation is therefore effective if it is built into the planning process. The interest in evaluation theory and practice is linked directly to the expansion of university programs during the 1980s in the United States (Smith, 2001; 2006), and particularly in the 1990s in Ghana. Evaluation is an issue that has steadily risen up the agenda for universities and other higher learning institutions, where large state money has flowed into projects and programs. Officials have sought therefore to increase monitoring and review as a way of assuring effectiveness and efficiency (Smith, 2001; 2006).

### **Resourced- Based View Theory**

The resource-based view (RBV) of the firm argues that firms are able to outperform others if they can develop valuable resources or capabilities which cannot be easily imitated or substituted by its competitors (Teece, Pisano & Shuen, 2001). The RBV can contribute to investigating how universities identify and develop distinct unique capabilities, and how those might be transferred to new management and structures (Habbershon & Williams, 2001).

Ganley (2010) states that resources make institution to run, and allocating these resources to an institution should be done carefully. Allocating these resources can be tough, but an institution can acquire the resources they need appropriately through careful practice. Some examples of organizational resources are technology, people, and finances. All of these organizational resources are crucial to the success and growth of an institution. Technology is a valuable organizational resource that can come in the form of equipment, programs, and devices. Technology is a resource that will help increase value and performance of an institution if acquired appropriately. Ganley (2010) further observes that people are always a valuable organizational resource, and hard working and knowledgeable employees are a resource that should never be overlooked. Knowledgeable people can make the difference between success and failure, and they must be allocated in a competitive business environment. Finance is another organizational resource that can come from investors, stakeholders, and the institution itself. Finance is hard to allocate during a rough economical time, and companies must be able to promise value in order to acquire financial resources in an institution (Ganley 2010).

### Empirical Review

Strategic planning for higher education expressed that, students have become targets for the extraction of revenue. "Private entry schemes have increased workload of lecturers and consequently lowered academic standards without evaluating implications of access, standards and equity issues. From a business point of view, universities have been very successful in recruiting privately sponsored students and creating market driven courses. Funds have been used to establish lecture rooms to accommodate large number of paying students.

According to Chege (2009) in his study: Relevant, Effective, Appropriate and Transformative leadership in Higher Education in the 21st Century, observed that Most higher education institutions have a mission, vision, core values and objectives well stated, and some pasted on walls, receptions, institutions' handbooks, websites among other places. Ideally, these visions, missions, core values and objectives should act as navigators for these institutions to achieve their goals and realize their dreams. Higher education institutions are ideally to be a lead in education and research in any country. However, his study revealed that many students in these institutions echoed that 'high school was better than university and college in terms of facilities and services offered' and wondered what is wrong especially with such well written down roadmaps. Chege therefore concluded that Leaders in tertiary institutions need to take a lead in taking the institutions forward by balancing task orientation and people orientation, by embracing technological changes and regular revision of curriculum. Above all an effective, appropriate and relevant leadership should bring changes in the society for the true measure of education is change.

Lewa, Mutuku and Mutuku (2009) studied; Strategic planning in the Higher Education Sector of Kenya. The study revealed that Kenyan public universities are essentially traditional in orientation and must find new ways of dealing with the issues facing them include increasing competition from other universities. The study observed that strategic planning is one of the major steps the universities can take to address the challenges they face. The study proposed that universities should consider incorporation of strategic thinking in their process of strategic planning in order to make their planning more useful in view of the failures of strategic planning in public universities. The research was candid that, strategic thinking helps examine the critical

issues in every situation and possibly would help public universities to be flexible and open in their planning efforts. The study recommended that public universities should encourage active participation of as many stakeholders as possible, including the faculty, administration, industry, education authorities, students, and alumni. This way synergy and ownership are built in the process.

Manyasi (2009) took a study on Crisis Management: A Challenge in Institutions of Higher Learning in Kenya. The study revealed that managers in the institution do not use a proactive approach to crises management. They lack knowledge about strategic actions such as integrating crises management into strategic planning process, integrating crises management into statements of corporate excellence, creating crises management teams and including outsiders on the board. The organizations did not have a crisis management plan. The researcher recommends that: Competent public relations officers should be employed to perform all functions including crises management. Training and workshops in crises management should be provided to strategic managers and public relations practitioners. Managers should use strategic actions such as integrating crises management into strategic planning process, integrating crises management into statements of corporate excellence, creating crises management teams and including outsiders on the board. A location to act as a crisis management centre should be identified. Organizational members should be exposed to crisis simulations.

As strategic planning gained in popularity, critical analysis of planning as a management tool increased. Much of the criticism has focused on the very process that proponents of strategic planning deem so important. Other criticism stems from organizations placing too much emphasis on developing the plan and not enough on implementation of the plan. Trainer (2004) indicates that much of the criticism of strategic planning is that planning has focused too heavily on the process of developing a plan rather than on implementation or outcome of the plan.

### Research Methodology

The study adopted a stratified sampling technique. According to Mugenda and Mugenda (2003) in stratified random sampling the subjects are selected in such a way that the existing sub-groups in the population are more or less reproduced in the sample. Stratification will be done on the basis of department and functions. Further, the researcher used random sampling technique to get the actual participants. According to Gay (1996) random sampling is the process of selecting a sample in such a way that all individuals in the defined population have an equal independent chance of being selected for the sample.

This study mainly relied on primary data which was collected by use of a semi-structured questionnaire. The questionnaire contained both open ended and close ended questions. A questionnaire is a set of questions designed to extract information relating to a survey (Nassiuma, 2000). Nassiuma, (2000) further explains that using questionnaires to collect data involves either through delivering them to the respondents to fill in or using them directly or to ask questions in order to get the intended information as in the direct method. The questionnaires are recommended because according to Gay (2000) they give respondents freedom to express their views or opinions and to make suggestions and they are also anonymous which helps to produce more candid answers than is possible in an interview.

The questionnaire was divided into the main areas of investigation except the first part which captured the demographic characteristics of the respondents. Other sections were organized according to the major research objectives. The items of the questionnaire were derived from reviewed literature and discussions with university stakeholders. The questionnaires were designed to include both closed and open ended questions regarding the research topic. Closed ended questions were very useful for this study as the answers were easy to code and statistically analyze. Open ended questions enabled the respondents to give detailed answers and clarify the responses.

### Data Analysis/Findings

The finding of the study revealed that strategic alliances positively influenced performance in public universities in Kenya. Results of the inferential statistics such as unstandardized regression coefficients show a positive effect on performance. This further indicates that strategic alliances had a significant effect on performance of public universities in Kenya as indicated by the low p values. The study findings revealed that majority of the respondents agreed that the alliances in the university were innovative and competent in helping the organization come up with new strategies. Studies have found that alliances have both intended and unintended impacts (Kohm, La Piana, & Gowdy, 2000; Rosenau, 2000; Rossi, Lipsey, & Freeman, 2004), which often surface only after evaluating the goals of the alliance against the outcomes. Formative evaluation provides information about an alliance's implementation that can be used to refine the alliance. Summative evaluation, in which an overall judgment is made about the alliance's impact and outcomes, can be used to determine if the alliance should be continued, restructured, or terminated (Rossi, Lipsey, & Freeman, 2004).

The research findings indicated that there was a very strong positive relationship ( $r = 0.852$ ) between the variables. The study also revealed that 72.7% of public universities performance could be explained by strategic planning aspects under study as shown in Table 4.6.

### Model Summary

R	R Square
.852	.727

Table 4.7 shows the results of ANOVA test which revealed that the combined independent variables have significant effect on performance of public universities. This can be explained by high F values (8.746) and low p values (0.003) which are less than 5% level of significance.

### ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1.518	58	.138	8.746	.003
Residual	.185	1	.185		
Total	1.702	59			

**Table4.8 Shows the results of regression coefficients which reveals that a positive effect was reported for all the strategic planning aspects under study.**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.198	.730		1.184	.245
Strategic financial allocation	.266	.254	.310	.048	.034
Strategic expansion	.253	.244	.323	1.039	.047
Strategic alliances	.136	.232	.157	.587	.050
Strategic collaborations	.147	.358	.172	.410	.049

From this study it was evident that at 95% confidence level, the variables produce statistically significant values for this study (high t-values,  $p < 0.05$ ). A positive effect is reported for all the variables under study hence affecting performance of public universities in Kenya positively. The results of the regression equation below shows that for a 1- point increase in strategic planning, performance in public universities is predicted to increase by 0.198, given that all the other factors are held constant. The equation for the regression model is expressed as:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

$$Y = 0.198 + 0.266X_1 + 0.253X_2 + 0.136X_3 + 0.147X_4$$

Where

$\beta$  is a correlation coefficient

Y= Organizational Performance

$X_1$ = Strategic financial allocation

$X_2$ = Strategic expansion

$X_3$ = Strategic alliances

$X_4$ = Strategic collaboration

$\varepsilon$ = Error Term

Based on the coefficients of regression above, it can be concluded that strategic financial allocation, strategic expansion, strategic collaboration and strategic alliances respectively influenced the performance of public universities in Kenya.

## Discussion

Majority of the respondents in this study were male. Many of the respondents were aged between 31-35 years of age hence a youthful generation. Further, majority of the respondents had worked



for the institution for a period of between 2-5 years. Further, the findings revealed that majority of the respondents who participated in this study had attained Masters Degree and above.

As pertains to strategic financial allocation, the findings revealed that the university provided proper utilization of the fiscal resources that are available and that the finances allocated are utilized as per the set goals. The study findings also revealed that majority of the respondents agreed that the university had set policies that had led to an increase in module 2 student intake hence strategic expansion. Pertaining to strategic alliances, the study findings revealed that the alliances in the university were innovative and competent in helping the organization come up with new strategies. Finally the study findings revealed that the university had entered into strategic collaborations with other universities to a great extent

A sample of 65 respondents out of the 178 employees was arrived at using Nasiuma (2000) formula. This research relied on primary data which was collected using a semi-structured questionnaire which contained open ended and close ended questions. A pilot study of ten respondents, two from each section was carried out. The researcher managed to obtain 59 completed questionnaires out of 65 administered questionnaires hence a response rate of 91%. Cronbach Alpha Coefficients were obtained to establish the reliability of data. The coefficients were above the required 0.7 hence accepted.

### Conclusions

The objective of this study was to investigate the effect of strategic plans implementation on the performance of public universities in Kenya. Based on previous studies, strategic financial allocation, strategic expansion, strategic alliances and strategic collaboration, were expected to have a positive effect on performance. The study findings indicate that there is a significant positive relationship between the variables namely: Strategic financial allocation, strategic expansion, strategic collaboration and strategic alliances.

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