"STRATEGIC PLANNING AT TEACHERS SERVICE COMMISSION OF KENYA"

BY

BERNARD AGUSIOMA KEYA

UNIVERSITY OF NAIROBI

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

NOVEMBER 2007
Declaration

This management project report is my original work and has not been submitted for a degree in any other university.

Agusioma Bernard Keya

Signed: 

Date: 12th November 2007

This Management project report has been submitted for examination with my approval as the university supervisor.

Prof. Evans Aosa

Lecturer department of business administration

Sign

Date: 13/11/07

Prof. E. Aosa
Acknowledgement

I am grateful to all the people who contributed directly or indirectly to this work. My sincere thanks go to my supervisor Prof. Evans Aosa for his constant advice, encouragement and instructions that shaped this project to what it is now.

My special thanks goes to my wife Immaculate Baraza Bwire who was a source of comfort and emotional support during tough times in my MBA program. She sacrificed her sleep, energy and comfort to ensure that I went through this program.

I also wish to thank my father John Keya kikuyu and my dear mother Jedida Kavai Keya for their constant encouragement throughout my academic life.

Finally, I am grateful to my classmates’ Aboud Moeva, Dr. Ithondeka, Marangu, Rachel, among others for their encouragement.
Dedication

I sincerely dedicate this project to my dear wife Immaculate Baraza Bwire for taking good care of me and for her sweet love.
Abstract

Strategic planning is a sequence of analytical and evaluative procedures that are followed to formulate an intended strategy and the means of implementing it. Approaches to strategic planning range from top-down, bottom-up and negotiated approach. Such processes may take the form of highly systematized step-by-step chronological procedures involving many different parts of the organization hence the rational approach to strategic planning characterized by variables such as degree of formality, approaches, source of power, level of participation, frequency of reviews and degree of flexibility.

This research project sought to investigate how strategic planning is done at Teachers Service Commission of Kenya. Content analysis was used to analyze the data. In-depth interviews were carried out on senior managers who participated in the strategic planning process at the Commission. Although the researcher intended to interview six respondents, he was able to interview four of them. The other two could not be contacted due to commitments out of the office.

The study results shows that strategic planning at T.S.C is formal and the top management control the process. The key steps in strategic planning process at T.S.C are:

(i) Development of corporate identity (logo)
(ii) Setting the vision and mission statements
(iii) Development of commission objectives
(iv) Training of participants on principles of strategic planning.
(v) Carrying out service area SWOT analysis and development of strategies.
(vi) Brainstorming sessions and report writing.
(vii) Stakeholders’ forum
(viii) Budgeting and approval by CEO
(ix) Implementation
(x) Evaluation and control.

The Commission has put in place a formal strategic planning process with annual evaluation and control mechanisms. Strategy development and strategic planning
processes were carried out simultaneously by the top management that included the chief executive officer, Commission chairman, Commissioners, and heads of departments, divisions and sections. Strategic planning at the Commission takes place at the functional level before being adopted at the corporate level.

Due to the nature and size of the Commission, the process faced a myriad of challenges ranging from limited funds, lack of technical personnel and external interference.

CHAPTER ONE - INTRODUCTION

1.1 Background

1.1.1 Strategic Planning

1.1.2 Kenya Education Sector

1.1.3 Teachers Service Commission of Kenya

1.2 Research Problem

1.3 Research Objective

1.4 Scope of the Study

1.5 Importance of the Study

CHAPTER TWO - LITERATURE REVIEW

2.1 The Concept of Strategy

2.2 Views and perspectives of Strategy Development Process

2.3 Historical Development of Strategic Planning

2.4 Levels of Strategic Planning

2.5 Strategic Planning and Its Concept

2.6 Evaluation of Strategic Planning

2.7 Strategic Planning in Kenya

CHAPTER THREE - RESEARCH METHODOLOGY

3.1 Research Design

3.2 Research Procedure

3.3 Data Collection

3.4 Data Analysis
TABLE OF CONTENTS

Declaration..........................................................ii
Acknowledgement..................................................iii
Dedication................................................................iv
Abstract...................................................................v

CHAPTER ONE – INTRODUCTION.................................................1
1.1 Background..........................................................1
1.1.1 Strategic Planning.............................................1
1.1.2 Kenya’s Education Sector.....................................4
1.1.3 Teachers Service Commission of Kenya.................6
1.2 Research Problem...................................................9
1.3 Research Objective................................................10
1.4 Scope of the Study................................................10
1.5 Importance of the Study..........................................11

CHAPTER TWO – LITERATURE REVIEW.....................................12
2.1 The Concept of Strategy..........................................12
2.2 Views and perspectives of strategy Development Process ....12
2.3 Historical Development of Strategic Planning...............16
2.4 Levels of Strategic Planning.....................................18
2.5 Strategic Planning Tools and Techniques....................21
2.6 Formality in Strategic Planning..................................22
2.7 Strategic Planning in Kenya....................................23

CHAPTER THREE – RESEARCH METHODOLOGY..........................25
3.1 Research Design..................................................25
3.2 Data Collection...................................................25
3.3 Data Analysis.....................................................26
# CHAPTER FOUR - DATA ANALYSIS

4.1 Respondent’s Profile ................................................................. 27
4.2 Teachers Service Commission of Kenya .................................. 27
4.3 Strategic Planning Process at T.S.C ....................................... 28
4.4 Roles in Strategic Planning ....................................................... 30
4.5 Challenges faced during the strategic planning process ........... 31
4.6 Functional areas involved in planning and implementation process .................................................. 32
4.7 Tools and Resources used to develop the Strategic plan ........... 32
4.8 Factors considered when preparing the strategic plan .............. 33
4.9 Coordination during development of the strategic plan ............. 33

# CHAPTER FIVE - SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 The Strategic Planning Process at Teachers Service Commission of Kenya .................................................. 34
5.2 Recommendations ................................................................. 35
5.3 Conclusion ............................................................................. 36
5.4 Limitation of the Study ............................................................ 36
5.5 Suggestions for further research ............................................. 36

REFERENCES ................................................................................. 37

APPENDICES ................................................................................. 47

APPENDIX I: Letter of Introduction from Researcher .................... 47
APPENDIX II: Letter of Introduction from the University ............... 48
APPENDIX III: Interview Guide ...................................................... 49
APPENDIX IV: T.S.C Organizational Chart ..................................... 51
APPENDIX V: Corporate Identity Logo ........................................... 52
LIST OF FIGURES

Figure 1 - Strategic Planning process ................................................................. 19
LIST OF TABLES

Table 1 - Key Steps in Strategic Planning Process

1.1 Background
1.1.1 Strategic Planning

Marketing activities taught to the firm is only part of the modern executive's responsibilities. The modern executive must also respond to the challenges posed by the dynamic and increasingly changing external environment (Pearce & Robinson, 1997). The executive is often compelled to subordinate the demands of the firm's internal activities and external environment to the multiple and often inconsistent requirements of its stakeholders, i.e., its owners, top managers, employees, communities, customers, and the country. To be able to deal effectively with everything that affects the growth and profitability of a firm, executives employ management processes that they feel will position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands (Pearce & Robinson, 1997).

Over the years, researchers and scholars in strategic management have observed that all organizations are in constant interaction with a dynamic environment whose turbulence has been increasingly changing constantly (Pearce & Robinson, 1997). For any organization to survive, it has to match its environment by developing strategies that will enhance its competitive advantage. Therefore in designing organizations, environment cannot be ignored. In order for any organization to survive it has to establish a "fit" between itself and its environment, which is achieved through strategic management process that involves continuous scanning of their environment (David, 1997).

Strategic planning is the process of identifying strategies for achieving organizational objectives that have resulted from the environment's influence. Development of a vision, mission, objectives, strategies, action plans and monitoring and evaluation. Strategic planning has been defined by Pearce and Robinson (1997) as the set of decisions and actions that result in the formulation and implementation of plans designed to influence a company's activities. Clearly (1979) states that strategic planning is a process of establishing vision, planning, organizing, action, and control, with improved organization performance. This is achieved by setting goals and objectives in the context of the organization's vision and mission. The process involves identifying the organization's strengths, weaknesses, opportunities, and threats (SWOT analysis) to determine the most effective strategies for achieving the organization's goals.
CHAPTER ONE - INTRODUCTION

1.1 Background

1.1.1 Strategic Planning

Managing activities internal to the firm is only part of the modern executive's responsibilities. The modern executive must also respond to the challenges posed by the firm's immediate and remote external environments (Pearce & Robinson, 1997). The executive is often compelled to subordinate the demands of the firm's internal activities and external environment to the multiple and often inconsistent requirements of its stakeholders i.e. its owners, top managers, employees, communities, customers, and the country. To be able to deal effectively with everything that affects the growth and profitability of a firm, executives employ management processes that they feel will position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands (Pearce & Robinson, 1997).

Over the years, researchers and scholars in strategic management have observed that all organizations are in constant interaction with a dynamic environment whose turbulence has been increasingly changing constantly (Pearce & Robinson, 1997). For any organization to survive, it has to match its environment by developing strategies that will enhance its competitive advantage. Therefore in designing organizations, environment cannot be ignored. In order for any organization to survive it has to establish a "fit" between itself and its environment, which is achieved through strategic management process that involves continuous scanning of their environment (David, 1997).

Strategic planning is the process of identifying strategies for achieving the organizational objectives that best matches it with the environment. It involves the development of a vision, mission, objectives, strategies, action plan and monitoring and evaluation. Strategic planning has been defined by Pearce and Robinson (1997) as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives Cleland (1999) states that strategic planning is a process of establishing vision, mission, goals, objectives and strategies of where the
CHAPTER ONE - INTRODUCTION

1.1 Background

1.1.1 Strategic Planning

Managing activities internal to the firm is only part of the modern executive's responsibilities. The modern executive must also respond to the challenges posed by the firm's immediate and remote external environments (Pearce & Robinson, 1997). The executive is often compelled to subordinate the demands of the firm's internal activities and external environment to the multiple and often inconsistent requirements of its stakeholders i.e. its owners, top managers, employees, communities, customers, and the country. To be able to deal effectively with everything that affects the growth and profitability of a firm, executives employ management processes that they feel will position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands (Pearce & Robinson, 1997).

Over the years, researchers and scholars in strategic management have observed that all organizations are in constant interaction with a dynamic environment whose turbulence has been increasingly changing constantly (Pearce & Robinson, 1997). For any organization to survive, it has to match its environment by developing strategies that will enhance its competitive advantage. Therefore in designing organizations, environment cannot be ignored. In order for any organization to survive it has to establish a "fit" between itself and its environment, which is achieved through strategic management process that involves continuous scanning of their environment (David, 1997).

Strategic planning is the process of identifying strategies for achieving the organizational objectives that best matches it with the environment. It involves the development of a vision, mission, objectives, strategies, action plan and monitoring and evaluation. Strategic planning has been defined by Pearce and Robinson (1997) as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives Cleland (1999) states that strategic planning is a process of establishing vision, mission, goals, objectives and strategies of where the
organization wants to go in the future. Johnson and Scholes (2002) argue that often, strategy development is equated with strategic planning systems. He argues that in many respects they are the archetypal manifestation of the design approach to managing strategy. Such processes may take the form of highly systematized, step-by-step, chronological procedures involving many different parts of the organization. Strategic planning is therefore a sequence of analytical and evaluative procedures to formulate an intended strategy and the means of implementing it.

Strategic planning can be formal, informal or both depending on the organizational context. Formal planning involves a well-defined framework of highly structured systems while informal planning may include logical incrementalism. Formal strategic planning has its origins in the 1950's and was first practiced in the United States of America. It started spreading to other foreign countries especially in the European countries in 1960's, although not all companies in that region adopted it (Pearce, 1981). Doubts about the usefulness of strategic planning started to emerge in 1970's due to increasing turbulence in the business environment (Taylor, 1986). The oil crises of 1970's destabilized the predictability of the environment as witnessed in 1950's and 1960's hence managers expressed disenchantment and dissatisfaction with strategic planning since it had problems of implementation of the strategies due to internal configuration (capability) limitation of the firm to be transformed whenever it makes a discontinuous change in its strategy (Ansoff and McDonnell, 1990).

To make strategic planning useful under turbulent environment there has been a shift from the traditional style used in 1950's and 1960's to a modern approach that is more responsive to increasing challenges caused by high levels of environmental turbulence, more focused, participative, and market driven aimed at satisfying the needs of customers.

The business environment has become increasingly complex and unpredictable. Competition between firms has tended to be fierce and sophisticated. The technological changes have completely revolutionized the way firms conduct business. Customers have
become well informed and very demanding. Stakeholders apply relentless pressure on business managers to improve performance and create value. Faced with all these challenges, organizations resort to strategic planning as the process of designing the future which involves making a detail record to guide the behaviour of those who integrate the organization so that the future does not develop arbitrarily but in the way it was planned (Pacios, 2004).

Organizations are prompted to adopt strategic planning when boundaries, structure and dynamics of the business environment begin to change and are increasingly confronted with novel and unexpected challenges. To ensure a firm's capacity for survival, managers have to anticipate and adapt to environmental changes in ways that provide new opportunities for growth and profitability. Strategic planning ensures that the impact of changes in the remote industry and task environment is understood and predicted (Pearce & Robinson, 1997). All organizations globally are facing significant challenges due to external forces which center around globalization of operations, increasing environmental regulations, changing customer demands and expectations, new technologies, advent of information communication technology (ICT) and pressure from stakeholders due to increased awareness of their rights. The current emphasis in strategic planning is on developing and maintaining a competitive edge by developing strategies that ensure customer needs and demands are met in a better way than by competitors.

Strategic planning benefits an organization as a means of analyzing, thinking strategically, coordination of organization’s activities, effective allocation and use of resources, monitoring of performance, development of clear objectives, better communication and general improvement in Performance (Thompson, 1990; Johnson and Scholes, 2002; Reading, 2002). Strategic planning systems provide management with an opportunity to influence the future of the organization thereby controlling its destiny (Johnson & Scholes, 2002). Strategic planning promotes strategic thought, action and teamwork.
1.1.2 Kenya's Education Sector

Formal education, where the learning and teaching activities are formalized into a classroom situation was introduced in Kenya by missionaries in 1846 at Rabai near Mombasa and was intended to produce African 'priests' to spread the word of God and enable Africans read the Bible. Even though the colonial government took over the management of education from the missionaries in 1911, introduction of schooling to Africans posed difficulties since it was not linked to African problems and cultural heritage. While the missionaries were interested in making converts, the colonial administration was interested in educating Africans to form the labour and clerical class. The major challenge to the Kenyan education sector since independence up to date therefore, has been how to make formal education responsive to African problems and cultural heritage (Eshiwani, 1993).

Kenya's struggle for political independence served as a major foundation for her educational development and change. The colonial legacy consisted of racial system of education for exploitation of African labour, which lacked comprehensive and integrated programmes to serve the nation as a whole. At independence in 1963, the government had to quickly develop a new educational policy and strategy hence the sessional paper no. 10 of 1965 on 'African socialism and its application in Kenya' which examined the immediate needs and goals of post independence education as a principal means for relieving the shortage of domestic skilled manpower and equalizing economic opportunities among all Kenyans following the publication of education (Ominde) commission reports of 1964/65 (Eshiwani, 1993).

According to Beulah (1973) the education administration in Kenya has been undergoing constant change from independence to date to suit government policies and the changing aims of education. In 1968, Kenya Education Act, CAP 211 laws of Kenya was published and put the responsibility of education in the hands of ministry of education headed by a minister. In 1979, the ministry of education split into two: ministry of Basic Education, responsible for primary education and the ministry of higher education, responsible for secondary and post-secondary education (technical and university inclusive). The split
was aimed at simplifying the administrative and supervisory matters in education. In 1983, the two ministries were merged to form the ministry of education, science and technology, responsible not only for looking after primary, secondary, and post-secondary education but also the scientific and technological development in the country, headed by one minister, two assistant ministers, one permanent secretary and other officers. In 2005, the ministry was again split into two: ministry of education and the ministry of science and technology.

Financing of education in Kenya has been a major challenge to the government and the ministry of education. Since independence, the government has continued to spend more and more on education. The introduction of 8-4-4 system in 1985 made it necessary to increase number of classes, workshops and teachers in schools. The change increased the cost of education in the country. For example, out of the total government budget of Kshs. 580 billion in 2006/07 financial year, ministry of education alone was allocated 108 billion and is projected to consume 119.5 billion in 2007/08 financial year alone (Daily Nation, 2007).

At independence, Kenya inherited an education system with an underdeveloped teaching profession, lacking in both quality and quantity. Generally, there were few teachers and the majority of them were untrained due to limited capacity by the few training colleges and low academic qualifications. With the increased enrolment both in primary and secondary schools, the government embarked on training programmes for teachers at independence (Government of Kenya, 1984).

Another challenge facing the education sector is the increasing enrolment in primary schools, secondary schools, and tertiary colleges. Enrolment in primary schools shot from 5.9 million in 2002 to 7.2 million in 2004 (Teachers image vol 11 of 2006). Enrolment in secondary schools is projected to increase from the current 396,000 to 1.5 million by January 2008, 2.3 million by 2010 and 2.7 million by 2015 in secondary schools countrywide. This increase has overstretched the learning facilities and resources in schools and acute shortage of teachers in schools countrywide (Daily Nation, 2007).
Otete (2003) has stated that with the liberation of the Kenyan economy in 1980's, new challenges completely altered the environment, the survival of organizations in Kenya and greatly influenced their impact on the economy. Public and private sectors in Kenya are facing significant challenges due to external forces which center around globalization of operations, increasing environmental regulations, changing customer demands and expectations, new technologies, advent of information communication technology (ICT) and pressure from stakeholders due to increased awareness of their rights.

The current planning by Kenyan Government has been revolving around 'Economic Recovery strategy for wealth and employment creation' (2003 -2007) and presently vision 2030. The various sectors of the economy are expected to develop their strategic plans deriving from the economic recovery strategy paper and vision 2030 plan as part of performance contracting between government and public institutions. This has led to reforms being implemented in the public sector to achieve rapid and sustained economic growth for poverty alleviation. The government believes that the achievement of sustainable development lies in the restoration of efficiency and professionalism in the operations of public sector institutions. Reform measures seek to streamline the functions and structure of government, reform management systems to ensure efficient delivery of services and institute stringent accountability measures.

1.1.3 Teachers Service Commission of Kenya

Teachers Service Commission is a body corporate established on 1st July 1967 by an Act of parliament CAP 212 laws of Kenya (legal notice No. 2 of 1967) charged with responsibility for managing teachers in primary schools, secondary schools and tertiary institutions in Kenya. The commission was set up to bring all teachers serving in public institutions under one single employer with harmonized terms and conditions of service. Prior to its establishment, teachers were employed by different bodies that included religious organizations, local authorities, District education boards and the central government. Teachers service commission is the only organization authorized to manage teachers' affairs in Kenya. It is mandated to perform the following core functions:
Teacher registration, Teacher recruitment, Deployment of teachers, Promotion of teachers, Remuneration of teachers, and Discipline of teachers and Maintenance of teaching standards in Kenya (TSC strategic plan, 2005-2010).

When the government introduced free and compulsory primary education in January 2003, enrolment shot up from 5.9 million in 2002 to 7.2 million in 2004 in 18,000 primary schools (COR for secretariat, 2006). Following the declaration of free and compulsory primary education in 2003, the country has experienced unprecedented influx of children to schools. Consequently, increased demands have been placed on the education sector for the provision of learning / teaching materials and equipment, additional teachers and physical facilities. There has also been tremendous growth in secondary education since independence.

In 1963, there were 30,121 students in 151 secondary schools country-wide comprising of 119 government maintained and 32 private schools, while in 1986, there were 458,712 students in 2497 schools, 635 government maintained, 1,497 harambee schools and 353 private schools with 22,296 teachers (Kamunge report, 1988). By 2004, the number of enrolment in secondary schools stood at 862,908 in 3,523 schools (T.S.C strategic plan 2005-2010). Due to the increased demand for teachers, the commission currently manages 235,000 teachers serving in over 22,000 public institutions. It has 23 commissioners plus a chairman, a commission secretary / chief executive officer and 2400 secretariat staff stationed at the headquarters in Nairobi and 86 T.S.C units all over the country. The commission is therefore the largest single employer in East and central Africa (Teachers image, vol 6 of 2004).

Mairura (2003) has observed that the rapid expansion of education has however put the teacher management system under focus. Services at the T.S.C. are seen to be poor and therefore attracting public wrath starting with delayed salaries, delayed retirement benefits, delayed discipline cases that take up to 6 years, irregular promotions and claims of corruption due to missing files. Teachers service commission is facing a myriad of challenges due to increased environmental turbulence. Mulema (2004) has stated that
lack of permanent housing has been a perennial challenge to TSC. The commission was housed at college house along university way at its inception in 1967. They later moved to Bima house, co-operative house and Development house, then to High Ridge College and Jogoo house after the 1998 Bomb blast, and currently at Bazaar Plaza since 1999. Rent costs have continued to rise hence affecting their service delivery budget annually.

The manual record keeping and operations at T.S.C is a major challenge to the commission's vision of effective service for quality teaching. There are over 350,000 active files at the T.S.C and the operations are manual (Teachers image, vol 8 of 2005). The continuous spread of HIV and AIDS has become a major concern and challenge to the commission. There is an increase in the spread of the disease among its employees resulting in under performance, loss of personnel and increased expenditure on health care. It is estimated that the spread of HIV and AIDS among T.S.C employees is 7% (strategic plan, 2005-2010). Although records of teachers' illness are confidential, the number of death gratuity claims shows teacher mortality rate to be on the increase. Recorded deaths have gone up from 545 in 1999 to 1,831 in 2002 (Teachers image, vol 6 of 2004).

The financial services at T.S.C entail the development of a budget and sourcing for funds. The commission relies on the Treasury for funds and grants which are released through the ministry of education, science and Technology, 94% of which goes to paying salaries and the 6% balance to operation and management, which remains largely under funded due to lack of development funding. Reduced funding by the government and donors has affected recruitment of more teachers hence the current shortage of about 37,000 teachers. Political interference in recruitment of new teachers, other staff and discipline of errant teachers has been experienced at the commission (TSC strategic plan, 2005 - 2010).

The implementation of free primary education in 2003 has posed one of the greatest challenge ever to face T.S.C which include congested class rooms at primary school level, an increasing transition rate from primary to secondary, escalating teacher
wage bill, teacher shortages, unplanned registration of new schools, and challenges of offering quality education. With increased enrolment at the primary school level and with the introduction of free secondary education in 2008, the challenge to T.S.C is to ensure there are adequate teachers with inadequate funding from the government. The commission is also faced with the challenge of ensuring that there are specially trained teachers to handle the disadvantaged groups of students that include street children, juvenile drug users and traffickers, children infected and affected by HIV/AIDS, adolescent mothers and children of refugees who enrolled in primary schools in 2003.

1.2 Research problem
All organizations the world over interact with both the remote environment (economic, social, cultural and technological factors) and the operating environment that encompasses competitors, creditors, customers, suppliers, and labour markets (Pearce and Robinson, 2004). These factors coupled with globalization phenomenon pose great challenges to all organizations and business enterprises. All organizations are therefore prompted to adopt strategic planning to ensure their survival and development of competitive edge over their competitors.

Teachers service commission like all other organizations is an open system which exists in a complex environment that is dynamic and turbulent. The commission faces a daunting task of serving the largest work force not only in Kenya but also in East and Central Africa (Teachers image, Vol 6 of 2004). Teachers service commission is faced with a myriad of challenges ranging from lack of permanent housing with increasing rent costs, threat of Teachers’ strikes demanding for improved services, ineffective manual record keeping leading to poor service delivery, threat of HIV/AIDS pandemic, low government funding, and increased students enrolment causing perennial teachers shortages.

The implementation of free primary education (FPE) in 2003 posed one of the greatest challenge to T.S.C which included congestion in classrooms, escalating teachers wage bill, teacher shortages and threats to quality of education offered. The government,
customers, stakeholders in teacher management and trade unions (KNUT and KUPPET) all with varied and diverse needs exert a lot of pressure on the commission to offer quality and effective service to Kenyans.

Faced with all these challenges and the demands from the government, teachers, parents, labour unions and donor partners, Teachers Service Commission has embraced strategic planning to guide its service delivery. The commission therefore developed its first ever-strategic plan in 2005 for a period of five years, running upto 2010.

While studies done in Kenya on strategic planning in public and private sectors by Aosa (1992), shimba (1993), Kangoro (1998), Mbaya (2000), Mittra (2001), Ogari (2003), Otete (2005), Muriuki (2005), Khamis (2006) have been focusing on firms operating in a competitive environment with the main objective of maximizing returns for their shareholders, no study has been done on strategic planning in a public monopolistic organization offering free service to their customers in Kenya. This study attempts to bridge the knowledge gap identified above by addressing the following Question: How does Teachers Service Commission carry out strategic planning?

1.3 Research objective

This study had one objective:

- To establish how strategic planning is done at Teachers Service Commission of Kenya

1.4 Scope of the Study

This study was conducted at the Teachers Service Commission of Kenya Headquarters based at Bazaar Plaza in Nairobi. Senior officers from all the five departments and the head of policy planning and research were to be interviewed since they are familiar with strategic planning process at the commission.
1.5 Importance of the Study

The results of this study are important to the government of Kenya because they will be able to understand how TSC is implementing the various government policies and legislations. Studies have been carried out on strategic planning within many private and public organizations in Kenya that are operating in competitive environment for the sole purpose of making profits for their shareholders (owners). However, a study on strategic planning by a public monopolistic free service provider in Kenya is lacking.

This study therefore will be of great importance to policy makers and implementers within the educational and public sectors in understanding strategy development and planning processes in public service sector. It will give insights on areas that need to be reviewed to achieve the desired goals. It will also serve as a useful tool for top managers in public and private sector organizations in embracing best practices of strategic planning to enhance good performance and service delivery. The performance contracting committee at the office of the president will find this study useful in setting policies and evaluating the achievement of performance targets at TSC and other government entities.

Finally but not least, the knowledge gap identified may be useful for instigating further research to see how service organizations can transfer knowledge and the benefit from good practices in management of strategy.
CHAPTER TWO- LITERATURE REVIEW

2.1 The concept of strategy

Mintzberg et al (1999) has defined strategy as the pattern or plan that integrates an organization's major goals, policies and action Sequences into a cohesive whole. A well formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents. According to Hofer and Schendel (1978), strategy is a position, a means of locating an organization in the environment. It is a mediating force of 'match' between an organization and environment.

The concept of strategy is multidimensional and has been defined by strategic management scholars in different ways. Chandler (1962) sees strategy as the determination of the basic long-term goals and objectives of an enterprise and the adoption of the courses of action and the allocation of resources necessary for carrying out these goals. Ansoff (1965) states that strategy is the common thread among an organization's activities and their product-markets. Porter (1996) on the other hand has defined strategy as the creation of a unique and valuable position involving a different set of activities. If there were only one ideal position, there would be no need for strategy. Strategy can also be defined as the 'game plan', which results in future, oriented plans interacting with the competitive environment to achieve company's objectives (Pearce and Robinson, 1997). Strategy therefore helps managers to formulate their goals and objectives in an orderly way.

Strategy is knowing the business you propose to carry out (Cummings, 1993). This definition is one of the earliest definitions of strategy which stresses that strategy requires knowledge of the business, an intention for the future, and an orientation towards action. Andrews (1971) sees strategy as the pattern of major objectives, purposes or goals and essential policies or plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. In
this definition, strategy is concerned with both purpose and the means by which purpose will be achieved.

Ansoff (1987) see strategy as a rule for making decisions while Ohmae (1983) defines strategy as the way in which a corporation endeavors to differentiate itself positively from its competitors, using its relative strength to better satisfy customer needs. This definition addresses both the competitive aspects of strategy and the need to build capacities. Macmillan and Tampoe (2000) define strategy as ideas and actions to conceive and serve the future. This definition highlights the fact that strategy requires thought about the future but also effective action to realize the concept. Andrews (1987) stated that strategy is a pattern of decisions which represent the unity, coherence and internal consistency of a company's strategic decisions that position a company in its environment and give the firm its identity, its power to mobilize its strengths, and its likelihood of success in the market place. Mintzberg (1999) has taken a different view on the concept of strategy. He sees the concept of strategy in 5 Ps of strategy as a plan, as a ploy, as a pattern, as a position, and as a perspective.

From the above, it can be concluded that strategic decisions are those that determine the overall direction of an enterprise and its ultimate viability in light of the predictable, the unpredictable, and the unknowable changes that may occur in its most important surrounding environments. They intimately shape the true goals of the enterprise. They help delineate the broad limits within which the enterprise operates. Strategies may be looked at as either a priori statements to guide action or a posteriori results of actual decision behaviour (Mintzberg et al, 1999).

2.2 Views and perspectives of strategy development process

Various scholars and writers see strategy in different perspectives. Mintzberg and Quinn (1991) sees strategy as 5ps i.e. plans, ploys, patterns, position, and perspective. He describes a plan as some sort of consciously intended course of action, which amounts to deciding what you want to do and how you intend to achieve it. A ploy is a set of 'stratagem' (a ruse or trick designed to put a rival company off the scent by distinguishing
the real intention of the company). A pattern, according to Mintzberg is the consistent behavior and processes which emerge from strategic thinking as a result of intended actions. He sees position as acceptable location for the organization in the environment (product-market position of a firm in a chosen market). Perspective is an approach to strategy that is both conceptual and cultural, hence Mintzberg describes it as looking inside the organization or an ingrained way of perceiving the world.

Johnson and Scholes (2002) categorized different approaches to strategy as: natural selection view, planning view, logical incrementalism, cultural view, political view, and a visionary view. Whittington (1993) States that there are four generic approaches to strategy: the classical approach, evolutionary perspectives, processual approach and systemic perspectives. For classicists, profitability is the supreme goal of business and rational planning is the means to achieve it. The classical approach view strategy as best formulated through rational analysis and long-term planning. This view emerged in 1960's with the writings of business historian Chandler (1962) and theorist Ansoff (1965).

Mintzberg (1987) divided the classical approach into three distinct schools of thought: the design school, the planning school, and the positioning school. Evolutionary theorists emphasize the limited capacity of organizations to anticipate and respond purposively to shifts in the environment hence investing in long-term strategies can be counter-productive. Therefore, in searching for the best strategy, it is best to let the environment do the selecting, not the managers.

Processual approach takes the view that both organizations and markets are often sticky messy phenomena, from which strategies emerge with much confusion and in small steps. They argue that it is the organizational and market imperfections that give rise to strategies and competitive advantage but not the limited human cognition. Organizational members bargain between each other to arrive at a set of joint goals by compromises and 'policy side payments' in turn for agreement. They downgrade rational analysis since strategy is discovered in action. Mintzberg (1987) proposes the metaphor of strategy as
'craft'. Lindblom (1959) suggests the science of 'muddling through'.

Systemic theorists insist that strategy is peculiar to particular sociological contexts. Social system networks influence both the means and ends of action, defining what is appropriate and reasonable behavior to their members. Variations in market, class, state, and cultural systems make a difference to corporate strategy. The systematic perspective challenges the universality of any single model of strategy hence the objectives and modes of strategy-making depend on the strategists' social context. Strategy must be sociologically sensitive (Whittington, 1993).

Johnson and Scholes (2002) see strategy formulation in different ways, what they call lenses. Most people make sense of complex situations in more than one way. They view the development and management of strategy through the lenses of design, experience, and ideas. Design lens view strategy formulation as done by top management through careful analysis and planning and implemented down through the organization. Strategy development is seen as a process of systematic thinking and reasoning. This resembles Mintzberg (1973) planning mode. Strategy as experience is the outcome of peoples' experience and cultural processes in and around organizations. Strategy develops in an adaptive fashion building on the existing ones and changing gradually. The experience lens views strategy development as the outcome of individual and collective experience of individuals and the taken-for-granted assumptions.

Strategy as ideas lens tries to explain why some organizations are more innovative than others and why and how some organizations seem to cope with a fast-changing environment better than others. It sees strategy as the emergence of order and innovation from the variety and diversity which exist in and around organizations. New ideas and innovation come from low down in an organization. Johnson and Scholes (2002) have used the lenses to explain Strategy Development processes in organizations through strategic planning systems, strategic leadership, organizational politics, logical incrementalism, the learning organization, and imposed strategy. Organizational politics view strategy development as the outcomes of processes of bargaining and negotiation
among powerful internal or external interest groups (or stakeholders). Logical incrementalism is the deliberate development of strategy by learning through doing or the 'crafting' of strategy. Learning organization is one capable of continual regeneration from the variety of knowledge, experience and skills of individuals within a culture; while imposed strategy is one imposed by agencies or forces external to the organization, for example, government dictates particular strategy to public sector, multinationals develop overall corporate strategic direction to subsidiaries etc.

Mintzberg, Ahlistrand and Lampel (1998) have outlined three prescriptive schools of strategic thought: Design school sees strategy formulation as a deliberate process of conscious thought with responsibility resting with the chief executive (resembles design lens by Johnson and Scholes, 2002). The planning school sees strategy as a formal process and provides a clear model of how to do strategic planning using clear and logical methods. It defines the sequence of steps as objective setting, external assessment, internal assessment, strategic choice, and strategic implementation. The positioning school sees strategy formation as depending on an analytical process. This school owes much to the work of Michael porter and uses analytical techniques and frameworks. These prescriptive schools could be variations of what Whittington (1993) called the classical school.

In conclusion, there is no one right way in which strategies are developed. Different people will see the way strategies are developed differently. Senior executives tend to see strategies more in terms of design whereas middle management tend to see strategies rather more as the result of cultural political processes. Managers who work for government tend to see strategy as more imposed than those in private sector. People who work in family businesses tend to see more evidence of the influence of powerful individuals, who may be owners of the business (Johnson and Scholes, 2002).

2.3 Historical Development of Strategic Planning

The industrial revolution period from 1900 to 1930's was a period of mass production era where the firm that offered a standard product at the lowest price was going to win.
Competition between firms was low and business environment was considered stable up to early 1950's when the Second World War had just ended. A lot of skills and technology had been developed during war hence new ways were to be found to utilize those skills. This period saw the increasing adoption of strategic planning in the United States of America which then spread overseas to Europe. Extrapolation of past and present information was considered fairly accurate hence long-range planning, long term financial and budgetary planning, and capital budgeting and financial control were some of the tools used in planning (Ansoff and McDonnell, 1990). This period of increasing adoption of strategic planning was characterized by relative environmental stability, abundant business opportunities and rapidly expanding companies hence planning at this time was extrapolative.

From the mid 1950's, accelerating and cumulating events began to change the boundaries, the structure, and the dynamics of the business environment. Firms were increasingly confronted with novel and unexpected challenges which were so far reaching (Ansoff and McDonnell, 1990).

The 1960's and early 1970's saw the strategic planning firmly embraced in the United States of America and Europe. This period was characterized by relative stability which encouraged the use of strategic planning, forecasting and financial budgeting. Strategic planning faced its major challenge in the period from 1973 up to early 1980's. This is the period that experienced widespread dissatisfaction with strategic planning due to the increased environmental turbulence, reduced business opportunities and increased competition.

Strategic planning as developed in the stable environmental conditions could not cope with the challenges of the new turbulent environment. Ansoff and McDonnell (1990) asserts that by the mid 1970's contingency plans alone were insufficient preparation for the unpredictable future because the speed of change had increased to a point at which events surfaced and developed too rapidly to allow timely preparation of such plans. Increased competition globally increased turbulence and stunted economic growth due to
lack of new investment opportunities changed the practice of strategic planning which became ineffective as it failed to link planning with resource allocation or implementation (Steiner, 1983).

Strategic planning was criticized for lacking action orientation; for being inflexible and rigid; highly rational and analytical hence it inhibited strategic thinking. Scholars, practitioners and writers of strategic planning started to look for ways of making it useful again under the new environmental turbulence. Porter (1987) stated that although strategic planning had gone out of fashion in the late 1970's, it needed to be 're-discovered', 're-thought' and 'recast'. The period between late 1980's up to date has seen strategic planning undergo 'recast' to make it relevant in the 21st century. There has been increased emphasis on implementation in order to link planning with action, strategy with budgetary cycle sequences and the involvement of the line managers in the planning and implementation stages. New management systems developed include strategic posture management, strategic issue management, strategic surprise management, and real-time strategic management (Ansoff and McDonnell, 1990).

In conclusion, change is occurring rapidly and even greater changes and challenges are forecast for the year 2000 and beyond. The crucial responsibility for managers will be ensuring their firm's capacity for survival. This will be done by anticipating and adapting to environmental changes in ways that provide new opportunities for growth and profitability. The impact of changes in the remote industry and task environments must be understood and predicted (Pearce and Robinson, 1997).

2.4 Levels of strategic planning
Companies and managers go about the task of developing strategic plans differently. In small owner-managed companies, strategy making is developed informally, often never being reduced to writing but existing mainly in the entrepreneur's own mind and in oral understandings with key subordinates. On the other hand, the largest firms tend to develop their plans via an annual strategic-planning cycle (complete with prescribed procedures, forms, and time tables) that includes, broad management participation, lots of
studies and multiple meetings to probe and question (Thompson and Strickland, 1989). The two basic strategic planning questions are: where are we going? and what do we need to do to get there? Answers to where are we going question are provided by finding out what the organization intends to do (its strategic plan) and the business needs that need to be satisfied if these intentions are to be realized (Armstrong, 2001).

Kenny (2005) came up with strategic planning process that focuses on key stakeholders who need to be satisfied by the organization's strategy.

**Figure 1: Strategic planning process**

Identify key stakeholders → Identify strategic factors for key stakeholders → Assess performance on strategic factors

Set targets on strategic factors → Develop strategy to achieve targets → Set targets on objectives → Write strategic plan

**Source:** Kenny G (2005): Strategic Planning and Performance Management: Develop and Measure a Winning Strategy; President Press, Great Britain, Page 189.

Key stakeholders include suppliers, owners, customers, and employees. Strategic factors are decision criteria used by stakeholders to assess an organization’s performance. After assessing performance on strategic factors, targets are set on objectives and a strategy is developed to achieve those targets that have been set on strategic factors. Finally, a strategic action plan is written to be implemented.

Strategic planning is done at three levels, namely corporate level, business level and functional level (Johnson and Scholes, 2002). Corporate level is at the top of the planning hierarchy which is composed of a Board of Directors, the Chief Executive Officer and
Senior Administrative Officers. They are responsible for the firm's financial performance and for the achievement of non-financial goals. They also determine the businesses the firm should be involved in, set objectives and formulate strategies that span the activities and functional areas of these businesses. Corporate level strategic managers attempt to exploit their firm's distinctive competencies by adopting a portfolio approach to the management of its businesses and by developing long-term plans (Pearce and Robinson, 1997). Corporate-level strategy is concerned with the overall purpose and scope of an organization and how value will be added to the different parts (Business units) of the organization (Johnson and Scholes, 2002).

Business level is in the middle of the decision-making hierarchy and is composed principally of business and corporate managers. These managers are responsible for translating the statements of direction and intent generated at the corporate level into concrete objectives and strategies for individual business divisions or SBUs. In essence, business-level strategic managers determine how the firm will compete in the selected product-market arena. They strive to identify and secure the most promising market segment within that arena (Pearce and Robinson, 1997). Johnson and Scholes (2002) see a strategic Business Unit as part of an organization for which there is a distinct external market for goods or services that is different from other SBU.

Functional level is at the bottom of the decision-making hierarchy, composed principally of managers of products, Geographic, and Functional areas. They are charged with the responsibility of developing annual objectives and short-term strategies in such areas as production, operations, research and development, finance and accounting, marketing and human resource relations (Pearce and Robinson, 1997). Their principal responsibility is to implement or execute the firm's strategic plans.

Operational (functional) strategies are concerned with how the component parts of an organization deliver effectively the corporate and Business-level strategies in terms of resources, processes and people. In most businesses, successful business strategies depend to a large extent on decisions that are taken or activities that occur at the
Operational level. The integration of operational decisions and strategy is therefore of great importance (Johnson and Scholes, 2002).

In single business organizations, the corporate and business levels responsibilities are concentrated in a single group of directors, officers and managers. In conclusion, a strategic plan embodies decisions regarding competitive advantage, future direction and scope of business activity and increases the competitiveness of the organization. Gekonge (1999) stresses that an effective strategic plan should help firms to respond successfully to environmental demands and help in identification of opportunities to exploit and threats to avoid in the external environment.

2.5 Strategic Planning Tools and Techniques

Strategic planning tools and techniques are mechanisms put in place by organizations for strategically managing the implementation of agreed upon strategies. The systems are themselves a kind of organizational strategy for planning and implementing the plans. According to Bryson (1995), the systems characteristically embody procedures and occasions for routinely reassessing those strategies.

2.6 Formality in Strategic Planning

According to Johnson and Scholes (2002), strategy formulation is equated with strategic planning systems. In many respects, they are archetypal manifestation of the design approach to managing strategy. Such processes may take the form of highly systematized step-by-step chronological procedures involving many different parts of the organization which have sophisticated and extensive planning systems hence the rational approach to strategy planning systems can be characterized according to variables such as degree of formality, approaches to strategic planning, source of power within the organization, level of participation, frequency of reviews and degree of flexibility. Approaches to strategic planning range from top-down, bottom-up, and negotiated approach.

Tools and techniques used in strategic planning include SWOT Analysis, Portfolio Analysis, Pest Analysis, Porters Five Forces Model, Scenario Planning, Value Chain Analysis, and Functional Analysis. The process of strategic planning involves situation
analysis, development of mission statement, external analysis, internal analysis,
development of objectives, development of strategies and development of appropriate
budgets, reward systems, information systems, policies and procedures (Muriuki, 2005).

Harrison (1976) identified seven types of strategic planning systems which include:
Financial budgeting, operational planning, production, manpower planning, long range
planning, ad hoc strategy formation, formal strategic planning at intervals and routine
formal strategic planning. Gluck et al (1980) identified four strategic planning typologies:
Financial planning, forecasting based planning, externally oriented planning, and
strategic management.

It is hard to be prescriptive about choosing the right framework, mode or technique hence
the best alternative should be the one that is responsible to the context of the
organization. Generally, strategic planning enables the coordination of effort by
identifying performance standards and focusing organizational competencies in bringing
about change (Thompson and Strickland, 1989).

2.6 Formality in Strategic planning

Formality refers to the degree to which participants, responsibilities, authority and
discretion in decision making are specified. Greater formality is usually positively
correlated with the cost, comprehensiveness, accuracy, and success of planning (Pearce
and Robinson, 1997). Forces that determine how much formality is needed in strategic
management include the size of the organization, its predominant management styles, the
complexity of its environment, its production process, its problems and the purpose of its
planning systems all play a part in determining the appropriate degree of formality.

Formality is associated with the size of the firm and its stage of development. Smaller
firms follow an entrepreneurial mode hence are basically under the control of a single
individual producing a limited number of products or services. In such firms, a strategic
evaluation is informal, intuitive and limited. On the other hand, large firms make strategic
evaluation part of a comprehensive, formal planning system, an approach that Henry
Mintzberg called the planning mode. An ideal strategic planning team should include decision makers from all the three company levels i.e. corporate, Business and functional levels. In addition, the team should obtain input from company planning staff and from lower-level managers and supervisors. But because strategic decisions have a tremendous impact on a company and require large commitment of company resources, top managers must give final approval for strategic action. General Managers at the business level typically have principal responsibilities for developing environmental analysis and forecasting, establishing business objectives, and developing business plans prepared by staff groups (Pearce and Robinson, 1997).

The CEO plays a dominant role in the strategic planning process. His or her principal duty often is defined as giving long-term direction to the firm, ultimately responsible for the firm's success hence success of its strategy. However, the CEOs dominance should not approach autocracy hence should allow managers at all levels to participate in the strategic posture of the company. In implementing a company's strategy, the CEO must have an appreciation for the power and responsibility of the Board, while retaining the power to lead the company with the guidance of informed directors.

2.7 Strategic Planning in Kenya

Most of the knowledge on strategic management has been accumulated in the Developed country contexts. Little has been written on strategic management practices in less developed countries as a whole and more so on Africa (Glueck and Jauch, 1984; Blunt and Jones, 1986).

More studies on strategic planning practices have been carried out in Kenya. Most of these studies done are more commonly on industries and firms in the private sector, with the common theme that there exists strategic planning in the organizations. Aosa (1992) studied aspects of strategic formulation and implementation within large, private manufacturing companies in Kenya and found out that there were variations in strategic practices with foreign companies being more involved in strategy development than the indigenous ones. Other studies done in Kenya by Shumbusho (1983), Kangoro (1998),
Otete (2003), Bett (2003), Muriuki (2005), Khamis (2006) on strategic planning all confirm that strategic planning is practiced by Kenyan firms, although to varying degrees.

Some of the studies done on public sector in Kenya include Kangoro (1998) who concluded that there existed established missions, objectives and strategies in the public sector with a lack of top management and employee commitment towards their implementation. Otete (2003) found out that formal strategic planning is practiced in public sector with top-down communication channels being used while the government influenced strategic planning process.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This research project was a case study on Teachers Service Commission of Kenya. It involved an in-depth investigation of the commission's strategic planning processes to help in understanding of the phenomenon.

Cooper and Schindler (2005) have stressed that case studies places more emphasis on a full contextual analysis of fewer elements or conditions and their interrelations which relies on qualitative data. Other research studies that have used this design conducted in Kenya include Kombo (1997), Kiptugen (2003), Mulema (2004), Muriuki (2005), Khamis (2006).

3.2 Data Collection

The data for this research project was collected mainly from primary sources through personal interview. Nachmias and Nachmias (1996) have defined personal interview as a face to face, interpersonal role situation in which an interviewer asks respondents questions designed to elicit answers pertinent to the research hypotheses. The respondents were drawn from top-level management staff based at the Teachers Service Commission headquarters in Nairobi. Three heads of departments and the head of policy planning and research section were interviewed since they are familiar with strategic planning at the Commission.

The research instruments used were open-ended interview guide. Personal interview has the advantage of being flexible, it gives the researcher greater control over the interviewing situation, ensures high response rate and helps interviewer collect supplementary information (Nachmias and Nachmias, 1996). This method of data collection through open-ended interview guide has previously been employed in other studies by Kombo (1997), Mulema (2004), Muriuki (2005), Khamis (2006).
3.3 Data Analysis

The nature of data collected was qualitative. It was analyzed qualitatively using content analysis technique. Content analysis has been defined as "any technique for making inferences by systematically and objectively identifying specified characteristics of messages" (Nachmias and Nachmias, 1996, pp 324). Cooper and Schindler (2005) state that content analysis may be used to analyze written, audio or video data from experiments, observations, surveys and secondary data studies. Other research studies that have utilized this technique include Kiptugen (2003), Koske (2003), Mulema (2004), Muriuki (2005), Khamis (2006).
CHAPTER FOUR: DATA ANALYSIS

4.1 Respondent's profile

The four respondents that formed part of this study are part of the top management at Teachers Service Commission of Kenya. All of them have been actively involved in the strategy development and planning process and are also involved in its implementation. They included deputy secretary (Human resource), assistant deputy secretaries, and senior principle economist who are in charge of policy planning and research division.

4.2 Teachers Service Commission of Kenya

The commission was established on 1st July 1967 by an Act of parliament CAP 212 Laws of Kenya and currently has a total of 2,400 members of staff at the secretariat. Teachers Service Commission has been affected by the public sector reforms in Kenya just like any other government organization. Reforms have been implemented in the public sector to achieve rapid and sustainable economic growth for poverty alleviation. The achievement of sustainable development lies in the restoration of efficiency and professionalism in the operations of public sector institutions. Reform measures seek to streamline the functions and structure of government, reform management systems to ensure efficient delivery of services and institute stringent accountability measures. In response to these reforms, the commission developed its corporate identity (logo) in the year 2000. It also formulated its first vision statement: "Effective Service for quality teaching" and mission statement: "to establish and maintain, in partnership with all stakeholders, a sufficient professional teaching service for educational institutions responsive to environmental changes", in the year 2002.

Other reforms initiated by the commission include development and launch of the teachers service commission service charter on 16th of July 2002, the development of a written strategic plan for the first time ever for a five year cycle with effect from 2005 to 2010 whose overall purpose is to add value to the quality of the teaching profession. Other reforms include the introduction of performance appraisal system for all staff in 2005 and the operationalization of the public officers ethics Act in 2003.
To accommodate the numerous reforms as a result of policy shift in key areas of teachers management such as recruitment moved from head office to various districts (primary teachers) and secondary schools and tertiary institutions; the introduction of demand driven employment of teachers with effect from 1998; and staff development issues, it became necessary to revise the teachers code of regulations in 2005 to ensure that it was in tandem with the prevailing circumstances and realities in Kenya (teachers image magazine vol 10 of 2005).

In response to the teachers' demand for efficient and timely service, the commission is now implementing computerization of its manual records via integrated payroll and personnel data system (IPPD), a deliberate strategy by the commission to embrace information technology and adopt modern methods in the management of information in an effort to improve service delivery.

The commission's environment has been changing rapidly and the commission has been mainly reacting to those changes without a comprehensive plan to deal with the environmental dynamism.

The development of the TSC strategic plan is therefore justified as a basis for engaging with stakeholders and potential development partners in improving teacher management. It is a tool that could also be used by the commission to solicit and negotiate for additional resources for the organization from all potential sources.

4.3 Strategic Planning Process at T.S.C

Teachers Service Commission strategic plan has been developed in a participatory manner. The process started by charging the top management team, comprising of commissioners and heads of departments with responsibilities of articulating the main strategic direction of the commission. Establishing the necessary structures within the secretariat to undertake the development of the strategic plan followed. The draft plan document was subsequently shared with key stakeholders including ministry of education science and technology (MOES&T) and associated educational agencies like the teachers'
unions, head teachers associations, other relevant government ministries and departments, representatives of districts education boards (DEBs), Board of Governors (BOGs), Parents Teachers Associations (PTAs) and T.S.C agents in the field, whose input and recommendations were incorporated into the various drafts. The resultant version of the plan was discussed within the T.S.C secretariat.

The senior managers of the commission were involved in the development of the strategic plan. These managers were part of a task force mandated to mobilize all the officers required to participate in the development of the strategic plan. The strategic plan covered a five year period. Timetables were developed by departmental heads for implementation.

The data that was used to develop the strategic plan was developed through the commission's elaborate EMIS information system. This data was collected from all the service areas, both core and non core areas. The commission's first strategic plan was operationalised in the year 2005 for a five year period. The process of developing this plan started in the year 2000, when the commission developed its corporate identity (logo) and its vision and mission statements in the year 2002.

The process of developing the current strategic plan started in the year 2003 when the commission engaged a consultant to guide and facilitate the process. Senior officers who included senior deputy secretaries who head the five departments of administration, human resource, internal audit, finance and staffing, all the deputy secretaries, assistant deputy secretaries and the head of policy planning and research division were trained on the concept and principles of strategic planning. These heads of departments, divisions and sections carried out SWOT analysis in their service areas and developed the necessary strategies. The team went on several retreats and workshops where the consultant guided and facilitated brainstorming sessions on all service areas at the commission. The writing feedback from the sessions formed the basis of the zero draft of the strategic plan which was later shared in a stakeholders' forum and their input incorporated into the plan. The whole process of developing the plan took three years.
Table 1: Key steps in strategic planning process

| i)    | Development of corporate identity (logo) |
| ii)   | Setting the vision and mission statements |
| iii)  | Development of commission objectives |
| iv)   | Training of participants on principles of strategic planning |
| v)    | Carrying out service area SWOT analysis and development of strategies |
| vi)   | Brainstorming sessions, and report writing |
| vii)  | Stakeholders’ forum |
| viii) | Budgeting and approval by CEO |
| ix)   | Implementation |
| x)    | Evaluation and control |

Source: Research Data

The commission has established a formal procedure for strategic planning where the department of administration is responsible for coordinating the planning, implementation and evaluation process. The strategic planning cycle for Teachers Service Commission takes a five year period. With the introduction of performance contracting in the public service, annual performance targets are extracted from the plan for each employee which forms the basis for the annual performance appraisal exercise.

4.4 Roles in strategic planning

The policy planning and research division of the commission spearheaded the planning process and the development of the strategic plan. The division's role was further identified as involving interpretation of the commission's objectives and targets, coordination of programmes and incorporating relevant issues in the divisional plans and annual performance contracts. The department also provided useful technical support to the development of the strategic plan.
Each departmental head developed their respective departmental plans and strategies that constituted the build up to the overall strategic plan of the commission. All the employees of the commission were involved in the development of the strategic plan through their direct input in terms of opinions during consultations within service areas and cascading of individual work plans. The employees were also useful during the review stage of the development process of the strategic plan.

Stakeholders who have vested interests in the commission were also allowed to give their opinions and also criticize the strategic plan through open forums organized by the commission. Some stakeholders especially the government was useful in resource mobilization that was fundamental in the development of the strategic plan. Stakeholders involved in the process included ministry of education officials, teachers' unions i.e. Kenya National Union of Teachers and Kenya Union of Post Primary Teachers, TSC agents i.e. District Education Officers, Municipal Education Officers and Provincial Directors of Education.

The C.E.O of the commission gave general direction and overall leadership in the process of developing the strategic plan. He not only authorized the funds for the exercise but also was personally involved through reading the zero draft and giving his input and holding several meetings with the task force. He has also taken overall responsibility in the implementation, monitoring and evaluation of the strategic plan.

4.5 Challenges faced during the strategic planning process

During the strategic planning process at the Teachers Service Commission of Kenya, the following challenges stood out;

a) Limited funds for the exercise

b) Lack of technical capacity in the task force

c) The development of the strategic plan took too long to complete from the year 2003 to 2005.

d) Weak monitoring and evaluation mechanisms
e) External influences that delayed the development of the strategic plan
f) Linking activities of the commission to the budget was quite problematic

4.6 Functional areas involved in planning and implementation process

All the functional areas of the commission that include human resource, finance, administration, internal audit and staffing were covered by the strategic plan.

The strategic plan is implemented through work plans by heads of the respective departments and controlled by the monitoring and evaluation team. Formation of the monitoring and evaluation committee was set up to oversee the effective control of the implementation process of the strategic plan.

The internal audit of the commission carries out the audit hence complimenting the internal monitoring and evaluation committee that carries out the evaluation function under senior deputy secretary in charge of administration.

The commission undertakes mid-term evaluation of the strategic plan conducted between August and September of each year.

4.7 Tools and resources used to develop the strategic plan

Situation analysis of both internal and external environments was carried out to find out the challenges facing the delivery of services by T.S.C and the existing service gaps. The Internal environmental analysis was carried out using SWOT analysis (strength, weaknesses, opportunities and threats) technique to analyze staffing, finance, human resource, administration and internal audit departments.

External environmental analysis on the other hand was done using PESTEL framework (Political, Economic, Social, Technological and Legal factors. The SWOT analysis and PESTEL framework were both used by T.S.C as tools in coming up with strategic choices for the commission. The strategic plan was developed taking into account the availability and limitation of resources that was fundamental in the implementation stage.
4.8 Factors considered when preparing the strategic plan

Both internal and external factors were considered at the time when the plan was being developed. SWOT analysis technique was used in the analysis of the internal factors while PESTEL framework was used to analyze the external factors. Stakeholders that were considered included the customers (teachers and their next of-kin), the government (funders), the teachers unions (KNUT and KUPPET), secretariat employees, the media, school management boards, TSC agents and the International Community.

Internal factors considered included the business ethics, quality of service, capability, available finances and operational efficiency.

Strategic planning at TSC is done by top management (Departmental, Divisional and Sectional heads of functional areas) and the other employees are involved in its implementation stage. Decisions are jointly made by the various heads. All the other stakeholders influence strategic planning by giving their suggestions in the open forum.

4.9 Coordination during development of the strategic plan

The senior deputy secretary in charge of administration was mandated to coordinate the process of strategic planning within the commission. The senior deputy secretary finance had the responsibility to allocate budgets for the various stages of the strategic plan. The strategic plan became the new basis for setting performance targets for the entire Teachers Service Commission.
CHAPTER FIVE: SUMMARY, RECOMMENDATIONS, AND CONCLUSION

5.1 Summary

Strategic planning process at TSC was done in one phase simultaneously which involved strategy development and strategic planning. The whole process was formalized and based on functional analysis. The process resembles Mintzberg’s design school view and Johnson and Scholes design lens view on strategy development and management. Strategic planning is more formalized and is a onetime under-taking within the planning cycle with annual evaluation and control mechanism put in place to monitor its implementation. The planning system does not have any planning timetables after the development of the first strategic plan hence the heads of departments, divisions and sections are left to supervise the implementation in their functional areas with no time dedicated to review and environmental scanning.

The CEO’s role in strategic planning process is to provide general direction and leadership, authorize funds to be allocated and monitor the implementation process; He therefore plays a dominant role in guiding the process and giving long term direction to the organization. His leadership approach is participatory and functional areas are given powers to formulate strategies that form the basis of the strategic plan.

The planning approach is top-down with limited input from low level personnel. Since the commission is a non-profit making public service organization, it does not employ any sophisticated systems and tools in planning but SWOT analysis is used in assessing its strengths, weaknesses, opportunities and threats in consultation with stakeholders.

TSC has put in place an on-going evaluation and control process that reviews the implementation process. Since the commission is the sole organization in Kenya that manages teachers’ affairs, the tendency to become complacent is a major threat due to lack of benchmarking opportunities in the industry.
Due to its manual system of record keeping, the commission lacks reliable and long-term database that can be used in strategic planning process. When asked how the data for the plan is collected, one respondent answered that "in the first phase no clear methods of data collection were developed. However, during the review period, this is expected to be done". The commission has therefore started integrated personnel and payroll data capture exercise (IPPD) that is aimed at computerizing all records.

One of the weaknesses of the commission's current strategic plan is that no incentives nor rewards system has been put in place to motivate the personnel in working towards achieving the set goals and objectives. The plan likewise does not cater for the teachers that the commission has been and continues to export to foreign countries as expatriates.

5.2 Recommendations

This study found out that the commission faced several challenges during the planning process which included lack of enough funds, lack of technical capacity in the organization which delayed the process by three years, weak monitoring and evaluation mechanisms, external influences that delayed the process and linking activities of the commission to the budget.

To address these challenges, the commission should adopt information communication technology (ICT) in processing and storing of data and use computer based planning techniques. It should also adopt scenario planning to be able to forecast future trends. There is also need for the commission to source for funding directly from international donor agencies to compliment the limited resources provided by the government. As a long term solution, the commission should seek avenues through which their customers could pay for the services they offer in order to generate funds for self sustainability.

Finally, it is recommended that qualified and well trained personnel in strategic management should be deployed to policy planning and research division to ensure effective strategic planning, implementation and evaluation.
5.3 Limitation of the Study
This study was carried out within a limited timeframe and resources which constrained the scope and depth of the research. This necessitated the adoption of a case study design hence the findings cannot be used to make generalizations regarding strategic planning process in other public organizations in Kenya.

5.4 Suggestions for Further Research
Further research on strategic planning process can be carried out on other public service organizations in Kenya and a cross-sectional survey design used to compare and make generalizations.
It will also be interesting to carry out a research at the commission in the year 2011 to find out how their first strategic plan was operationalized.

5.5 Conclusion
The strategic planning approach at TSC is more formalized and the process is guided by the top management with no elaborate system put in place to harness the benefits of employees’ creative thinking and innovation.

Strategic planning can be formal, informal or both depending on the organizational context. TSC being a government organization has adopted formal planning which is guided by the top management. Other factors that have led to this approach include the size of the organization, its complexity, the need for internal consistency and comprehensiveness.

At TSC, a lot of emphasis is placed on internal analysis due to lack of competitors in the industry. The quality of service delivery is key to the planning process hence views from all stakeholders are taken on board.
REFERENCES


Daily Nation Newspaper, Friday June 15, 2007 "An Election Budget: Ksh. 9.8 Billion bounty for teachers, pp 4, 8."

Daily Nation Newspaper, Thursday June 14, 2007 "Secrets of Kimunya's Ksh. 603 Billion Budget, pp 1, 4 - 5, 27."

Daily nation newspaper, Wednesday June 13, 2007 "Free secondary Education to cost 40 Billion, pp 4"


Kenny, G (2005): *Strategic Planning and Performance Management*: Develop and Measure A Winning Strategy; President Press, Great Britain


Mintzberg, H and Quinn J.B. (1991): The strategy process; concepts, contexts, cases; 2nd ed. Prentice - Hall international, Inc, USA.


Teachers Service Commission Image Magazine Vol. 10 of 2005, Oakland Media Services ltd, Nairobi

Teachers Service Commission Image Magazine Vol. 11 of 2006, Oakland Media Services ltd, Nairobi

Teachers Service Commission Image Magazine Vol. 7 of 2004, Oakland Media Services ltd, Nairobi

Teachers Service Commission Image Magazine, Vol. 8 of 2005, Oakland Media Services ltd, Nairobi


The Newsletter of the Public Sector Reform Co-coordinating Unit, Issue No.4, January 2005, Government press.


**Transparency International**: Integrity Study at Teachers Service Commission English Press Ltd, May 2006, Nairobi

**TSC Organizational Structure**, Functions and Operations Chart; Government press.


APPENDICES

APPENDIX I - LETTER OF INTRODUCTION FROM RESEARCHER

AGUSIOMA BERNARD
KEYA C/O SCHOOL OF
BUSINESS UNIVERSITY
OF NAIROBI P.O BOX
30197
NAIROBI

Dear Sir / Madam,

RE: REQUEST FOR AN INTERVIEW

I am a post graduate student at the School of Business, University of Nairobi pursuing a Master of Business Administration (MBA) degree, specializing in strategic management. Currently, I am currying out research on STRATEGIC PLANNING AT TEACHERS SERVICE COMMISSION OF KENYA as part of my course work.

Kindly spare some of your time for an interview to enable me finalize my studies. You have been selected for this study due to your familiarity with strategic planning at the commission. The information is for academic purposes only and will be treated in strict confidence. A copy of the research report will be available to the commission as soon as it is ready.

Thank you for your co-operation.

AGUSIOMA, BERNARD KEYA
STUDENT REG. NO. D61/7732/05

MOBILE: 0722606846
DATE...7TH. AUGUST...2007

TO WHOM IT MAY CONCERN

The bearer of this letter ....BERNARD AGUSIOMA KEYA

Registration No: D61/7732/05

...s a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The project is entitled

STRATEGIC PLANNING AT TEACHERS SERVICE COMMISSION OF KENYA

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

J.T. KARIUKI
CO-ORDINATOR, MBA PROGRAM
APPENDIX III - INTERVIEW GUIDE

PART I: RESPONDENT'S PROFILE
1. State your position/Title in the commission
2. What is your Department?
3. When was the commission established?
4. State the current number of employees in the commission's secretariat

PART II: OVERVIEW OF STRATEGIC PLANNING PROCESS
5. When was your vision, and mission statements developed
6. Does the commission have objectives? If yes, kindly state them?
7. Who in the organization draws up these objectives?
8. When was your first strategic plan developed?
9. List the titles of commission employees and stakeholders who were involved in development of your strategic plan
10. Describe how the strategic plan was developed (e.g. process, participants, time schedules, etc)
11. Who in the organization draws up the strategies for the organization?
12. Were consultants involved in your strategic planning process?
13. What is your planning process?
14. Do you have planning timetables and who are involved in setting them?
15. How is the data for the strategic plan collected?
16. What is the role of the planning section in the planning process?
17. What role do you play and how much time do you commit in the process of strategic planning quarterly and annually?
18. Are all the commission employees consulted / involved in the planning process? If yes, what role do they play?
19. Kindly state the role(s) stakeholders play in strategic planning process
20. Kindly state any challenges(s) or problems experienced in strategic planning at T.S.C.
21. What role does the government play in your planning process?
22. Which functional areas were considered in the preparation of your current strategic plan?
23. How do you implement your plans and who controls the implementation stage?
24. Describe the mechanisms put in place for strategic evaluation and control
25. What role does the commission secretary / CEO play in strategic planning process?

PART III: FACTORS AND TOOLS.

26. Describe the Tools used in developing your current plan (i.e. SWOT analysis, forecasting, portfolio analysis, computer planning, etc).
27. Is resource allocation considered during the planning process?
28. Who is tasked with coordinating strategic planning within your organization?
29. Who has responsibility for allocation of budgets?
30. How is strategic planning linked to performance of your organization?

END
Thank you very much for your co-operation.
PREAMBLE

The Teachers Service Commission Act Chapter 212 establishes the Teachers Service Commission (TSC). The TSC Logo was designed in reference to section 4 of the Act. The colours, forms and symbols in the logo, graphically, presents the commission’s functions as stated in the Act.

HANDS are symbols of the Commission’s power to:
- Register and maintain a register of all qualified teachers
- Recruit and employ teachers
- Assign teachers employed by the Commission for service in any public school
- Promote or transfer any such teacher
- Terminate the employment of any such teacher
- Delegate to any person or body any of its powers
- The embracing form of the hands is a sign of TSC’s warmth and concern for the welfare of its employees.

MORTAR BOARD stands for the duty of the commission to keep under review the standards of education, training and fitness to each of persons entering teachers service.

MAP OF KENYA stands for the area within which the Commission operates.

BLACKBOARD is a symbol of the teaching service

BOOK stands for:
- Teachers register
- Teachers Service Commission policies
- Code of regulation
- Teacher Service Commission Act Chapter 212
- Employees and other records
- Source of knowledge and information

TSC AND THE SUN RAYS stands for the TSC function of assigning teachers employed by the Commission for service in public schools all over the country.

CIRCLE AND BASE (PLATFORM): The scroll in waves at the bottom of the imposing circular shape at the logo combines to present the unity in the Commission’s unwavering firmness in pursuit of its mission and its flexibility and adaptability to the changes in the environment.

COLOURS
Black: One of the national colours, that is, 'black' adapted to identify the commission with the national aspirations. It is the symbol of the commission as a leader in the teaching service.