

**A SURVEY OF STRATEGY DEVELOPMENT  
PROCESSES IN COMMERCIAL TRAINING COLLEGES  
IN NAIROBI.**

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**BY: MBINDA KYALO WELLINGTON**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTERS IN BUSINESS  
ADMINISTRATION, FACULTY OF COMMERCE,  
UNIVERSITY OF NAIROBI.**

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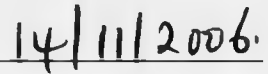
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## DECLARATION

This research project is my original work and has never been presented in any other University/ College for the award of any degree.




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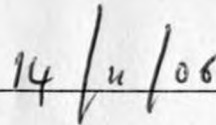


**Date**

This research project has been submitted for examination with my approval as the University supervisor.



**Mr. Jackson Maalu**  
**Lecturer, Department of Business**  
**Administration.**



**Date**

## DEDICATION

To my parents Mr&Mrs Peter Musyoka, my brother Geoffrey, my sisters Judy, Faith and Isabel who gave me both financial and moral support throughout my academic period. Thank you and God bless you.

I would like to thank my friends and family for their support and encouragement throughout my academic journey.

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## ACKNOWLEDGEMENT

I acknowledge my supervisor, Mr Jackson Maalu Faculty of commerce of the university of Nairobi, who through his criticism and guidance made it possible for this project to be completed. I also appreciate my fiancée Judy who came in hand during data collection and my friend Machuki in data entry and analysis not forgetting my fellow colleagues for their constant encouragement.

I thank all the respondents who willingly completed the questionnaires and have contributed in making this work a success.

I also thank God for the strength he gave me to pursue this program to the end.

## ABSTRACT

The objectives of this study were to establish the strategy development processes used by commercial training colleges operating in Nairobi Central Business District and to identify the factors that influence strategy development among the commercial training colleges. The factors considered include number of competitors, possibility of new entrants, clients, services offered, ownership of college, competitor future goals, current strategies and government regulation.

The main thrust of the study was to establish the processes used by the commercial training colleges to come up with their strategies and how successfully they have implemented them to meet the existing challenges such as the high competition among the colleges. It's interesting to note that majority of these colleges offer similar courses i.e. Business Studies.

The respondents included the commercial training colleges operating within the Nairobi Central Business District. A survey was carried out using a detailed Questionnaire which was completed by the administrators of the colleges. I managed to get 25 completed questionnaires from the Directors, Administrators and Principals of the various colleges.

Results indicated that majority of the colleges consider strategic management as an important aspect in their operations. They formulate both mission and vision for their colleges. They are passionate in what they do and aspire to be

the best Education Institutions. However, they face challenges when trying to translate their vision and mission to tangible strategies.

Further results showed that Although the commercial training colleges are keen on strategy development, very few have a planning department to take care of that responsibility instead they use random interactive meetings to come up with there strategies. Majority of the colleges don't focus on long term strategies instead they prefer short term strategies due to the rapid changes in ther operating environment.

The study is in five parts. The first part contains an introduction to the study, objectives of the study and importance of the study. The second part provides theoretical framework of strategy development processes and also strategic management as applied in organizations. Part three gives details of research methodology and the results are presented in part four. The questionnaire and list of colleges used in this study is appended at the end of the paper. The Fifth part contains the summary, conclusion and recommendations of the study.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background

Strategies can form implicitly as well as be formulated explicitly (Mintzberg1991). Planning does not capture the essence of strategy formation, according to Quinn(1988), although it does play an important role in developing new data and in confirming strategies derived in other ways. The traditional view of incrementalism does not fit observed behavior patterns either. The processes Quinn observed seem incremental on the surface, but a powerful logic underlies them. And unlike the other incremental processes, these are not so much reactive as subtly proactive. According to Mintzberg (1991) Executives use incremental approaches to deal simultaneously with the informal, motivational and political aspects of creating a strategy.

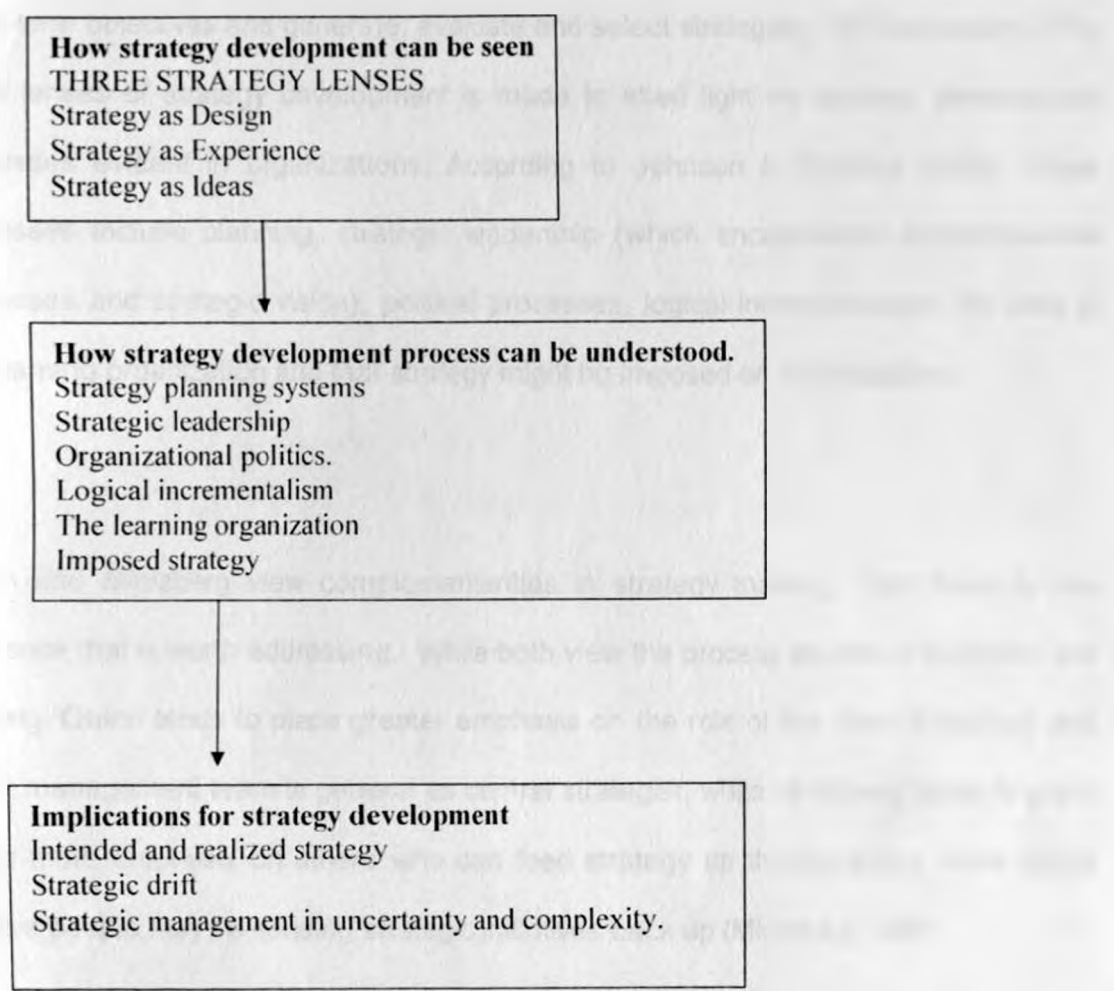
Johnson and Scholes (2002) considers strategy development process critically by coming up with three lenses in which strategy development can be seen. They further indicated how strategy development can be understood and also the implications for strategy development. The figure 1 in page 2 gives an insight of understanding strategy development.

The design view of strategy development is associated with planning, setting objectives, analysis and evaluating options. The design lens views strategy development as the deliberate positioning of the organization through a rational, analytic, structured and directive process.

The experience lens views strategy development as the outcome of individual and collective experience of individuals and the taken-for-granted assumptions while the ideas lens sees strategy as the emergence of order and innovation from the variety and diversity which exists in and around organizations. In many respects, it has to be recognized that the design lens, especially in its emphasis on analysis and control, is the orthodox approach to strategy development most commonly written about in books, taught at business schools and verbalized by management when they discuss the strategy of their organizations.

However, the other lenses are important because they raise significant challenges in thinking about and managing strategy. The experience lens is rooted in evidence of how strategies develop incrementally based on experience and the historical and cultural legacy of the organization; and suggests that it is much more difficult to make strategic changes than the design lens might imply, (Johnson & Scholes, 2002).

**Fig 1. Understanding Strategy Development**



**Source:** Johnson & Scholes (2002) Exploring Corporate Strategy, 6<sup>th</sup> edition. Pg. 38

The idea lens helps an understanding of where innovative strategies come from and how organizations cope with dynamic environments. It also poses questions about whether or not top management really have control over strategic direction to the extent the design lens suggest. (Johnson & Scholes, 2002).

David (1997), Mintzberg (1991) agree that for any organization to develop strategies, it must develop mission statement, perform external audit, perform internal audit, establish Long-term objectives and generate, evaluate and select strategies. The discussion of the three lenses of strategy development is made to shed light on strategy development processes evident in organizations. According to Johnson & Scholes (2002); these processes include planning, strategic leadership (which encapsulates entrepreneurial processes and strategic vision), political processes, logical incrementalism, the idea of the learning organization and that strategy might be imposed on organizations.

Quinn and Mintzberg view complementarities in strategy making. But there is one difference that is worth addressing. While both view the process as one of evolution and learning, Quinn tends to place greater emphasis on the role of the chief executive, and senior management team in general as central strategist, while Mintzberg tends to place a little more emphasis on others who can feed strategy up the hierarchy, while below creative people may be sending strategic initiatives back up (Mintzberg 1991).

### **1.1.1 Growth of commercial training colleges industry**

Education has continued to be the key for success to many Kenyans. This has continued to raise many concerns among scholars due to the increased number of students and the available opportunities available for higher education in the public universities. The situation has further been worsened by the fact that there are few public universities and the entry points have also been going higher and higher over the past.

This has stimulated the emergent of private universities and also technical training colleges and recently the rapid increase of commercial training colleges especially in the major towns of this country. Commercial training colleges in this study are defined as those which are privately owned and offer business related courses as their core area of training. It has been revealed that the Ministry of Education, office of registration schools and colleges receive approximately 200 applicants wishing to start commercial colleges in a month and out of the 200, 80% are registering for business training colleges of while the 20% is for schools of beauty and hairdressing as well as technical training such as dressmaking and electronics. (Ministry of education conference report 2002).

Given the competition among commercial training colleges operating within Nairobi and especially within the Central Business District (CBD), which has come up due to the increasing number of students who are seeking tertiary training, the colleges must have strategies in place for their success. Pearce & Robinson (1991) defines strategic management as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives.

A strategy reflects a company's awareness of how, when and where it should compete; against whom it should compete; and for what purposes it should compete. Strategy development has various stages through which the firm management should go through before coming up with their operating strategy. The components necessary for formulating an organization strategy include; defining the company mission, assessing external environment, evaluating the multinational environment, environmental forecasting, internal analysis of the firm, setting long-term objectives and strategic analysis and choice. Whether a firm is developing a new business or reformulating

direction for an ongoing business, it must determine the basic goals and philosophies that will shape its strategic posture. (Pearce & Robinson, 1991)

Strategies being a critical element in organizations success, they still pose a challenge in their successful implementation. There are various tools and techniques that can be used in developing strategies in a firm i.e strengths, weaknesses, opportunities and threats (SWOT) analysis, use of key factor analysis, forecasting and the application of portfolio models. (Thompson & Strickland, 1993)

Researchers (Warsame, 2002; Mutonyi 2003; Bett 2003 ) have carried out research on strategic planning among different organizations and found out that some carry out this exercise without the full knowledge of the changing environment in which they operate and thus end up adopting the emergent strategies rather than the planned strategies. Aosa (1992) revealed several problems in strategy implementation. These include lack of communication, lack of commitment to strategy, unlighted systems, lack of necessary resources and the uncontrollable factors in the external environment.

After conducting the internal assessment and the environmental analysis, strategic decision makers have the necessary information to formulate the revised corporate business and functional strategies of the organization. The strategy formulation component of the strategic management process begins with a summary of the major facts and forecasts derived from the internal assessment and the environmental analysis. (Beteman & Zeithaml, 1990).

Ansoff et al (1965), Gershefski (1970), and Herold (1970) all conclude that organization which utilize strategic planning achieve higher levels of performance than organizations which do not utilize strategic planning. In a review of 28 studies of manufacturing firms, 20 studies revealed better performance with formal planning, 5 studies revealed no difference and 3 studies revealed planning to be detrimental to performance (Amstrong 1991). It's clear that no firm is assured of survival by chance.

The management of each firm must do whatever at their disposal to ensure the firm survives and meets its objectives within the competitive environment since opportunities do exist in spite of all the challenges. This is a common goal in organizations.

Strategic management has to do with creating a match between an organization resources and skills and the environmental opportunities and threats as it strives to achieve its goals and objectives (Schendel & Hofer, 1979). Unlike in industrialized countries, literature on the theory and practice of strategic management in organizations is very limited especially for indigenous organizations in both the public and private sector (Kiggundu, 1989).

A few studies have been carried out to document strategic management practices in Kenya (Aosa, 1992, Karemu 1993, Shimba 1993). These studies provide an insight on strategic management. Karemu (1993) suggests the need to research on strategy practices in different sectors of the Kenyan economy.

## 1.2 Statement of the Research Problem

It's important to note that the commercial training colleges operate in highly volatile competitive environment. More so, there are government regulations under the Ministry of Education, which govern the establishment of these colleges according to the laid down rules. This might have posed a challenge to potential entrepreneurs who might be interested in this sector of the economy.

Given the need to provide quality education to Kenyans who might not be lucky to join the universities, its important to note that the owners of these colleges have various objectives for setting them up not forgetting the issue of maximizing profits. More so the expected increase in the number of students, which will be in need of tertiary education, the commercial colleges is an industry which is expected to have a rapid growth in the near future. The free primary education is also expected to contribute to this growth.

Its much interesting to note that most recent established commercial colleges have come up and collapsed within two or three years of operation while others have been in existence for a long time and continue to do well. According to Thomson & Strickland (1992), a good management may be associated with how well managers develop and execute strategy.

So far the universities have been unable to cater for the increasing number of students who qualify to join the few public universities in this country. However, the universities are viewed by many as more credible institutions for higher learning, the commercial colleges need to put strategies in place to ensure that they become competitive as the



universities. Strategic management involves awareness of how successful and strong are, and how circumstances are changing (Thompson 1997).

Bearing in mind majority of the commercial training colleges are operating within the Central Business District (CBD), and more so more than two similar colleges offering the same courses operate in the same building, it has attracted my interest to carry out a research to ascertain if there exists any strategies among these colleges.

It's in the view of the increasing number of students, concentration of these colleges within the Central Business District (CBD), ownership and even the uniqueness of courses offered by these colleges which are business related, which stimulated this research. Thus, this research aims at documenting the strategy development practices and the factors which influence these strategies to be developed to ensure the success of these colleges.

In this context, the study will therefore seek to answer the following questions:-

1. How do strategies develop in commercial training colleges operating in Nairobi Central Business District?
2. What factors influence strategy development of the commercial training colleges?

### **1.3 Objectives of the Study**

1. To establish the strategy development processes by commercial training colleges operating in Nairobi Central Business District.
2. To identify the factors that influence strategy development among the commercial training colleges.

### **1.4 Importance of the Study**

The findings of this study will have a positive impact to various groups; This include:-

1. The managers/directors of the colleges who will be in a better position to understand strategy processes within their organizations.
2. The stakeholders whose knowledge will be enhanced on strategy for better results in the future.
3. Potential investors in the same industry will be in a better position to make decisions concerning their new venture.
4. Scholars who may wish to research on the process of strategy development will be able to get information from this research.

## 2.1 The Concept of Strategy

A strategy is a company's game plan (Pearce & Robinson (2003). Chandler (1962) in his definition of strategy emphasized the determination of basic long-term goals and objectives, the adoption of courses of action to achieve them, and the allocation of resources as being central to the concept of strategy. According to Hunger (1995) strategy forms a comprehensive plan stating how the corporation will achieve its mission and objectives.

Ansoff (1965) defined strategy as a set of decision-making rules for guidance of organizational behavior. Mintzberg (1983) considers strategy to be a pattern that can be observed from a stream of actions and decisions. He introduced the concept of emergent strategy.

The purpose of strategy is to provide directional cues to the organization that enable it to achieve its objectives while responding to the opportunities and threats in the environment (Schendel & Hofer 1979). Johnson and Scholes (2002) conclude that strategy can be seen as the matching of the resources and activities of an organization to the environment in which it operates. This is sometimes known as the Search of Strategic Fit.

Webb (1989) defines strategy as a process of deciding a future course for a business. Without a strategy, an organization is like a ship without a rudder, going around in circles. It's like a tramp, it has no place to go (David 1997).

According to Thompson (1997) strategy should be tied to structural changes which are designed to improve resource efficiency and effectiveness. The current trends are downsizing, delaying and process re-engineering which make strategic management process much easier.

Porter (1996) defined strategy as the creation of a unique and valuable position, involving a different set of activities, i.e. different from rivals. Porter continues to say that strategy is making trade-offs, in competing. The essence of strategy is choosing what not to do. Without trade-offs, there would be no need for choice and thus, no need for strategy.

Mintzberg (1988) proposes five formal definitions of strategy as plan, ploy, pattern, position and perspective. Strategy is a plan, some sort of consciously intended course of action, a guideline (or set of them) to deal with a situation. Strategy can be a ploy, just a specific "maneuver" intended to outwit an opponent or competitor. Strategy is a pattern, specifically a pattern in a stream of actions. Strategy is a position, this means specifically identifying where an organization locates itself in what is known in the management literature as an "environment" for a business firm, usually a market. Strategy is a perspective, its content consisting not just of a chosen position but an ingrained way of perceiving the world.

The major task of managers is to assure success and survival of the companies they manage. Strategy is useful for helping managers tackle the potential problems that face companies (Aosa, 1998). Strategy is a tool that offers significant help for coping with turbulence confronted by firms. It is therefore very important for managers to pay serious

attention to strategy as a managerial tool. If the concept of strategy is to be of value, correct strategies have to be formulated and implemented: a process known as strategic management.

"Once there were two company presidents. These two presidents decided to go on a camping trip to discuss a possible merger. They hiked deep into the woods. Suddenly, they came upon a grizzly bear that rose up on its hind legs and snarled. Instantly, the first president took off his knapsack and got out a pair of jogging shoes. The second president said, "Hey, you can't outrun the bear." The first president responded, "May be I can't outrun that bear, but I can surely outrun you! This story captures the notion of strategic management". (David 1997).

## **2.2 Development of Strategic Management**

Formal strategic management seems to have its beginning in the 1950s in the united states of America, through writers like Drucker (1954); Chandler (1962); and Ansoff (1965). Studies conducted in the late 1960s and early 1970s indicated that corporate planning was practiced in the united States (Rue, 1972;. Lorange and Vancil, 1977; Steiner et al, 1983) and abroad (Taylor and Irving, 1971; Steiner and Schollhammer, 1975). Managers increased their familiarity with strategic planning and increasingly adopted it in their organizations. Relatively stable external environments characterized this period.

Prior to the 1950s, organizations attempted to tackle the strategic problem by using such managerial techniques as long term planning, long-term budgeting and financial control, Harrison (1996) identified seven models of planning, long-term budgeting, operational

planning, production planning, long range planning, adhoc strategy formulation, formal strategic planning at intervals and routine formal strategic planning. This was an era when the environmental turbulence was low (David 1997). The future of the organizations was expected to be reasonably similar to the past due to the stable environment. Managers adapted and reacted to events as they occurred. Strategies emerged from a consensus of top management opinions.

Strategic planning was born in the 1960s. Organizations adopted it after a realization that the environment was not stable any longer. However, it was faced with a lot of criticisms in 1970s. During this era, the business environment was rather steady and most organizations were not faced with threatening competition, consumers were satisfied with services offered, the economy was stable. Organizations were able to interpolate the future trends using past results and strategic planning was no longer viewed as a fundamental element.

In 1980s, the trend changed and there was a sudden need to revitalize strategic planning. Strategic plans were not adaptable to the turbulent environment, and had therefore to be reshaped to adapt to the external environment for organizations to gain competitive advantage. This was a clear indication that strategic planning is an important element in any organization. Despite these criticisms, strategic planning is widely practiced today. It has to be tuned to assist organizations cope with emerging environmental realities.

## 2.3 Strategic Management and Practices

Strategic management is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce & Robinson 1991). According to David (1997) strategic management is the art and science of formulating, implementing and evaluating Cross-functional decisions that enable an organization to achieve its objectives. This definition implies, strategic management focuses on integrating management, marketing, finance, production/operations, research and development and computer information systems to achieve organizational success.

Cole (1997) defines strategic management as a process, directed by top management but engaged in all through the management structure. Strategic management interacts with all other functions of management. It therefore does not take a certain pattern. David (2001), describes the strategic management process as being dynamic and continuous. Its therefore a part of the process of strategic management to monitor internal and external events and trends so that changes can be made as the events change.

The term strategic management is used in many colleges and universities as the title for the capstone course in business administration, business policy, which integrates material from all business courses. David (1997) identified three strategic management practices.

**Strategy formulation** which includes developing a business mission, identifying an organizations external opportunities and threats, determining internal strengths and weaknesses, establishing long term objectives, generating alternative

strategies and choosing particular strategies to pursue. The entire issue of strategy formulation includes deciding what new businesses to enter, what Business to abandon and how to allocate resources since organizations has unlimited resources, strategists must decide which alternative strategies will benefit the firm most.

**Strategy Implementation**, which requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies, can be executed; strategy implementation includes developing a strategy-supportive culture, creating an effective or organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems and linking employee compensation to organizational performance. Strategy implementation is often called the action stage of strategic management. Successful strategy implementation hinges upon managers' ability to motivate employees, which is more an art than a science.

**Strategy evaluation** is the final stage in strategic management. Managers desperately need to know when particular strategies are not working well; strategy evaluation is the primary for obtaining this information. All strategies are subject to future modification because external and internal factors are constantly changing. Three fundamental strategic evaluation activities are (1) reviewing external and internal factors that are bases for current strategies, (2) measuring performance, and (3) taking corrective actions.



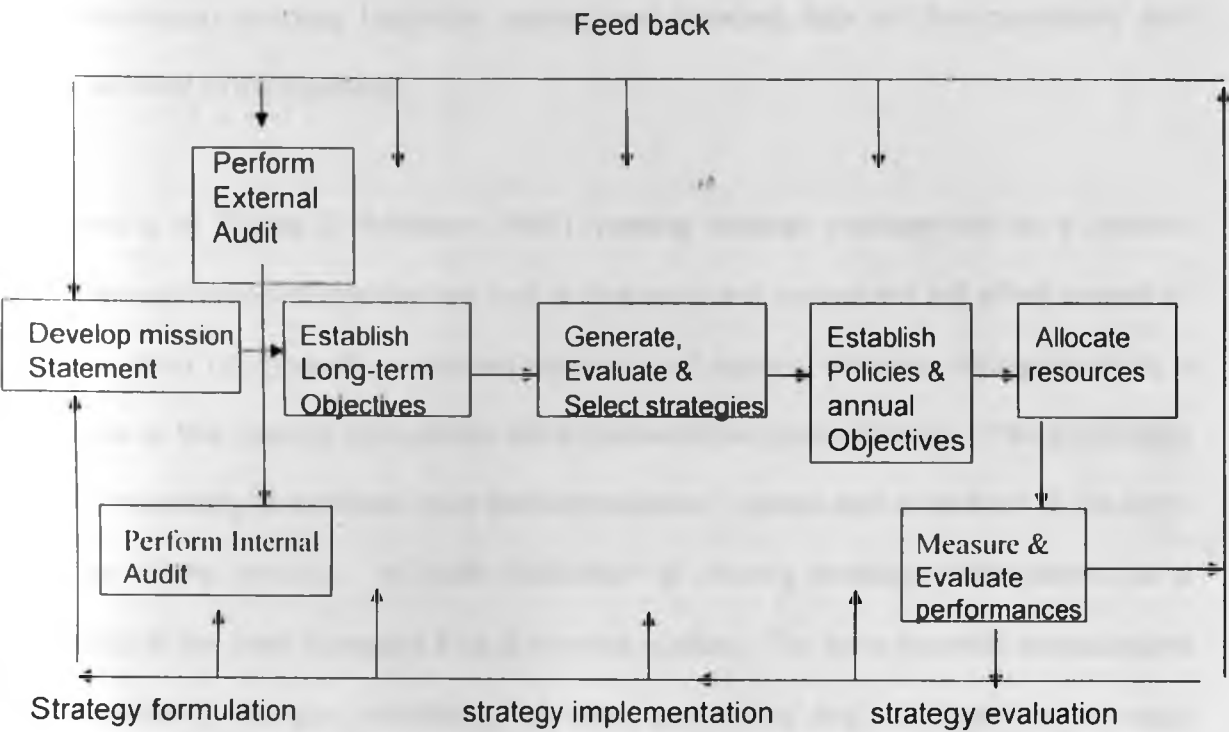
## 2.4 Strategic Management Process

Businesses vary in the processes they use to formulate and direct their strategic management activities. Sophisticated planners such as General Electric, Procter & Gamble, and IBM, have developed more detailed processes than less-formal planners of similar size. Small businesses that rely on the strategy formulation skills and limited time of an entrepreneur typically exhibit more basic planning concerns than those of larger firms in their industries. However, despite differences in detail and the degree of formulation, the basic components of the models used to analyze strategic management operations are very similar (Pearce & Robinson 2003)

Thompson (1993) identified five strategic management tasks, which include developing a concept of the business and forming a vision of where the organization needs to be headed, converting the mission into specific performance objectives, crafting a strategy to achieve the targeted performance, implementing and executing the chosen strategy efficiently and effectively and evaluating performance, reviewing the situation, and initiating corrective adjustments in mission, objectives, strategy or implementation in light of actual experience, changing conditions, new ideas and new opportunities.

The strategic management process is dynamic and continuous. A change in any one of the major components in the model can necessitate a change in any or all of the other components. (David 1997). The strategic management process can best be studied and applied using a model. Figure 1 below is a widely accepted, comprehensive model of strategic management process.

**Fig. 2: A comprehensive Strategic Management Model**



**Source:** David FR (1997) strategic management, 6<sup>th</sup> edition pg.13

The strategic management process is not cleanly divided and neatly performed in practice as the strategic management model suggests. Strategists do not go through the process in lock step fashion. Generally, there is give-and-take among hierarchical levels of an organization.

Thompson (1993) acknowledges that the task of evaluating performance and initiating corrective adjustments is both the end and the beginning of the strategic management cycle. This suggests that the process of strategic management is continuous. Pearce & Robinson (1997) attempted to define process in context to strategic management. They

defined the term process as "The flow of information through interrelated stages of analysis towards the achievement of an aim. In strategic management process, the flow of information involves historical, current and forecast data on the operations and environment of the business.

According to Pearce & Robinson (1997), viewing strategic management as a process has several important implications first, a change in any component will affect several or all the other components; a second implication of viewing strategic management as a process is that strategy formulation and implementation are sequential. Third implication is the necessity of feedback from institutionalization, review and evaluation to the early stages of the process. A fourth implication of viewing strategic management as a process is the need to regard it as a dynamic system. The term dynamic characterizes the constantly changing conditions that affect interrelated and interdependent strategic activities.

Although the task of developing a mission, setting objectives, forming a strategy, implementing and executing the strategic plan, and evaluating performance constitute the elements of the strategic management function, actually performing these five tasks is not so clearly divided and neatly sequenced. There is much interplay among the five tasks. (Thompson & Strickland 1993).

According to Mintzberg (1973), the big day-in, day-out time consuming aspect of strategic management is trying to get the best strategy – supportive performance out of every individual and trying to perfect the current strategy by refining its content and execution. Having looked at the process of strategic management, which has three

major, steps i.e strategy formulation, strategy implementation and strategy evaluation and control. This study will concentrate on the first step which is strategy formulation.

## **2.5 Strategy Development**

Strategy formulation guides executives in defining the business their firm is in, the aims it seeks, and the means it will use to accomplish those aims. (Pearce & Robinson (1991). The approach of strategy formulation is an improvement over that of traditional long-range planning.

In developing a firm's competitive plan of action, strategy formulation combines a future oriented perspective with concern for the firm's internal and external environments. Thompson & Strickland (1993) identified three strategy making tasks i.e developing a mission, setting performance objectives and crafting strategy to produce the desired results. According to David (1997) strategy formulation includes developing a business mission, identifying an organizations external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies and choosing particular strategies to pursue.

Strategy formulation issues include deciding what new business to enter, what business to abandon, how to allocate resources, whether to expand operations or diversify, how to avoid hostile takeover etc. According to Bowman (1981), strategy formulation is a decision making process which is primarily concerned with the development of organizations objectives, the commitment of its resources and environmental constraints so as to achieve its objectives.

Since no organization has unlimited resources, strategists must decide which alternative strategies will benefit the firm most. Strategy-formulation decisions commit an organization to specific products, markets, resources and technologies over an extended period of time. Strategies determine long-term competitive advantages. For better or worse, strategic decisions have enduring effects on an organization and major multifunctional consequences. Top managers have the best perspective to fully understand the ramifications of formulation decisions' they have the authority to commit the resources necessary for implementation.

The process school of research views strategy as the outcome of three different processes contributing to strategy formation. (Hax and Majluf, 1991). These include, the cognitive process of individuals where the rational understanding of the external environment and internal capabilities of the firm reside, the political processes that address the creation, retention and transfer of power within the organization and the social and organizational processes that contribute internal communication and the development of a consensus of opinion.

In a similar context (Johnson and Scholes 2002) discussed the general explanations of strategy development in organizations. First, strategies develop as a result of deliberate managerial intent; secondly, strategies can be better explained as the outcome of cultural and political processes in and around organizations; and third, that strategy development is imposed on organizations.

### 2.5.1 Strategy Development as Deliberate Managerial Intent

The idea that strategy comes about in organizations through deliberate managerial intent can, itself be explained in different ways namely, the planning view, a command view and the notion of logical incrementalization (Johnson and Scholes, 2002). The planning view which refers to formalized strategic planning, is a sequence of analytical and evaluative procedures to formulate an intended strategy and the means of implementing it. It advocates the setting up of corporate planning departments and prescribed tools and techniques that should be used. This calls for industry analysis, environmental scanning and internal analysis. Strategy formation is regarded as a formal and disciplined process leading to well defined organization wide effort aimed at the complete specification of corporate, business and functional strategies.

Those favouring this approach tend to advocate the use of formal planning systems, management control and constituent reward mechanism to increase the quality of strategic decision-making. This process relies heavily on analytical tools and methodologies to help managers to reach a better quality of strategic thinking. (Hax and Majluf, 1991).

Logical incrementalism can be thought of as a deliberate development of strategy by 'learning through doing'. In this context, managers try to be sensitive to environmental signals through constant scanning and by testing changes in strategy in small steps. There is reluctance to specify strategic options and also objectives may be fairly general in nature lest they stifle ideas and prevent experimentation.

The command view is where strategy develops through the direction of an individual or group, but not necessarily through formal planning. At the extreme, strategy could be seen as the product of an autocratic leader who brooks no argument and sees other managers as there to implement his/her decisions. Charismatic leaders are also often seen as central to the strategy of their organizations. In some organizations and individual is central because he or she is the owner or founder. (Johnson and Scholes, 2002).

**2.5.2 Strategy Development as the Outcome of Cultural and Political Processes.**

Another school of management rests on the behavioural theory of the firm and espouses a power-behavioural approach to strategy formation. Among other things, these have enhanced understanding about: the politics of a strategic decision, executive bargaining and negotiation processes, satisfying (as opposed to maximizing) in decision making, the role of coalitions in strategic management, and the practice of "mudding" in the public sphere (Mintzberg 1991).

According to J.B Quinn (1988), the formal-analytical approach tends to focus unduly on measurable quantitative factors and to under-emphasize the vital qualitative, organizational and power-behavioural factors, which so often determine strategic success in one situation versus another. The management of organizations depend a great deal on the knowledge and experience of those involved. This experience and ways of doing things are built up over years, often taken for granted and applied in managing the strategy of organizations. In organizations, managers typically reconcile different views based on experience, through negotiations or the exercise of power; and this occurs within established ways of doing things that make up the culture of the organization (Johnson and Scholes, 2002).

Unfortunately, however, manpower-behavioural studies have been conducted in settings far removed from the realities of strategy formulation. Others have concentrated solely on human dynamics, power relationships and organizational processes and ignored the ways in which systematic data analysis shapes and often dominates crucial aspects of strategic decisions. (Mintzberg 1991)

It is therefore important to recognize the significance of organizational culture in strategy development. The cultural view, therefore, takes the position that strategies can be seen as the outcome of the taken-for-granted assumptions and routines of organizations. The political view is that strategies develop as the outcome of processes of bargaining and negotiation among powerful internal and external interest groups. Different interest groups may have different expectations and may even be in conflict. Powerful individuals and groups may also influence the sort of information that is seen to be important. They may also strongly influence the identification of key issues, the objectives of the organization and even the strategies eventually selected.

According to Johnson and Scholes (2002), organizational culture is the deeper level of basic assumptions and beliefs that are shared by members of an organization; that operate unconsciously and define in a basic taken-for-granted fashion an organization's view of itself and its environment. Management is also about the application of experience built over years often within the same organization of industry. Its important to not that neither the "power-behavioral" nor the "formal systems planning" paradigm adequately characterizes the way successful strategic processes operate.



### 2.5.3 Strategy Development as an imposed process

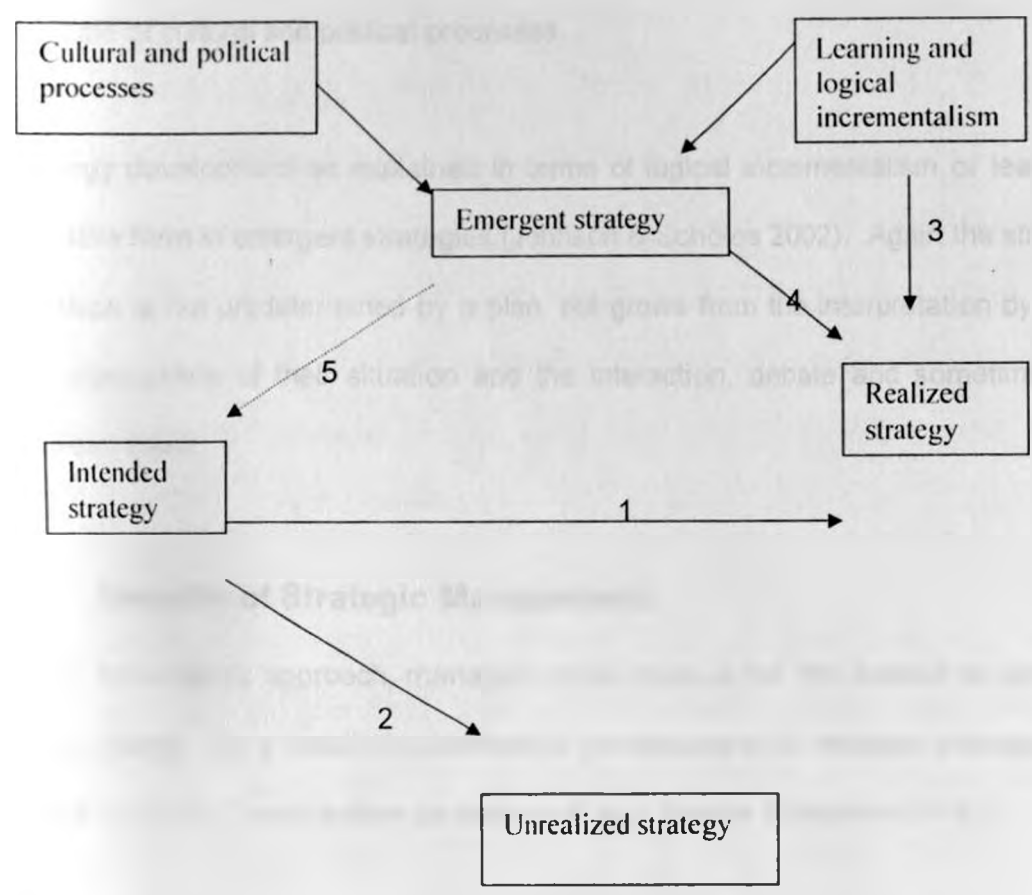
Strategy could also be imposed on an organization (John and Scholes, 2002). There may be situations in which managers face 'enforced choice' of strategy; by this is meant the imposition of strategy by agencies of forces external to the organization. It could be imposed by external agency such as government, or by a parent company on a subsidiary.

Environmental conditions can as well limit the choices that managers can make or the strategies to follow. Some researchers on organizations argue that the strategic choice available to an organization is relatively limited; that the environment is such a dominant influence that most organizations, perhaps other than those that are very large, are unable to influence their operating environments – they merely buffer themselves from, or respond to, changes in that environment. (Johnson and Scholes, 2002).

### 2.5.4 Intended versus Realized Strategies

Conceiving of organizations' strategies in the different ways is important to be careful about just what is meant by the concept of strategy (Johnson & Scholes 2002). Intended strategy is an expression of desired strategic direction deliberately formulated or planned by managers. Realized strategy is the strategy actually being followed by an organization in practice. Mintzberg et al (1998) distinguished between planned or deliberate strategies and emergent strategies. They argue that the realized strategy is as a result of both planned and emergent strategies. Emergent strategies come as a result of changing environment in which the organization operates such as the Porter's five forces which a firm must deal with to gain competitive edge over the others. (Porter 1988). The figure 3 below shows how an organization ends up with realized strategy.

**Fig. 3 Strategy development routes.**



**Source:** Johnson & Scholes (2002) Exploring Corporate Strategy, 6<sup>th</sup> edition, p. 76

In many organizations that attempt to formulate detailed intended strategies. Much of what is intended follows route 2 in the figure above, and is unrealized; it does not come about in practice, or only partially so. Strategies could also be imposed on an organization through route 3. If strategy is regarded as the long-term direction of the organization, which develops over time, then it can be emergent and follows route 4. It's important to note that management of organization depends a great deal on the experience of those involved, individual or collective and embedded in organizational

culture. Managers typically reconcile different views through negotiation and political activity, or by falling back on established ways of doing things, or routines that make up the culture of the organization. So, strategy could develop in an emergent fashion as the outcome of cultural and political processes.

Strategy development as explained in terms of logical incrementalism or learning may also take form in emergent strategies (Johnson & Scholes 2002). Again the strategy that develops is not predetermined by a plan, but grows from the interpretation by people in the organization of their situation and the interaction, debate and sometimes conflict between them.

## **2.6 Benefits of Strategic Management**

Using the strategic approach, managers at all levels of the firm interact in planning and implementing. As a result, the behavioral consequences of strategic management are similar to those of participative decision-making. ( Pearce & Robinson 1991).

David (1997) came up with several benefits of strategic management. This include:

Strategy formulation activities enhance the firm's ability to prevent problems, Group-based strategic decisions are likely to be drawn from the best available alternatives, The involvement of employees in strategy formulation improves their understanding of the productivity – reward relationship in every strategic plan and thus heightens their motivation.

Gaps and overlaps in activities among individuals and groups are reduced as participation in strategy formulation clarifies differences in roles, Resistance to change is

reduced. Strategic management allows an organization to be more proactive than reactive in shaping its own future. It allows an organization to initiate and influence (rather than just respond to) activities and thus to exert control over its own destiny. It enhances communication within the organization. It minimizes the effects of adverse conditions and changes. It allows more effective allocation of time and resources to identified opportunities. It represents a framework for improved coordination and control of activities. It allows for identification, prioritization and exploitation of opportunities. It allows major decisions to better support established objectives. It allows fewer resources and less time to be devoted to correcting erroneous or adhoc decisions. It gives a degree of discipline and formality to the management of a business, and also gives encouragement to forward thinking.

Thompson and Strickland (1993) observes that aggressive pursuit of a creative opportunistic strategy can propel a firm into a leadership position, paving the way for its products/services to become the industry standard. Firms launch strategic offensives to secure sustainable competitive advantage and then use their market edge to achieve superior financial performance (Porter, 1980)

## **2.7 Risks of Strategic Management**

Managers must be trained to guard against three types of unintended negative consequences of involvement in strategy formulation (Pearce & Robinson, 1991). First, the time that manager spend on the strategic management process may have a negative input thus an operational responsibility. Second, if the formulators of strategy are not intimately involved in its implementation, they may shirk their individual responsibility for the decisions reached. Third, strategic managers must be trained to anticipate and

respond to the disappointment of participating subordinates over unattained expectations. Sensitizing managers to these possible negative consequences and preparing them with effective means of minimizing such consequence will greatly enhance the potential of strategic planning.

Managing activities internal to the firm is only part of the modern executive's responsibilities. Managers must decide what fits their organization based on the environment internally and externally. In the literature review, a background has been given indicating the concept of strategy development as seen by different authors so as to give the concept of this study. The context of the need of this commercial colleges has been discussed in the view of the increasing number of students who need tertiary education for their success and more so the aspect of strategy has been discussed to give an insight of the research. The development of strategic management has been highlighted because its new phenomena and especially in developing countries where very little has been done to document the work of strategic management.

There are different perspectives to strategy formulation and also factors, which influence strategy formulation in different organizations. Its important to note that strategy formulation always starts with an organization management coming up with a mission statement, which is later, translated to the organizations objectives.

The benefits of strategic management and its risks has also been discussed because no organization is guaranteed of success simply because it has planned strategies in place. The formulation of these strategies has to be linked to their implementation and control to ensure success. This has to be done in accordance with organizations structure, resources and the environment surrounding the organization.

Considering that not all management planned strategies end up to be realized strategies, the literature review has brought out the aspect of emergent strategies which come in as a result of the internal and external environment changes which an organization must respond to for its survival. Pearce & Robinson (1991) concluded that Strategic Management is all about planning, directing, organizing and controlling of a company's strategy-related decisions and actions.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

Nachmias (1996) identified cross-sectional design as the most predominant design employed in the social sciences. This design is often identified with survey research, a method of data collection common in many social science fields. This design allows the researcher to carry out studies in natural, real-life settings using probability samples, thus increasing the external validity of the study. Also the designs do not require the random assignment of individual cases to comparison groups. While this limits the internal validity of studies employing these designs, it does enable researchers to study situations where the assignment of individuals to either a control or an experimental group might be unethical or impossible. In this study, many of the variables could not be observed, thus the problem posed was best be studied using a survey. Its important to not that other researchers in similar studies had used it (Aosa 1992, Njanja 2002, Kangoro 1998, Warsame 2002).

### **3.2 Population and Sample**

The population of study consists of 98 commercial training colleges as listed by the Ministry of Education Kenya Directory. These colleges are listed as offering business related courses within Nairobi. All the colleges are greatly affected by the environment in which they operate. In the case of this study, only those commercial training colleges which operate within the Nairobi Central Business District (NCBD) were included in this study due to their ease of accessibility and reduction of time and cost and more so they are termed to be in a better position to answer the problem of this study. Random sampling was used to select the colleges to be included in the study bearing in mind

majority were found to have closed down. Thus the sample size was 35 commercial training colleges as shown in Appendix 3.

### **3.3 Data Collection Method**

The data collected for this research was purely primary in nature. Given that many of the variables could not be observed as required under observational methods, the research problem was best studied using the survey method. Data was collected using a structured questionnaire comprising both open ended and closed questions.

The open-ended questions gave the respondents room to give more information and properly express themselves while the closed ended questions were used produce the kind of answers expected to enable the researcher form an opinion and conclusion. The questions in the questionnaires were set to capture the objectives of this study and were divided into different sections: i.e profile of the respondent organization, general planning, strategy development practices, aspects of strategy formulation, factors influencing strategy development, tools, techniques and strategy.

The respondents targeted were the key decision makers in these organizations such as directors/managers or anybody charged with responsibility of the college management. The method of administering the questionnaires was drop and pick method whereby a standard questionnaire was administered to all respondents so as to ensure easy comparison of the results of the study.



### 3.4 Data Analysis

Content analysis was used to analyze the responses obtained from the open-ended questions. For the closed ended questions, descriptive analysis was conducted where by average scores were calculated from five-point Likert scale used to answer some of the questions. The results were presented in tables, frequencies, proportions and percentages as shown in chapter four.

#### 3.4.1 Descriptive Analysis

Item	Frequency	Percent	Valid Percent	Exclusive Percent
1	10	20.0	20.0	20.0
2	15	30.0	30.0	30.0
3	20	40.0	40.0	40.0
4	10	20.0	20.0	20.0
5	5	10.0	10.0	10.0

## CHAPTER FOUR: DATA ANALYSIS

### 4.1 Introduction

This section presents the study findings and discussions. To start with, I provide the respondents profile based on the variables studied such as their gender, category in the organization and ownership of the colleges. Thereafter, analysis of strategy development processes and factors considered in strategy development are discussed based on different profiles and responses and the results presented in tables and graphs. This is followed by a discussion of the results.

### 4.2 Respondents Profile

Of the 25 colleges interviewed, it was our interest to find out a few aspects of the respondents such as gender, the positions they hold in the colleges, ownership of the colleges and even their interests as far as areas of training are concerned in relation to their success as strategy developers.

**Table 1: Owner gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	12	48.0	60.0	60.0
Female	8	32.0	40.0	100.0
Total	20	80.0	100.0	
Missing	5	20.0		
Total	25	100.0		

As shown in Table 1 above, it shows that the majority of the colleges owners are largely male which takes up 60% of the responses collected. Women have also shown interest in owning these colleges with 40% of the total responses . The expectations of the study was that women may turn out to be majority owners as

the commercial training colleges continue to increase as the number of Kenyans in need of tertiary education increase and yet it looks a less risky business with high turnover.

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**Table 2: Category of respondent in the organization**

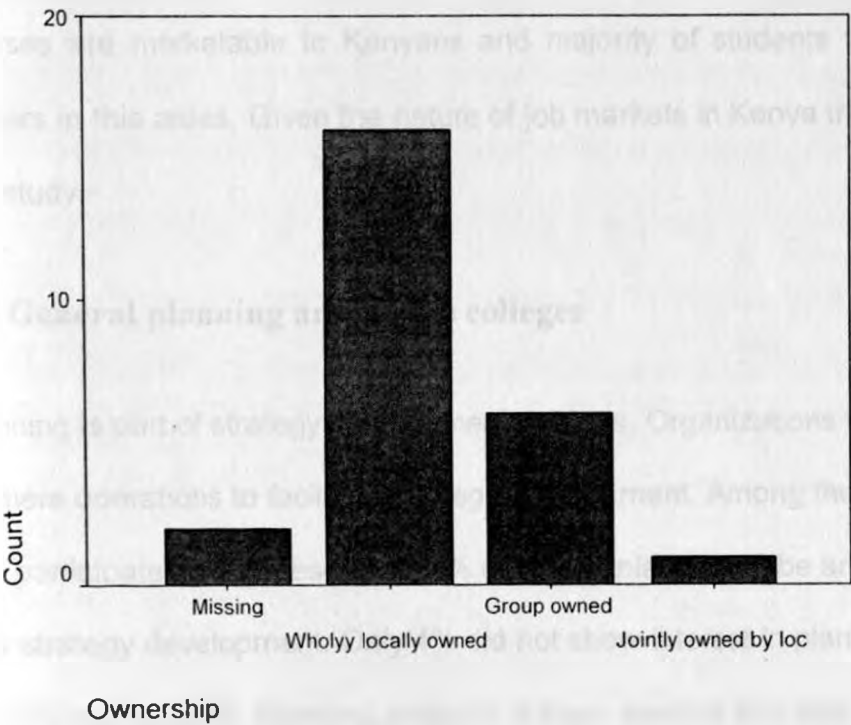
	Frequency	Percent	Valid Percent	Cumulative Percent
Proprietor	3	12.0	12.0	12.0
Shareholder	6	24.0	24.0	36.0
Employee	16	64.0	64.0	100.0
Total	25	100.0	100.0	

Given the rapid increase of the commercial training colleges, it was the interest of the researcher to find out who usually runs the affairs of the college. It came out that a small percentage of owners run their colleges, while employees run majority of them, which comprise of 64% as shown in table 2 above. This was the expectation in this study because the owners of these colleges are also employees of other organizations and they have simply seen an opportunity to make more money due to the need of Kenyans searching for tertiary education.

Whether the colleges are locally owned or foreign owned was an important profile in the respondents data . Ownership of these colleges indicated that 64% are wholly locally owned. Table 3 below summarizes the results obtained followed by a graph. This was considered important to establish if at all the rapid increase of the colleges within the city is a local or foreign initiative by others who have seen the opportunity within the city. Table 3 below summarizes the results.

Table 3: Ownership of the colleges

	Frequency	Percent	Valid Percent	Cumulative Percent
Wholly locally owned	16	64.0	69.6	69.6
Group owned	6	24.0	26.1	95.7
Jointly owned by locals and foreigners	1	4.0	4.3	100.0
Total	23	92.0	100.0	
Missing	2	8.0		
Total	25	100.0		



From the results obtained, it was clear that majority of the commercial training colleges are locally owned by Kenyans. The results of this study were expected to have such an outcome due to increased demand given the current economic trends where majority of Kenyans are sourcing for different ways of making money out of there normal employment.

The government of Kenya has been trying to regulate the establishment of these colleges but still there seem to be a rapid increase. It can be projected that within the next three years this number may double.

**Key areas of business training**

Majority the colleges interviewed in this study showed interest in business related studies. This included computer training, business administration and management, accounting and sales and marketing. The managers of this colleges argued that this courses are marketable to Kenyans and majority of students want to build their careers in this areas. Given the nature of job markets in Kenya this was expected in this study.

**4.3 General planning among the colleges**

Planning is part of strategy development process. Organizations must have plans for there operations to facilitate strategy development. Among the total colleges who participated in this research 96% accepted planning to be an integral part in their strategy development. Only 4% did not show interest in planning. Among those who are interested in planning, majority of them showed emphasis in financial planning as compared to other plans such as strategic, marketing and development plans. This information is statistically illustrated in table 4(a) above.

**Table 4(a) Planning accepted**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	24	96.0	96.0	96.0
No	1	4.0	4.0	100.0
Total	25	100.0	100.0	

Mostly the types of plans done in this organizations are financial, strategic and marketing. By planning the organization seeks to achieve their set objectives. This was as expected from the research as organizations started adopting strategic planning after a realization that the environment was not stable any longer. In the literature review planning has been discussed as a major stage in strategy development. In this study it was expected that organizations, which develop strategies, must have plans in place. The results turned out positively and it can be concluded that the commercial training colleges have some strategies in place for there operations.

**Table 4(b) Plan periods**

	Frequency	Percent	Valid Percent	Cumulative Percent
0-1 year	21	84.0	95.5	95.5
2-3 years	1	4.0	4.5	100.0
Total	22	88.0	100.0	
Missing	3	12.0		
Total	25	100.0		

Majority of the colleges, which comprise of 84%, indicated that their plans are for 1 year. Only 4% have plans, which go to 2 years while 12% did not have time frame

for their plans. It was the researcher's expectations that majority will have plans limited to one year. This can be attributed to the volatile environment and rapid growth of the industry as discussed in the literature review. The results of these findings are tabulated in table 4(b) above.

**Table 4(c) Review of plans**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	24	96.0	96.0	96.0
No	1	4.0	4.0	100.0
Total	25	100.0	100.0	

It is in the perspective of the rapid growth of the commercial training colleges that many of them review there plans periodically in order to meet the demands of there market.96%showed great concern in reviewing there plans to stay in business. This was still an expected outcome due to the increased competition of the colleges operating within the city.

**4.4 Strategy development processes**

Strategies may arise from different perspectives. In the literature review strategy development as been discussed as a deliberate managerial intent, as an outcome of cultural and political processes and more so as an imposed process. All the above strategy development perspectives can drive strategies in the colleges one at a time or all at once. Various aspects of strategy development were tested based on who influences the process of strategy development in these colleges and the results analyzed in tables shown below.

**Table 5(a) Individual/group direction**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	3	12.0	12.0	12.0
To a less extent	1	4.0	4.0	16.0
Fairly great extent	9	36.0	36.0	52.0
Great extent	6	24.0	24.0	76.0
Very great extent	6	24.0	24.0	100.0
Total	25	100.0	100.0	

An individual or a group within an organization may give direction on the kind of strategies to be put in place. Table 5(a) shows that 36% of the colleges strategies are influenced by groups or individuals within the system. This was the expectation in the study since the colleges are offering similar courses and due to high competition, Administrators has to monitor what their competitors are doing and find a way to out do them.

**Table 5(b) Having planning department**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	14	56.0	56.0	56.0
To a less extent	4	16.0	16.0	72.0
Fairly great extent	3	12.0	12.0	84.0
Great extent	4	16.0	16.0	100.0
Total	25	100.0	100.0	

In large organizations, planning departments have been set to work with consultants in the are of strategy formulation and implementation. In the case of the commercial training colleges, it was my interest to find out how they come up with their strategies. It was clear that majority don't consider a planning department to be important at all.



Only 16% found it necessary to have such a department and this are the well established colleges.

**Table 5 (c) Deliberate development of strategy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	1	4.0	4.0	4.0
To a less extent	4	16.0	16.0	20.0
Fairly great extent	4	16.0	16.0	36.0
Great extent	12	48.0	48.0	84.0
Very great extent	4	16.0	16.0	100.0
Total	25	100.0	100.0	

Strategy can either be deliberate, Imposed to an organization.48% of the respondents indicated that they deliberately come up with there own A strategies as shown in the table below.

**Table5 (d) Imposed by external forces**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	8	32.0	34.8	34.8
To a less extent	6	24.0	26.1	60.9
Fairly great extent	3	12.0	13.0	73.9
Great extent	3	12.0	13.0	87.0
Very great extent	3	12.0	13.0	100.0
Total	23	92.0	100.0	
Missing	2	8.0		
Total	25	100.0		

Majority of the respondents showed that their strategies are not imposed to them by external forces such as pressure from Government. The results are tabulated in table 5(d) above.

**Table 5 (e) Application of experience**

	Frequency	Percent	Valid Percent	Cumulative Percent
To a less extent	1	4.0	4.0	4.0
Fairly great extent	2	8.0	8.0	12.0
Great extent	12	48.0	48.0	60.0
Very great extent	9	36.0	36.0	96.0
44.00	1	4.0	4.0	100.0
Total	25	100.0	100.0	

Organizations can come up with strategies depending on the experience they have in the field of there operation.48% of the respondents indicated use of experience to a great extent while 36% indicated experience as there key to strategy formulation. This means majority of the commercial training colleges value their expertise in strategy formulation.

**Table 5(f) Response to changes in the environment**

	Frequency	Percent	Valid Percent	Cumulative Percent
To a less extent	3	12.0	12.0	12.0
Fairly great extent	9	36.0	36.0	48.0
Great extent	7	28.0	28.0	76.0
Very great extent	6	24.0	24.0	100.0
Total	25	100.0	100.0	

Majority of the colleges have tried to cope with the rapid changes within their operating environment. Table 5f above shows that majority of the respondents come up with strategies to respond to the changes in the environment surrounding them.

**Table 5(g) Bargaining Power**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	7	28.0	28.0	28.0
To a less extent	5	20.0	20.0	48.0
Fairly great extent	10	40.0	40.0	88.0
Very great extent	3	12.0	12.0	100.0
Total	25	100.0	100.0	

The bargaining power of each and every commercial training college against their operating environment determines their capability to come up with relevant strategies. Majority of the respondents showed great extent of using their bargaining power as shown in the table above.

As organizations set up there strategies they may use different methods to come up with there strategies, 92%agreed to be having formal planning meetings, 28% use informal planning sessions, 56% have time tables for planning, 64% have given responsibilities for planning while 24% have planning departments. The expectations were that the colleges might have planning departments but the results show clearly that majority of them hold formal meetings when it comes to planning periods. Tables 6(a) to 6(e) below show the statistics of these results.

**Table 6(a) Formal planning meetings**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	23	92.0	92.0	92.0
No	2	8.0	8.0	100.0
Total	25	100.0	100.0	

Formality of strategy development process is important for a successful implementation of the strategies. Majority of the respondents agreed to be having formal planning meetings. This was expected in this research Compared to informal sessions for east adoption of the strategies to all members within the system.

**Table 6(b) Informal planning sessions**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	7	28.0	29.2	29.2
No	17	68.0	70.8	100.0
Total	24	96.0	100.0	
Missing	1	4.0		
Total	25	100.0		

Very few colleges have informal planning sessions as shown in table 6(b) above. It's important to note that only 4% showed no interest of planning either through formal or informal meetings. This was the expectation since for a successful strategy development and implementation there should be a well defined process which is only possible through formal meetings.

**Table 6 (c) Colleges with planning time tables**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	14	56.0	58.3	58.3
No	10	40.0	41.7	100.0
Total	24	96.0	100.0	
Missing	1	4.0		
Total	25	100.0		

Given the interest the commercial training colleges showed in planning 56% of the respondents indicated that they have time tables prepared for the staff and other parties concerned to meet and plan for there organizations. This was not the expectation because majority especially the teaching staff works on part time basis because they have several colleges to attend to. However it's interesting to find that they spare some time to come up with plans for there operation.

**Table 6(d) Planning responsibilities well defined**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	16	64.0	64.0	64.0
No	9	36.0	36.0	100.0
Total	25	100.0	100.0	

Majority of the colleges have assigned people responsibilities to be in charge of the planning process. Table 6(d) above shows the results of the data obtained from the respondents. Given the current changes in the environment, majority commercial training college as tried as much as possible to assign someone the responsibility of coming up with strategies which will keep the college up to date on the current changes within there operating environment so as to remain in business.

**Table 6 (e) Existence of planning departments**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	6	24.0	26.1	26.1
No	17	68.0	73.9	100.0
Total	23	92.0	100.0	
Missing	2	8.0		
Total	25	100.0		

However planning is generally accepted among the commercial training colleges,68% which is the majority showed no interest in having a planning department due to the constrain of available resources at there disposal. This can be attributed to the nature of their operations and staff available. Table 6(e) above shows the results obtained.

**4.5 Aspects of strategy Formulation (Vision, Mission and Objectives)**

In Strategy formulation an organization should keep aspects such as Vision, Mission and Objectives in place. An organizations Vision/Mission gives a direction of what the organization wants to achieve in future. In this research 64% of the colleges had a Vision, 60% had Mission statements. Of the total percentage 60% have their mission and vision statements written. Data obtained from this aspects is tabulated in tables 7(a) to 7(c) below.

**Table 7(a) Have a vision**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	16	64.0	66.7	66.7
No	8	32.0	33.3	100.0
Total	24	96.0	100.0	
Missing	1	4.0		
Total	25	100.0		

**Table 7(b) Have a mission statement**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	15	60.0	62.5	62.5
No	9	36.0	37.5	100.0
Total	24	96.0	100.0	
Missing	1	4.0		
Total	25	100.0		

**Table 7 (c) Written mission statement**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	15	60.0	83.3	83.3
No	3	12.0	16.7	100.0
Total	18	72.0	100.0	
Missing	7	28.0		
Total	25	100.0		

**Table 7(d) Have objectives**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	24	96.0	96.0	96.0
No	1	4.0	4.0	100.0
Total	25	100.0	100.0	

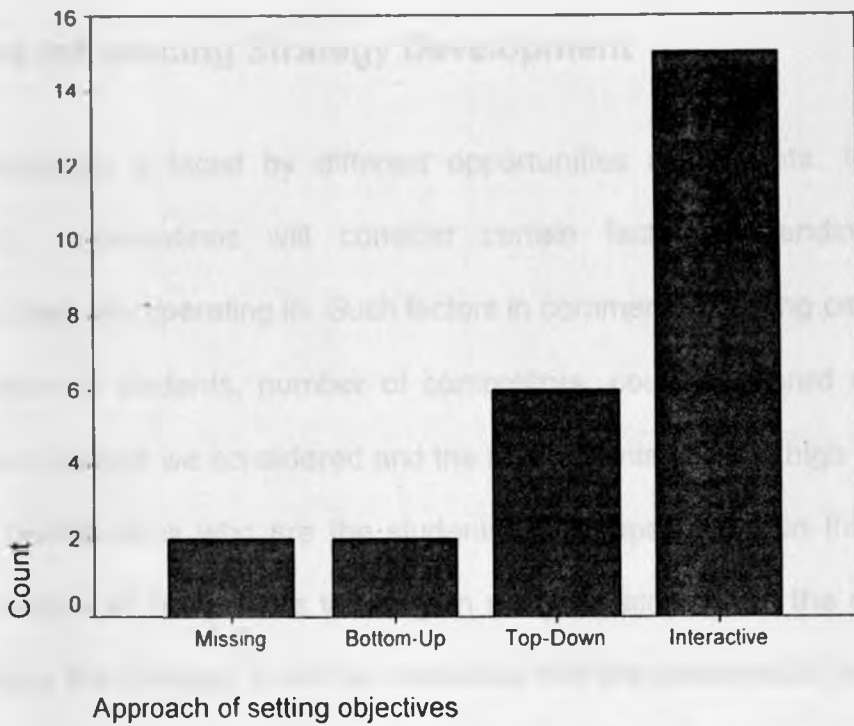
Majority of the commercial training colleges have objectives in place. These objectives are derived from the mission and Vision statements they have put in place. Only 4% of the respondents showed no interest in having objectives. Table 7(d) above summarizes the results obtained.

## 4.6 Approach of setting objectives

The approach, which seemed to be popular in setting objectives among the colleges, is interactive with 60%. The colleges also have SMART objectives in practice. Among the colleges within written objectives, most of them aspire to be premier business schools and centers of academic excellence in providing professional manpower. On the other hand the written mission statements aspired to providing high quality training. Most of the vision and mission statements are said to be prepared by directors of the colleges together with the academic staff. Objectives of these colleges are also prepared by the same people and mostly written down in the college prospectus.

Organizations form a vision of where the organization needs to be headed and converting the mission into specific performance objectives. Most respondents from the questionnaires were determined to be the best in the field, and their mission was to provide high quality training and professional skills. Objectives of most organizations are to produce high quality graduates and offer quality courses. This was as expected from the study. The results of the aspects of strategy formulation are illustrated in the graph below.





**Table 7(c) Awareness of objectives**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	23	92.0	95.8	95.8
No	1	4.0	4.2	100.0
Total	24	96.0	100.0	
Missing	1	4.0		
Total	25	100.0		

Most of the colleges indicated that everyone in the institution is aware of the objectives, which gave a result of 92%.This confirms that interactive method is mostly used in preparation of the objectives whereby relevant parties within the colleges are involved.

## 4.7 Factors Influencing Strategy Development

Every organization is faced by different opportunities and threats. In Strategy development, organizations will consider certain factors depending on the environment they are operating in. Such factors in commercial training colleges may be the number of students, number of competitors, courses offered etc. In this research, such factors we considered and the respondents showed high interests in the part of beneficiaries who are the students. The expectations in this research were that number of competitors would gain a higher score given the competition existing among the colleges. It can be concluded that the managers of this colleges are not only in business but also keen on the needs of Kenyan citizens education.

In every organization there are several factors influencing the development of strategies. In the case of commercial colleges those factors were used to gauge the importance the commercial colleges attach to these factors. The factors were ranging from least important (1) to most important (5). The results of the factors are shown below. They are depicted in the following tables. As it was outlined in literature review in 1970's the business environment was steady and most organizations were not faced with threatening competition, but now this is the 21<sup>st</sup> century the business environment is very dynamic.

**Table 8 (a) Number of competitors**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not important at all	2	8.0	8.0	8.0
Important to a less extent	1	4.0	4.0	12.0
Fairly important	2	8.0	8.0	20.0
Important	8	32.0	32.0	52.0
Most important	12	48.0	48.0	100.0
Total	25	100.0	100.0	

From table 8(a) above the number of competitors was considered to be most important in influencing strategy development. This can be clearly seen from the table that it has a highest percentage of 48. This was as expected because in order to come up with sound strategies an organization have to consider what the competitors are doing in the market so that they will compete on a level ground.

**Table 8 (b) New entrants possibility**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not important at all	2	8.0	8.0	8.0
Important to a less extent	1	4.0	4.0	12.0
Fairly Important	2	8.0	8.0	20.0
Important	13	52.0	52.0	72.0
Most important	7	28.0	28.0	100.0
Total	25	100.0	100.0	

Possibility of new entrants in the industry also plays a major role when developing strategies from the responses collected. Most colleges pegged new entrants as important in strategy development. When commercial colleges are coming up with new strategies they have to take into consideration, that, in the future after implementing those strategies, there might be new players in the market that may

pose a risk to the organization. In that if the new entrants develop better strategies than the organization then they might lure away clients of the organization thus loosing market.

**Table 8 (c) Clients/beneficiaries (students)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Important	4	16.0	16.0	16.0
Most Important	21	84.0	84.0	100.0
Total	25	100.0	100.0	

Another factor that have to be considered while developing strategies is clients (students). From the responses it had 84% who felt that it is most important to consider clients in developing strategies. Clients more often than not, is the sole reason for an organization to go operational. Therefore they have to be considered as one of the main influencing factors in strategy development. Without clients the organization has no purpose of transacting business.

**Table 8 (d) Services offered**

	Frequency	Percent	Valid Percent	Cumulative Percent
Important to a less extent	1	4.0	4.0	4.0
Fairly important	8	32.0	32.0	36.0
Important	6	24.0	24.0	60.0
Most important	10	40.0	40.0	100.0
Total	25	100.0	100.0	

Strategy development is influenced by services that are offered by the organization. For a commercial college to be competitive it has to come up with a wide variety of services to be offered, more so for the new commercial colleges. Well-established commercial colleges like KCA have a competitive advantage for being there since time immemorial. Thus considered to be a threat to the upcoming colleges. Therefore commercial colleges have to take into serious consideration the services that they are offering.

**Table 8(c) Ownership of college**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not important at all	4	16.0	16.0	16.0
Important to a less extent	6	24.0	24.0	40.0
Fairly important	10	40.0	40.0	80.0
Important	1	4.0	4.0	84.0
Most important	4	16.0	16.0	100.0
Total	25	100.0	100.0	

From the responses collected, majority of the responses did not feel strongly that the ownership of the commercial organization should be considered as one of the important factors to be considered while developing strategies. As can be seen from Table 8(e) 40% of the responses were fairly important. Therefore it is not critical for strategy developers to consider ownership of the college. This was as expected because more often the clients of the commercial colleges do not know the owners of the college.

Table 9 below shows the statistics of the research findings with a mean score of every factor that was considered in this research.

**Table 9. Descriptive Statistics**

Factor	N	Minimum	Maximum	Mean
No. Of competitors	25	1.00	5.00	4.0800
New entrants possibility	25	1.00	5.00	3.8800
Clients/beneficiaries (students)	25	4.00	5.00	4.8400
Services offered	25	2.00	5.00	4.0000
Ownership of college	25	1.00	5.00	2.8000
Valid N (list wise)	25			

Its in line with the strategies which the commercial training colleges put in place for there success that this colleges end up collecting information about there competitors.96% of the colleges interviewed in this research agreed that they do collect information about one another. The Directors and Teaching staff collect most of this information. It emerged clearly that majority of the colleges operating within the city term the older colleges such as Visions<Kenya school of professional studies, Nairobi Institute of Business studies and Regional Institute as their key competitors. It was expected that majority of this colleges will have interests in getting information on what others are doing so as to attract a large number of students as possible. Table 10 below shows a summary of the results obtained in this study.

**Table 10. Collecting competitor information**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	24	96.0	96.0	96.0
No	1	4.0	4.0	100.0
Total	25	100.0	100.0	

Various aspects in which the commercial training colleges attach to their competitors were investigated and analysis carried out to establish the most popular aspect. These aspects were perceived to be important in strategy development due to the environment in which these colleges operate. The aspects results are analyzed in the tables below.

**Table 11 (a) Competitor future goals**

	Frequency	Percent	Valid Percent	Cumulative Percent
Important to a less extent	5	20.0	20.0	20.0
Fairly important	6	24.0	24.0	44.0
Important	11	44.0	44.0	88.0
Most important	3	12.0	12.0	100.0
Total	25	100.0	100.0	

The aspect of competitor future called was popular to many colleges scoring 44% and rated as a popular aspect in strategy development.12% of the colleges termed the aspect of Competitor future goals as most important in Strategy development. It was expected that this aspect would be most important because of the location of this colleges and more so the similarity of courses offered by the colleges. It can therefore be concluded that over 50% find this aspect important in their strategy development process.

**Table 11 (b) Competitor capabilities**

	Frequency	Percent	Valid Percent	Cumulative Percent
Important to a less extent	3	12.0	12.0	12.0
Fairly important	3	12.0	12.0	24.0
Important	5	20.0	20.0	44.0
Most important	14	56.0	56.0	100.0
Total	25	100.0	100.0	

Competitor capability becomes a key to for an organization to challenge the other. In this case colleges that have the capability to provide the necessary facilities required by the students stands a higher chance of getting more students. As shown on table 11(b) above, 56% of the colleges found this aspect most important.

**Table 11(c) Competitor assumptions about industry**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not important at all	2	8.0	8.0	8.0
Important to a less extent	5	20.0	20.0	28.0
Fairly important	9	36.0	36.0	64.0
Important	6	24.0	24.0	88.0
Most important	3	12.0	12.0	100.0
Total	25	100.0	100.0	

Competitor assumptions in such an industry are important to evaluate what may change within the operating environment. It is necessary for the colleges to find this information among them to enable them competes. According to the analysis of this study 36% of the respondents find this fairly important.



This means such a factor is important because only 8% of the respondents found this factor not important at all. The results of this aspect in strategy development could not be easily predicted because it may not be easy to get first hand information from there competitors. However this aspect is important in strategy development as stated in the literature review.

**Table 11 (d). Competitor current strategies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Important to a less extent	2	8.0	8.0	8.0
Fairly important	3	12.0	12.0	20.0
Important	11	44.0	44.0	64.0
Most important	9	36.0	36.0	100.0
Total	25	100.0	100.0	

Current strategies practiced by the commercial training colleges pose a great challenge to their competitors. Given that they have a common market, these colleges try to put similar strategies in place in order to become competitive. The respondents in this research indicated that is an important aspect in strategy development. My expectations in this study were that most of them find this aspect most important.44% of the respondents indicated that it's an important aspect while 36% found it most important. Thus it can be concluded that competitor current strategies are important in strategy development among the commercial training colleges. Table 11(d) above shows a statistical analysis of this aspect.

**Table 11 (e) Courses offered**

	Frequency	Percent	Valid Percent	Cumulative Percent
Important to a less extent	1	4.0	4.0	4.0
Fairly important	1	4.0	4.0	8.0
Important	5	20.0	20.0	28.0
Most important	18	72.0	72.0	100.0
Total	25	100.0	100.0	

In strategy development among the commercial training colleges, the courses to be offered to students a highly considered in respect with the job market requirements and consumer needs. In the literature review, it has been stated that most of these colleges offer business related courses. The expectations were that most colleges would indicate this as a most important factor in their strategy development. This was also the out come of this study with 72% of the respondents indicating this as a most important factor. The respondents statistics are as shown in table 11(e) above.

Most of the colleges indicated there key success factors in this industry. It appeared that almost 90% enjoy the fact that there are more students leaving high school who cannot be adequately absorbed in the public universities yet they require tertiary education.

**Table 12.Cooperation with competitors**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	11	44.0	44.0	44.0
No	14	56.0	56.0	100.0
Total	25	100.0	100.0	

It was my interest in this study to establish if the commercial training colleges cooperate with the competitors in order to enhance the strategy development process. Other organizations will from time to time cooperate with their competitors due to the nature of their operations. It was not easy to predict the out come of this aspect in this stud because some colleges may find it rewarding to cooperate with there competitors while others may want to keep away there strategies from there competitors due to various reasons. The outcome of the study was that majority of them will not like to cooperate with there competitors. A summary of these results from the respondents is summarized in table 12 above. The colleges that showed interests in cooperating with there competitors were researched and the reasons why they would like this cooperation. Various reasons for there cooperation were indicated for the respondents to indicate their level of importance. The results were analyzed as show in table 13 below.

**Table 13: Descriptive Statistics: (Factors Determining Cooperation with competitors)**

	N	Minimum	Maximum	Mean
Existence of differential resources	11	3.00	5.00	4.0909
Pressure from government	11	1.00	3.00	1.7273
Commonality of missions	11	1.00	5.00	3.1818
Pressure from sponsors/affiliate institutions	11	1.00	3.00	1.5455
Emergencies	11	1.00	5.00	2.8182
Valid N (list wise)	11			

The table above shows the mean response of the importance the organization attaches to the factors regarding co-operation with the competitors. Since the numbers were assigned ranging from 1 (least important) to 5 (most important), the response reveals that most organizations consider existence of differential resources most important with a mean response of 4.0909. The respondents further clarified that they collect information on the various aspects of the environment through the media and the Internet. These sources are rich in information, the sources were as expected

**Table 14. Nature of organization environment**

	Frequency	Percent	Valid Percent	Cumulative Percent
Stable	4	16.0	16.0	16.0
Semi stable	3	12.0	12.0	28.0
Moderate	16	64.0	64.0	92.0
Turbulent	2	8.0	8.0	100.0
Total	25	100.0	100.0	

Environmental conditions can limit the choices that managers can make. Strategic choices available to an organization is relatively limited, that the environment is such a dominant influence that most organizations perhaps other than those that are very large are unable to influence their operating environment. From Table 14 above, it is clearly seen that 64% of the respondents find the nature of the organization environment moderate because it is mostly dictated by the conditions and factors of the external environment.

**Table 15 (a): General economic trends**

	Frequency	Percent	Valid Percent	Cumulative Percent
Fairly considered	3	12.0	12.0	12.0
Considered	14	56.0	56.0	68.0
Mostly considered	8	32.0	32.0	100.0
Total	25	100.0	100.0	

Seven factors were used to determine the extent to which information is considered in strategic planning process. The first factor that was considered was general economic trends. 56% of the respondents responded that they considered the economic trends when doing strategic planning process. Only 12% responded that they fairly considered this was the least percentage of all the responses. See Table 15 (a) above.

**Table 15(b) Stakeholders**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not considered at all	1	4.0	4.0	4.0
Fairly considered	3	12.0	12.0	16.0
Considered	4	16.0	16.0	32.0
Mostly Considered	17	68.0	68.0	100.0
Total	25	100.0	100.0	

Another factor that was considered was the stakeholders. Majority of the respondents considered the stakeholders' information was mostly considered in strategic planning processes. With 68% of the respondents citing that Stakeholders are key in strategy formulation, it's a clear indication of how conserved the colleges are and more so the fact that some of them are run by the owners.

**Table 15(c): Internal context**

	Frequency	Percent	Valid Percent	Cumulative Percent
Considered to a less extent	1	4.0	4.0	4.0
Fairly considered	5	20.0	20.0	24.0
Considered	8	32.0	32.0	56.0
Mostly considered	11	44.0	44.0	100.0
Total	25	100.0	100.0	

Complete information is generally needed in every process, so as to put together all the plans that need to be implemented. From Table 15 (c) respondents rated internal context in terms of resources, performance as a most important factor. This is depicted by a majority of responses that took a percentage of 44.

**Table 16(d): Social and cultural trends**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not considered at all	1	4.0	4.0	4.0
Considered to a less extent	3	12.0	12.0	16.0
Fairly considered	12	48.0	48.0	64.0
Considered	5	20.0	20.0	84.0
Mostly considered	4	16.0	16.0	100.0
Total	25	100.0	100.0	

Social and cultural trends often are developed from experiences and ways of doing things that are built up over the years. They are mostly taken for granted. Unfortunately however manpower behavioral studies have been conducted in settings far removed from the realities of strategy formulation.... (Mintzberg 1991). Therefore social and cultural activities can play a significant role in the organization. However it is not very critical in strategic planning process. Responses collected indicated that majority of the respondents felt that social and cultural trends should be fairly considered in strategic planning process. From table 16 (d) it is clearly seen that 48% of the respondents considered this factor as fair. This is contrary to what was expected; because it is always considered that with more social and cultural events an organization participates the more it will become popular thus attract more clients.

**Table 16 (e): Political and legal developments**

	Frequency	Percent	Valid Percent	Cumulative Percent
Considered to a less extent	1	4.0	4.0	4.0
Fairly considered	7	28.0	28.0	32.0
Considered	9	36.0	36.0	68.0
Mostly considered	8	32.0	32.0	100.0
Total	25	100.0	100.0	

The political view is that strategies develop as the outcome of processes of bargaining and negotiating among powerful internal and external interest groups. Powerful individuals and groups may influence the sort of information that is seen to be important. They may also strongly influence the strategies eventually selected. Therefore political and legal developments should be considered in strategic planning process in commercial colleges. This is clearly depicted in Table 16(e). It shows that 36% of the total responses felt that this factor should be considered while doing strategic planning process.

**Table16(f): Technological changes**

	Frequency	Percent	Valid Percent	Cumulative Percent
Fairly considered	2	8.0	8.0	8.0
Considered	8	32.0	32.0	40.0
Mostly considered	15	60.0	60.0	100.0
Total	25	100.0	100.0	

A change in technology affects organizations operation. For any organization to survive in the existing markets, it must be swift to adopt to the current technology.60%of the respondents found it a key factor in to be considered in strategy formulation. This was expected due to the rapid changes of technology not



only in Kenya but globally.

**Table 16(g): Industry analysis**

	Frequency	Percent	Valid Percent	Cumulative Percent
Considered to a less extent	2	8.0	8.0	8.0
Fairly considered	4	16.0	16.0	24.0
Considered	12	48.0	48.0	72.0
Mostly considered	7	28.0	28.0	100.0
Total	25	100.0	100.0	

The commercial training college within Nairobi is a fast growing industry. However the players in the industry seem not to be so keen on analyzing what is surrounding there operations, majority have realized they are in a competitive industry and they have to carry out some analysis of what other players in the same industry are doing before setting there strategies. Table 16 (g) above shows the results obtained with 48% admitting the use of industry analysis. Table 17 below shows descriptive statistics of all factors considered.

**Table17: Descriptive Statistics**

	N	Minimum	Maximum	Mean
General economic trends	25	3.00	5.00	4.2000
Stakeholders	25	1.00	5.00	4.4400
Internal context	25	2.00	5.00	4.1600
Social and cultural trends	25	1.00	5.00	3.3200
Political and legal developments	25	2.00	5.00	3.9600
Technological changes	25	3.00	5.00	4.5200
Industry analysis	25	2.00	5.00	3.9600
Valid N (list wise)	25			

### 4.8 Tools and techniques of strategy development

Since strategy formulation guides executives in defining the business their firm is in, the aims it seeks and the means it will use to accomplish those aims. The means they could use may be the tools and techniques used in developing strategies for an organization. These tools and techniques are many, but the ones identified for the purpose of this research were SWOT analysis, key success factors such as unique services, credibility, and financial strength, also forecasting and portfolio models such as porter five forces and BCG were identified. The responses were as follows.

**Table 18(a): SWOT Analysis**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	21	84.0	84.0	84.0
No	3	12.0	12.0	96.0
5.00	1	4.0	4.0	100.0
Total	25	100.0	100.0	

SWOT analysis is one of the techniques that can be used in developing strategies. The table above shows that majority of the commercial colleges use SWOT analysis. This account for 54% of the total responses. The reason for the high percentage is because organizations have to identify their strengths and opportunities so that they can capitalize on that, while on the other and, identify threats and weaknesses so that they can find means to minimize them.

This was as expected because for any organization to survive in the competitive playing field it has to conduct SWOT analysis to survive in the market.

**Table 18 (b) Key Success Factor Analysis**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	22	88.0	88.0	88.0
No	3	12.0	12.0	100.0
Total	25	100.0	100.0	

Another tool that was considered was key success factors and from the table above, majority of the responses agreed with the highest percentage of 88%. This was attributed to the organization setting performance objectives so that they could work towards them. The key success factors include unique services, credibility and financial strength. The responses collected was as expected because each organization is trying to outdo the competitor by offering unique services, so that they could increase their client base. With this they are ensured a large market share thus improving on their financial strength as well increasing their credibility in the dynamic environment.

**Table 18 (c) Forecasting**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	23	92.0	92.0	92.0
No	2	8.0	8.0	100.0
Total	25	100.0	100.0	

Strategy development has various stages through which the firm management should go through before coming up with operating strategies. The components necessary for formulating an organization strategy include among others environmental forecasting and financial forecasting. Of the 25 responses collected 92% responded that forecasting should be done by developing strategies for an organization.

4.2. Forecasting Strategy Implementation

Forecasting is the process of predicting future events or trends based on historical data and analysis. It is a key component of strategic planning and decision-making. The process involves identifying the variables to be forecasted, selecting appropriate forecasting methods, and evaluating the accuracy of the forecasts. Forecasting can be used to inform a wide range of business decisions, from short-term operational planning to long-term strategic planning.

**Table 18(d): Portfolio Models**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	6	24.0	26.1	26.1
No	17	68.0	73.9	100.0
Total	23	92.0	100.0	
Missing	2	8.0		
Total	25	100.0		

Strategies being a critical element in organization's success, they still pose a challenge in successful implementation. Application of portfolio models as one of the tools that can be used in developing strategies can be challenging while implementing. This is clearly seen from the responses on the table above. 68% of the total responses did not apply portfolio models. As revealed by the study, portfolio models are not one of the strongest tools that can be used. Therefore other tools and techniques would be more preferable than these models. The results were as expected because portfolio models like porter five forces and BCG among others, are not popular in most organizations. Therefore it is not widely applied.

#### 4.9 Strategies among the colleges

The purpose of strategy is to provide directional cues to the organization that enable to achieve its objectives while responding to the opportunities and threats in the environment (Schendel & Hofer, 1979). Therefore for a company to survive in a competitive environment, it has to develop strategies.

**Table 19(a): Operation Strategies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	25	100.0	100.0	100.0

Table 19 (a) above shows that 100% of the collected responses have developed strategies for operations. This implies that a strategy for operations offers significant help for coping with turbulence confronted by firms. Thus managers find it very important to pay serious attention to strategy as a managerial tool as can be seen in the table below. This was as expected because organizations have to develop strategies for the organization to work towards their objectives in order to survive in the competitive market.

**Table 19(b): Written strategies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	24	96.0	96.0	96.0
No	1	4.0	4.0	100.0
Total	25	100.0	100.0	

Since 100% of the respondents develop strategies for operation, from Table 19 (b) it shows that after developing those strategies they put it in writing. This can be seen from the table that it accounts for 965 of the total responses. For strategies to be followed they have to be written down. During implementation of these strategies they will need it in written form in order to ensure that they are on the right track.

**Table 19(c): Revision of strategies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	21	84.0	84.0	84.0
No	4	16.0	16.0	100.0
Total	25	100.0	100.0	

Since organizations operate in a dynamic environment, they have to revise strategies from time to time in order to be at pace with the changing environment. As can be deduced from Table 19(c), which account for 84% of the total responses collected. With a large percentage of respondents indicating that that strategies should be revised. This is done due to environmental changes. Strategies should be revised regularly because strategic management involves awareness of how successful and strong are, and how circumstances are hanging. In light of this, commercial colleges have to keep on revising the strategies in order to keep up with the environmental changes. Without revising the strategies they will become outdated therefore will not be used to achieve the set objectives and goals for the organization.

In developing strategies for operation, the organization seeks to achieve many goals. As defined by Chandler (1962) he emphasized that strategy is determining long-term goals and objectives, the adoption of courses of action to achieve them and the allocation of resources as being central to the concept of strategy. From the responses gathered for the purpose of this study, respondents emphasized that developing of strategies by organization seeks to achieve many goals that the organization sets.

More so in terms of improving the service delivery to their clients. In order to do so they have to set up goals and adopt courses of action in order to achieve those set goals successfully. By improving their service delivery organizations are successful because they get to serve more clients efficiently and satisfactorily.

Another objective that came out clearly from the responses, is that, an organization has to develop strategies in order to keep up with the changing environment. Since the environment is very dynamic operations with updated strategies are more successful. With old strategies in place it helps managers be proactive in dealing with problems that arises because they are anticipated. This objective is strongly supported by David (2001) where he describes strategic management process as being dynamic and continuous.

Each organization has different strategies to pursue. With commercial colleges respondents were asked to rank these types of strategies in order of their importance. It was from least important (1) to most important (5). The responses were analyzed by content. The factor that ranked most important according to most respondents as publicity. In that for a commercial college to be popular it has to be widely known across the country. The organization engages in publicity through different ways. Some of the means to achieve a satisfactory publicity needed by the organization is through social responsibility for example participating in environmental clean up.



Another form of publicity engaged by commercial colleges is through advertisements, which can be done by media written, visual or audio. Also it can be done through billboards or wall paintings.

Another strategy that is pursued by organizations is good relationship with the clients. Commercial colleges have to come up with strategies to address student problems and any other matter that may affect the welfare of the students. For all organizations to put in place all the products that they are offering, they will have to have suppliers who will help them realize their goals. In this case commercial colleges, their suppliers are tutors and lecturers who deliver the services to their clients (students).

Having a good relationship with the suppliers will be of adverse advantage to the organization. Good relationship with suppliers gives them more morale therefore dispenses their services well making the commercial college successful. These translate to more students because they will be attracted to the good performance. There are also the supporting staffs that assist in delivering the products. The staff needs to be treated well to ensure permanency, as unfair treatment causes high turnover of staff leaving a bad picture of the college.

The institutions consider various factors as source of competitive advantage. There are two main factors that came out clearly from the majority of the respondents. These are maintaining capable training staff and offering up to date courses that enable students to fit in the job market.

A capable training staff that gives quality service ensures that they achieve success in their service delivery. Where success translates to satisfaction by clients, thus attaining competitive advantage through the following ways: -

1. Students in that college will not move to other institutions, thus the organization retains its clients,
2. Will attract new students, as they will be assured of getting a place in the job market.

The market is very dynamic and competitive therefore an institution has to offer those services that will be applied in the current job market. Such that when the students have finished their courses they will be assured of getting a place in the job market. These up to date courses give the institution a competitive advantage against rival institutions.

In essence there are many sources of competitive advantage but this varies from one institution to another. The sources could be one or many, according to how the institution develops them. Communicating objectives to all stakeholders, that is the customers, the government and others is a popular source that is used by many institutions that responded. By giving clear objectives to the stakeholders it enables them to know the direction of the institution and what they want to achieve. If these objectives fit what the customers want, then they will choose that particular institution, and this in the long run gives the organization a competitive edge.

**Table 20(a) :Failure to realize planned strategies.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	15	60.0	60.0	60.0
No	9	36.0	36.0	96.0
12.00	1	4.0	4.0	100.0
Total	25	100.0	100.0	

It is clearly seen from Table 20(a) above that 60% of the respondents sometimes do not realize the planned strategies. This is caused by the fact that there is resistance when introducing new courses of action. People resist new methods of action. Therefore it is very difficult during implementation of these strategies. Sometimes when organization attempt to formulate detailed intended strategies much of what is intended follows the route of unrealized strategies. Financial constraints could make organizations not realize planned strategies. An organization could develop sound strategies but due to scarce resources the organization will not be able to achieve the planned strategies.

**Table 20(b): Adoption of strategies other than planned ones**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	16	64.0	88.9	88.9
No	2	8.0	11.1	100.0
Total	18	72.0	100.0	
Missing	7	28.0		
Total	25	100.0		

Most of the commercial training colleges end up adopting other strategies other than the planned ones in order to cope with the changes in there operating environment.64% of the respondents agreed that its important to take such action so as to remain in business. The table above shows a tabulation of the results obtained.

**Table 20(c): Improved performance due to practice of strategic management**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	25	100.0	100.0	100.0

From Table 20(c) above 100% of the respondents claimed hat the institutions' performance has improved due to strategic management practice. Gaps and overlaps in activities among individuals and groups are reduced as participation in strategy formulation clarifies differences in roles. Strategic management practice enhances communication within the organization as well as allows more effective allocation of time and resources on identified opportunities. It also represent a framework for improved coordination and control of activities while at the same time giving a degree of discipline and formality to the monument of business.

In summary , the analysis of this research was done as per the contents of the questionnaire and positive results were obtained. Various strategy development processes were proved to be used by the commercial training colleges and also key factors in strategy formulation were seen to be put in place. The analysis captured the research objectives positively which made the research project a success.

# CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 5.1 Introduction

All study objectives were met and all issues in question addressed. While strategic management presents several opportunities for the commercial training colleges, there needs to be assisted in the process of strategy formulation and implementation. However, we can conclude that at least each one of the commercial training colleges studied as one process or two of coming up with the strategies they use for their operations.

## 5.2 Summary

Majority of the commercial training colleges confirmed using a certain process to come up with their strategies. They have vision, mission and objectives in place. They are passionate and effective in what they do and keen to establish themselves as credible institutions of tertiary education. Among the colleges surveyed 32% didn't have a mission and 4% had no objectives. However, majority confirmed having all the aspects of strategy formulation, the challenge remains on whether the process used to come up with the strategies is the best and most effective to come up with practical strategies.

Various factors influencing strategy development among the commercial training colleges were examined and majority of the colleges showed great importance to some factors such competitors, their clients ie, students and the courses to be

offered. 82% of the colleges termed pressure from government of no importance to their decisions on strategy formulation processes.

The commercial training colleges use various tools to guide them in the process of coming up with their strategies, SWOT analysis came out to be the common tool used in the up with their strategies, SWOT analysis came out to be the common tool used in the process of developing strategies among the colleges with 84% of the college confirming use of the strategic technique. Key success factor analysis and forecasting were also other key techniques used by the colleges with a respondent rate of 88% and 92% respectively. Portfolio models were the least used with only 24% of the colleges showing interest in using them in their strategic development process.

General strategies are 100% used by the commercial training colleges to give them directional cues to enable them achieve their objectives while responding to the environment surrounding them. Since these colleges operate in a dynamic environment; 84% of them agreed reviewing their strategies to cope with the rapid changes in their operating environment.

The study on strategy development processes among the commercial training colleges operating in Nairobi central business district brought to light issues that need to be addressed in order to improve their performance and credibility.

Issues related to their organization structure, distribution of planning

responsibilities and management styles of the colleges makes it challenging for the colleges to have a smooth strategy formulation process.

### 5.3 Recommendations

Commercial training colleges need to review their management styles so as to put in place active mechanisms to steer the strategy development process among the colleges. The role of these colleges has been purely to provide tertiary education while their owners see it as an opportunity to generate more income. As noted in the study majority of the colleges offer business studies due to their marketability in the job markets. However some of the colleges need to strive to balance pursuit for profit with the traditional mission of service for the needy and those who are unfortunate to join the public and private universities within the country.

Commercial training colleges also need to set up facilities which will ensure conducive environment for study. Some of the colleges are situated along streets with a lot of noise from matatus and hawkers. Others are on top of floors of buildings which have bars on the ground floors which do not reflect well on the quality of education offered in such colleges. Owners of such colleges need to balance between the need for income and the welfare of the students as they seek for higher education.

## **5.4 Limitations of the study**

One major limitation in this study was the factor that some of the colleges which were listed to be surveyed were found to have closed down and others to have changed venues of their operations and even others had changed their original names of registration due to various reasons. The register of colleges in the ministry of education needs to be updated to make it easy for future researchers to identify the colleges more without difficulties.

Another limitation in this study was the unwillingness of some respondents to disclose some information in the fear that it may leak to their competitors. Due to the sensitivity of some information required in the questions in the questionnaire, the researcher had to build trust with the respondent to keep the information confidential. However, some respondents shield away from completing the questionnaire completely.

## **5.5 Suggestions for further study**

Further study on the relationship between strategy development process and their implementation is highly recommended. The research would justify how effective the process of strategy development is compared to the ease and successful implementation of the strategies among the colleges. The study should also focus on the relationship between the strategies implemented and the common courses offered among the colleges. These issues were not covered in this study.



Suggested study questions could include:

1. What is the relationship between the process used in strategy development and its implementation?
2. Is there any relationship between the strategies and courses offered by the colleges?

The information granted would further compliment what the researcher has deduced from this study and assist upcoming commercial training colleges to achieve their objectives.

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## **APPENDIX 1.**

### **INTRODUCTION LETTER TO RESPONDENTS**

Date:.....

To: The Respondent

From: Mbinda K. Wellington

P.O. BOX 3333-00506

TEL: 0733-955175

Nairobi, Kenya

Dear Sir \ Madam,

#### **RE: REQUEST FOR YOUR PARTICIPATION IN MY RESEARCH WORK.**

I am a post graduate student in the Faculty of Commerce, University of Nairobi pursuing a Master of business administration (MBA) Degree programmed in strategic Management specialization. In order to fulfill the Degree requirements, I am currently conducting a management research project on 'Strategy Development in Commercial Training Collages in Nairobi.'

Your college has been chosen to participate in this research and I would highly appreciate if you would kindly spare some of your precious time to complete the attached questionnaire for me. I will be very obliged to you, if you complete it within five (5) days time. The information is strictly for academic purpose and will be treated in the strictest confidence. Your name and that of the college/institution will not be mentioned in the report.

Thank you for your valuable cooperation in advance.

Yours faithfully,

**Mbinda K. Wellington**

## APPEDIX 2

### INTERVIEW QUESTIONARE

(Please answer all questions. You can use the back page if necessary)

#### SECTION A : Profile of the Respondent/Organization.

1. What is your job title?.....
2. Gender: Male ☐ Female ☐
3. What is the gender of the college owner? Male Female
4. Please tick the category to which you belong to in the institution.  
Proprietor ☐  
Shareholder ☐  
Employee ☐
5. Name of the college/institution.....
6. Year of Establishment.....
7. Ownership. (please tick appropriately)  
Wholly locally owned. ☐  
Group ownership ☐  
Wholly Foreign owned ☐
8. What are your key areas of business training? (Please tick appropriately)  
(a) Computer training ☐  
(b) Business management + Administration ☐  
(c) Accounting Training ☐  
(d) Sales and Marketing ☐

(f) Other (Specify).....

9. How many employees does the college employ?.....

### **SECTION B: General Planning.**

1. Is Planning accepted as a philosophy in your institution?

Yes ☐

No ☐

2. What type of plans does your institution have?

Financial.

Others (please specify).....

3. What does the organization seek to achieve through planning?.....

.....  
.....

4. What time periods your plans cover? (Please tick where appropriate)

0-1 Year ☐

2-3 Years ☐

4-5 years ☐

Over 5 years ☐

5. Are the plans for your institution reviewed periodically and kept current?

Yes ☐

No. ☐



### SECTION C: Strategy Development Process.

1. To what extent do the following features characterize your planning process.  
(Use a 5 point scale, where 1= Not at all and 5= Great extent.)

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| (a) Direction of an individual or group<br>But not necessarily through<br>Formal planning.                        | 1 | 2 | 3 | 4 | 5 |
| (b) Having a planning department  | 1 | 2 | 3 | 4 | 5 |
| (c) Deliberate development of<br>Strategy by Learning through doing'  | 1 | 2 | 3 | 4 | 5 |
| (d) Imposed by forces external<br>to the institution eg.<br>Government, sponsor, affiliate institution etc.       | 1 | 2 | 3 | 4 | 5 |
| (e) The application of the experience<br>And ways of doing things built<br>over the years within the institution. | 1 | 2 | 3 | 4 | 5 |
| (f) Buffer form, or response to changes<br>in operating the environment.  | 1 | 2 | 3 | 4 | 5 |
| (g) Through processes of bargaining and<br>Negotiation among powerful internal<br>or external interest groups.    | 1 | 2 | 3 | 4 | 5 |

2. How do you go about coming up with plans for your organization. ( please tick as appropriate.)

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| (i) Formal planning meeting                     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (ii) Informal Planning Sessions                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (iii) Time tables for preparation of plans      | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (iv) Well defined responsibilities for planning | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (v) Existence of planning departments           | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Other (specify).....

## SECTION D: Aspects of strategy Formulation

### (Vision, Mission and Objectives)

1. (a) Does the college/ institution have a vision?

Yes ☐ No ☐

(b) If yes what is the vision of your institution.....

.....  
.....

2. (a) Do you have a mission statement for your institution?

Yes ☐ No ☐

(b) If yes, is it a written statement? Yes ☐ No ☐

(c) If yes, what is your institution mission.....

.....  
.....

(d) Who takes part in the mission setting process?.....

.....  
.....

3. (a) Does your institution have objectives?

Yes ☐ No ☐

(b) Give objectives of your institution in the order of their

importance.....

.....  
.....  
.....

(c) Who participates in the objectives setting process?.....

.....  
.....

(d) Which approach do you use in setting objectives? (Please tick where appropriate.)

Bottom – up ☐

Top –down ☐

Interactively ☐

Special Department ☐

Others (specify).....

.....

(e) Is everyone in your organization aware of your objectives? Yes ☐ No ☐

(f) How do you communicate your objectives?.....

.....  
.....  
.....

(g) Are the objectives specific, measurable, attainable, realistic and timely?

Yes ☐ No ☐

## SECTION E: Factors Influencing Strategy Development.

1. Indicate the importance your organization attaches to information on the following in its strategy development. (1= Least important,5=Most important).

(a) Number of competitors 1 2 3 4 5

(b) Possibility of new entrants in the industry 1 2 3 4 5

(c) Clients/Beneficiaries (students) 1 2 3 4 5

(d) Services that may be offered 1 2 3 4 5

(e) Ownership of college 1 2 3 4 5

(f) Others (specify).....

2. Does your organization collect information's about competitors? Yes ☐ No ☐

3. Which organizations do you consider to be your competitor?.....

.....

.....

.....

4. Indicate the importance your institution attaches to the following aspects of its competitors.(1 = Least important, 5 = Most important).

(a) Their future goals 1 2 3 4 5

(b) Their capabilities eg. Resources 1 2 3 4 5

(c) Their assumptions (about the industry). 1 2 3 4 5

(d) Their current strategies 1 2 3 4 5

(e) Courses to be offered 1 2 3 4 5

(f) Others (specify).....

5. What are the key success factors in your Industry?.....

.....

(6) Does your organization co-operate with its competitors? Yes ☐ No ☐

(7) If yes, indicate the importance your organization attaches to the following information regarding co-operation with competitors.(1= Least important, 5= Most important)

(a) Existence of differential resources among them 1 2 3 4 5

(b) Pressure from government to cooperate 1 2 3 4 5

(c) Commonality of Missions. 1 2 3 4 5

- (d) Pressure from sponsors or affiliate institutions      1   2   3   4   5
- (e) Emergencies that call for cooperation      1   2   3   4   5
- (f) Others (specify).....

8. How do you collect information on the various aspects of your environment?

.....

.....

.....

9. Who is in- charge of information collection?.....

.....

.....

10. Would you describe your organization environment as turbulent? Please  
Indicate your perception on the following scale.

Stable	semi-stable	moderate	Turbulent	Extremely turbulent
1	2	3	4	5

11. Indicate the extend to which information on the following factor is considered in strategic planning process in your institution. (1= Not considered; 5=prime consideration.)

(a) General economic trends	1	2	3	4	5
-----------------------------	---	---	---	---	---

(b) Stakeholders (customers, partners, Government, competitors etc)	1	2	3	4	5
--	---	---	---	---	---

(c)Internal context (resources strategic, performance etc)	1	2	3	4	5
--	---	---	---	---	---

(d) Social and cultural trends	1	2	3	4	5
--------------------------------	---	---	---	---	---

(e) Political and legal developments.	1	2	3	4	5
---------------------------------------	---	---	---	---	---

(f) Technological changes	1	2	3	4	5
---------------------------	---	---	---	---	---

- (g) Industry analysis..... 1 2 3 4 5
- (h) Others (specify).....

## SECTION F: Tools and techniques

1. Below are a number of tools and techniques that may be used in developing strategies for an organization. Please indicate if your organization uses any of them.

(a) SWOT (strength, weakness, opportunities and threats) analysis

Yes ☐ No ☐

(b) Key success factor analysis e.g. unique services, credibility, and financial strength.

Yes ☐ No ☐

(c) Forecasting (environmental, financial etc.) Yes ☐ No ☐

(d) Portfolio models (porter five forces, BCG) Yes ☐ No ☐

(e) Others (specify).....

## SECTION G: Strategies

- 1 (a) Has your institution developed strategies for operation? Yes ☐ No ☐
- (b) If yes, are they put in writing once they are developed? Yes ☐ No ☐
- (c) Have you revised these strategies over time? Yes ☐ No ☐
- (d) If yes, why? .....

(e) What does your institution seek to achieve with these strategies? .....

2. What type of strategies, both competitive and cooperative does your institution pursue?

(Please rank them in order of importance. (1= least important up to 5= most important )

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

3.What does your institution consider as the source of competitive advantage?.....

.....

4.What does your institution regard to be the source of cooperative advantage?.....

.....

5 (a) Are these times when you don't realize the planned strategies?

Yes ☐ No ☐

(b)If the answer in (a) above is Yes, explain what makes you not to achieve your planned strategies?.....

.....

.....

.....

.....

(c) In case you don't realize your planned strategies do you adopt other strategies which were not planned?

Earlier top make you achieve your goals? Yes ☐ No ☐

6 (a) Has the practice of strategic management improved your institution performance?

Yes ☐ No ☐

(b) If the answer to (a) above is yes, explain

how?.....  
.....

**THANK YOU FOR YOUR CONTRIBUTION**



## APPENDIX 3

### LIST OF COLLEGES OPERATING WITHIN NCBDA

NO	COLLEGE
1.	Blanes College
2.	Bridge College
3.	Cross world Institute of Professional Studies
4.	Focus Business Institute
5.	Interglobal college for Cultural Exchange & Tourism
6.	Intraglobal Training Institute
7.	Kenya College of Commerce & Hospitality
8.	Metropolitan College
9.	Nairobi College
10.	Nairobi Institute of Business Studies
11.	Regional Institute of Business Management
12.	Springboard College
13.	Star College of Management Studies
14.	Technical Institute
15.	Vision Institute of Professionals
16.	Universal Group of Colleges
17.	Zetech College
18.	Transnational College
19.	Skynet Business College
20.	Magenta College
21.	Dima College
22.	Foundation Institute
23.	Cornerstone Institute
24.	Ricotta Business College
25.	Rewarding College
26.	Interstate College
27.	Leaders Institute
28.	The Institute of Community Development
29.	Times Institute
30.	Ken Afric College
31.	Academy of Professional Studies
32.	Graffins College
33.	Nairobi Aviation College
34.	East Africa School of Management
35.	Zafrica Business School