

**AN INVESTIGATION OF EFFECTS OF STRATEGIC  
PLANNING ON THE PERFORMANCE OF TEACHERS  
SERVICE COMMISSION OF KENYA**

**BY**

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## DEDICATION

My study is dedicated to the following: My loving family for the support and patience during the entire period of my study. For their encouragement and continued prayers towards successful completion of this course.

Finally I pay glowing gratitude and tribute to my employer and colleagues for understanding me during the entire period of study.

Thank you and God bless you abundantly.

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## ABSTRACT

The Teachers Service Commission interacts with both the external environment which includes economic, social, cultural and technological factors and the operating environment that encompasses competitors, creditors, customers, suppliers and labour markets. Strategic planning can be viewed as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it. This study investigated the effects of strategic planning on performance of the Teachers service commission. The research objective of the study was to establish the effects of strategic planning practice on TSC performance.

This research was conducted through a case study as it allowed the researcher to understand the nature and complexity of the process that is taking place and answer the "how" and "why" questions. The study used a questionnaire to collect the required data. A questionnaire is a data collection instrument that sets out in a formal way the questions designed to elicit the desired information. It consisted of a list of structured questions, un-structured questions and Likert rating scales relating to the field of inquiry with space provided for selection of choices and explanatory answers. The questionnaire was administered to 35 respondents who were drawn from all the departments of the Teachers Service Commission. The collected questionnaire was checked for completeness and consistency before coding. The coded data was analyzed using statistical measures such as percentages, mean scores and standard deviations. The results were then presented using frequency tables, charts and graphs. This involved observation and detailed description of phenomena that comprise the object of study.

From the findings, the study concluded that Teachers Service Commission has embraced strategic planning to be able to cope up with the volatility of the environment, achieve its objectives and attain high performance and interact well with both the external environment economic, social, cultural and technological factors and its operating environment. Therefore, the goal of Teachers service Commission is to establish distinctive or unique capabilities to gain a competitive advantage in the marketplace through formulating and implementing effective strategic plan. The study concluded that strategic planning help in management at the Teachers Service Commission to identify resource requirements at an early stage and acquire them. Finally the study concluded that Strategic planning positively affects Teachers

Service commission's performance and more specifically, the amount of strategic planning it conducts positively affects its performance.

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## LIST OF ABBREVIATIONS

KNUT	Kenya National Union of Teachers
KUPPET	Kenya Union of Post Primary Teachers
TSC	Teachers Service Commission
FASE	Free and Affordable Secondary Education
FPE	Free Primary Education
CDF	Constituency Development Fund
MOE	Ministry of Education

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the study

Strategic planning consists of a set of underlying processes that are intended to create or manipulate a situation to create a more favourable outcome for a company. This is quite different from traditional tactical planning that is more defensive based and depends on the move of competition to drive the company's move (Ansoff, Miller and Friesen, 2000). In business, strategic planning provides overall direction for specific units such as financial focuses, projects, human resources and marketing. Strategic planning may be conducive to productivity improvement when there is consensus about mission and when most work procedures depend on technical or technological considerations

Strategic planning is the cornerstone of every organization without which the organization will never know where it is going or whether it will ever get there. An important concept of strategic planning is an understanding that in order for an organization to flourish, everyone needs to work to ensure the team's goals are met (Johnson and Scholes, 1997).

Ross et al 1996 argue that they have to learn, adapt and reorient themselves to the changing environment. This process has to be deliberate and coordinated leading to gradual or radical systematic realignments between the environment and a firm's strategic orientation that results in improvement in performance and effectiveness.

Aosa(1992)observes that a mismatch between the environment and the organisation brought about by failure to respond to changes in the environment creates a strategic problem. A strategic problem requires a strategic response(Ansoff and MacDonnell 1990).Additionally,(Pearce and Robinson, 1998) define strategic responses as the set of decisions and actions that result into formulation and implementation of plans designed to achieve a firm's objectives while Porter(1991)notes that organizations need to know the underlying sources of competitive pressure to develop an actionable agenda.

This chapter introduces the study and justifies why the topic needs to be researched on; it is thus structured into the background of strategic planning practices in the Teachers Service Commission (TSC), statement of the problem, the objectives of the study and importance of the study.

### 1.1.1 Strategic Planning

Strategic planning is an organisation's process of defining its strategy or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people. The outcome is normally a strategic plan which is used as a guide to define functional and divisional plans, including technology, operations, Human resource and marketing.

Johnson and Scholes (2002) define strategy as the long term direction of an organization and the types of actions required to achieve the objectives. They also define it as the direction and scope of an organization over the long term; which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill the stakeholders' expectations.

According to Bryson (1995), strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it. To deliver the best results, strategic planning requires broad yet effective information gathering, development and exploration of strategic alternative, and an emphasis on future implications of present decisions.

There is a general agreement among strategic planning researchers that the strategic planning consists of three major components; formulation (which includes developing a mission, setting major objectives, assessing the external and internal environments, and evaluating and selecting strategy alternatives), implementation and control (Hopkins and Hopkins, 1997).

The planning process can help smooth the progress of communication and involvement, contain varied concerns and principles, promote intelligent and logical resolution making, and encourage implementation. Strategic planning can consequently deal with individuals' life mysteries (Bryson, 1995). Strategic planning has its roots in the military with early organizations mirroring this chain of command approach. The decisions and planning thus was employed by a selected few leaders at the top of the organization. This planning process involved analyzing various situations and deciding in which direction the organization would move. The results of this planning evolved a document referred to now as a strategic plan. Once established, the plan could then be implemented (Wall & Wall, 1995).

In the early 1950s the business world captivated with the ideas of formulating strategic plans, the process became widespread. This was due to private and public agencies believing that the strategic planning process was the answer to all their despair. However, after the boom of

that era, businesses discarded the fad until the 1990s, when it resurfaced as a planning process that had particular benefits (Mintzberg, 1994).

In constructing a strategic planning process, the designers need to pay attention to the structure of the planning process, which refers to the preferred activities, their sequencing and the associated tools. Then there is the matter of time made available for the entire process and for each phase in the process. The allocation of time overall and to the various planning phases can substantially affect the quality of interaction and outputs (Paterson, 2009).

The 'soft' structure of the planning process is of critical importance. For instance, it may also contain embedded within it a dominant conception of what a strategic planning process 'should be/is'. The dominant conception may be assumed or it may be an openly stated intention. For example, the guiding intention may be to create: a 'blueprint' or a strategic plan that assumes; a comprehensive strategic plan based on systems analysis and rational design; a decision-centred strategic plan that functions as a guide with opportunity for incremental change/ongoing adjustment; a 'Libertarian' strategic plan that sets only broad rules or limited frameworks (Tewdwr-Jones, 2002).

Khakee and Stromberg (1993) points out that the position taken will significantly influence the approach and the outcome of the process. Equally important is how the participants communicate and how conflicts within the group or deadlocks are resolved. As a result of these choices and also the influence of the facilitator, reflection may show that the planning process was characterized by; a more focused and a more synoptic treatment of the scope; a more simplifying and a more elaborating treatment of complexity; a more reactive and a more interactive treatment of conflict; a more reducing and a more accommodating treatment of uncertainty.

The process design choices and also the orientation or personal approach of facilitators in each phase will more or less subtly influence how the planning process proceeds. Khakee and Stromberg (1993) stress the importance of a 'process leader' who is capable of coordinating the entire process.

Planning is a conscious systematic process during which decisions are made about mission, values, goals, strategies priorities and activities that an organization and by extension industry players will pursue if they are to secure and remain relevant in the future, amidst a constantly volatile environment (Callahan and Haines 1986).

Strategic planning is a process that involves the review of market conditions, customer needs, competitive strengths and weaknesses, socio-political legal and economic conditions, technological development and the availability of resource that lead to the specific opportunities or threats facing the organization (Donnelly et al: 1992) it plays a key roles in achieving a balance between the short term and the long term. This definition is further reinforced by Grant 1998 who states that strategic planning involves decision making about long term goals and strategies and therefore has a strong external orientation.

### **1.1.2 Strategic planning and performance**

All organizations all over interact with both the external environment (economic, social, cultural and technological factors) and the operating environment that encompasses competitors, creditors, customers, suppliers and labour markets (Pearce and Robinson 2004). Thus, the goal of most organisations is to establish distinctive or unique capabilities to gain a competitive advantage in the marketplace through formulating and implementing effective strategic plans. However, increased volatility of the business environment makes strategic planning more difficult; rapid change requires strategies that are flexible and creative, characteristics which are seldom associated with formalized planning, that is, strategic planning is a 'calendar-driven ritual' (Hamel, 1996). Eisenhardt (1989), points to the advantages of 'semi-coherent' strategic planning practices that are unpredictable, uncontrolled, inefficient, proactive, continuous and diverse.

Strategic planning's roots are in the arena of large-scale military operations and it can be defined as the fit between an organization and its environment (Ansoff, et al 2001). It is a top-down approach concerned with the long-term mission and objectives of an organisation, the resources used in achieving those objectives, and the policies and guidelines that govern the acquisition, use, and disposition of those resources. It must also take into account the opportunities available to the organisation, and an assessment of its ability to exploit those opportunities with a view to gaining a distinct competitive advantage. Simply, strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it will know if it got there or not.

Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfill stakeholders expectations. From the perspective of classical strategic management theory, strategy is considered a deliberate

planning process (formal), initiated by top management (top-down), based on an elaborate industry analysis (rational) and aimed at designing a cohesive grand strategy for the corporation (consistency) (Volberda, 2004).

Quinn (1980), argue that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength. Hamel and Prahalad (1989) views organizations as composed of many individuals all of whom are engaged in making decisions that must be coordinated. For strategy to provide such coordination requires that the strategy process acts as a communication mechanism within the firm. Such a role is increasingly recognized in the strategic planning processes of large companies.

The shift of responsibility of strategic planning from corporate planning departments to line managers and the increased emphasis on discussion the businesses and the corporate headquarters (as opposed to the formal approval of written plans) are part of this increased emphasis on strategic planning as a process for achieving coordination and consensus within companies (Barker, 1992) The Focus of a strategic plan is on the entire organization. There are a variety of perspectives, models and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization, expertise of planners etc. For example, there are a variety of strategic planning models, including goals-based, issues-based, scenario (some would assert that scenario planning is more of a technique than model) etc.

Rue and Byars (1992) define performance as the degree of accomplishment of tasks that make up a job and is measured in terms of results (output) performance may be broadly regarded as a record of outcomes achieved over a period of time and provides "the strongest linkage to the strategic goals of the organization, customer satisfaction and economic contributions" (Armstrong 2000).

Similarly, U.S. planning and performance studies suggest significant correlations between strategic planning processes and relevant measures of firm performance (Boyd, 1991; Miller & Cardinal, 1994; Shrader, Taylor & Dalton, 1984) when the planning processes other than the formality of the system are examined (Brews & Hunt, 1999). Since strategic planning helps the firm focus its attention on salient environmental trends and define the firm's goals,

the act of going through such a process should enhance the firm's performance. In the case of multinationals facing multiple changing environments planning should have a positive effect on firm performance. (Grant, 2003)

A popular source equivocates on whether it is worthwhile to plan: 'Preparation of a comprehensive plan will not guarantee success, but lack of a sound plan will almost certainly ensure failure (wikipedia.24 May 2010).

Planning requires managers to assess the external forces that affect the company. This helps the company respond to challenges present in the environment. The goals that are established as part of the plan give company members a sense of direction and purpose in that environment. Further, when planning is properly conducted it helps the management team to establish priorities, coordinate activities develop standards, and clarify forces that will contribute to success. Effective planning processes result in increased participation by lower-level members. This, in turn leads to improved managerial skills for all of the members of the company. Planning is the basis of control and a well-designed plan sets the standards that will be used to assess performance at every level in the organizational hierarchy, both in the short term and over time. Finally planning may help a firm reduce future uncertainty by anticipating what may happen in the future, forcing managers to think long term.

### **1.1.3 Teachers Service Commission of Kenya**

The Teachers Service Commission (TSC) is a corporate body, established in 1967 by an Act of Parliament, CAP 212 of the Laws of Kenya (Legal Notice No.2 of 1967). The Commission is charged with the responsibility of managing teachers in Public Educational Institutions, excluding universities. The commission was established to bring all teachers under one employer with harmonized terms and conditions of service. Earlier on, Religious Organizations, local authorities, District Education Boards (DEBs) and the central government employed teachers.

At inception, the commission provided services to 39,725 teachers serving in 6,501 educational institutions. Over the years, the number of Educational Institutions has substantially increased to over 22,000 primary schools and 5,200 post-primary institutions. The commission which is the largest single employer in public sector in East and Central Africa serves a total of 245,000 teachers serving in public institutions countrywide.

TSC Act mandates it to perform the following core teacher management functions – Registration of teachers, Recruitment of teachers, Deployment of teachers, and Promotion of teachers, Discipline of teachers and Maintenance of teaching standards. TSC has a Secretariat, which operates within policies formulated by the commission. It's headed by the commission secretary who is also the chief executive and is the Accounting Officer, Advisor to the commission and the link between the commission and the Ministry of Education. There are a total of 2700 Secretariat staff who provide services to the teachers, 1800 of whom are in the headquarters while the rest are in units in all districts countrywide.

The implementation of Free Primary Education (FPE) initiative, Free and Affordable Secondary Education (FASE) and the expansion of schools through the Constituency Development Fund (CDF) resulted in unplanned influx of school children. This placed high demands on the Education Sector for the provision of learning/teaching materials and equipment, shortage of teachers, overcrowded classroom at primary school level and poor learning, increased transition rate from primary to secondary thus constraints effective teaching hence compromising quality education.

TSC relies on Treasury for its funds and grants which is released through its parent Ministry of Education MOE. 94% goes to paying salaries the balance of 6% goes to operations and management. Following the reduction of funding by the government and donors, it has affected the recruitment of more Teachers hence current shortage of 66,000 teachers, out of which 43,000 are in primary and 23,000 in secondary schools (DN June 22, 2010) thus undermining quality learning.

Mairura (2003).has observed the rapid expansion of Education has however put the teacher management under focus. The poor quality of service in the public service sector has always been a source of concern to stakeholders. This led to Customer satisfaction survey in 2009 mounted by the commission with the objective to address the major gaps in service delivery as identified by the TSC's customers. Numerous complaints from various stakeholders included salary delays, unpaid allowance, pension and gratuity claims and missing files is an indicator of falling short of the expected optimum level of performance.

## **1.2 Statement of the problem**

The environment within which companies operate is constantly changing and firms have to respond to these changes. Strategic plan has developed as a response to increasing challenges caused by high levels of environmental turbulence. Strategy helps firms to cope with change by designing appropriate strategic responses (Pearce and Robinson, 1988). The operational environment at the commission has a strong bearing on its performance. The external environment will directly impact on the operations and create challenges which must be achieved through implementation of strategic plan.

The implementation of FPE in 2003 posed challenges which include congestion in the classrooms and teachers shortages which compromised quality education thus pressure from stakeholders who included the Government, Teachers union KNUT and KUPPET, customers and parents. The management approach to strategic planning and performance management must thus be dynamic, flexible and innovative particularly when confronted with discontinuities and turbulence in its operating environment.

Previous studies have examined the impact of strategic planning on performances for various industries. Yamo (2006) on the civil engineering sector, Riungu (2008) on the banking sector, wanjohi (2002) on the insurance industry, none of these studies have focused on organisation which is a monopolistic government service provider such as TSC and these industries are geared towards profit making and wealth maximization for their stakeholders. The study will seek to answer the question; Does formal strategic planning has an impact on Teachers Service Commission performance?

## **1.3 Research Objective**

The research objective is to establish the effects of strategic planning practice on TSC performance.

## **1.4 Significance of the study**

The study will be significant to the TSC management as they will gain insight on factors that determine the firm's performance and be in a position to evaluate and monitor their business

operations. The firm managers will also be able to adopt best practices of strategic planning to enhance good performance and service delivery.

The study will also be important to the performance committee at the office president who will find this study useful in setting policies and evaluating the achievement of performance targets at TSC and other government entities.

The study will be useful to researchers as it will act as a stimulus to carry out further research in the same and related areas to increase volumes of existing knowledge.

The stakeholders such as the teachers union KNUT, KUPPET, TSC agents in the field, policy makers and implementers within educational and public sectors, Government and its Development partners.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

Strategic planning can be viewed as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it. This chapter analyses the contributions of other scholars on strategic planning and its effects on organizational performance. It touches on the concept, need, and process of strategic planning and its relationship to performance.

#### 2.2 The concept of Strategy

The word strategy has entered the field of management quite recently. At first the word was used in the military Science to mean what a manager does to offset actual or potential actions of competitors. A few people still use the word in the same sense. The word strategy was derived from Greek "Strategos" which means generalship. Strategy therefore means the art of the General. In management, the word strategy is taken more broadly. However, various experts do not agree on the precise scope of strategy. There are as many definitions of strategy as there are the experts. Lack of unanimity has resulted in two broad categories of definitions; strategy as action inclusive of objective setting and strategy as action exclusive of objective setting (Pearce and Robinson, 2003).

Strategic planning came into widespread acceptance between the 1960s and 1970s in North American and European enterprises. By contrast, government take-up of strategic planning, especially sub-national planning, did not take place until the mid-1980s in the same regions (Blackerby, 2003; Poister and Streib, 2005).

Johnson and Scholes (1993) define strategy as the direction and scope of an organization over the long-term, which ideally matches resources to its changing environment and its particular markets so as to meet stakeholders' expectations. This definition identifies three key components of strategy. First, the need to define the scope and range of an organization's activities within the specific environment it faces. Second, the needs of customers and markets are matched against resource capability to determine long-term direction; and third, the roles of stakeholders have on the strategy articulation because of their influence over the values, beliefs and principles which govern organizational behavior and business conduct.

Mintzberg (1983) considers strategy as a pattern that can be observed from a stream of actions and decisions. He introduces the concept of emergent strategy, which holds that strategy can only be observed after the event that it governs. There are two extremes of strategy; the completely deliberate strategy and the completely emergent strategy. In practice however, strategy tends to be a mix of the two. Thomson and Strickland (1993) advance that strategy is the managerial action plan for achieving the objective. It is a pattern of moves and approaches devised by management to produce the targeted outcomes.

Tichy (1983) argues that the accelerating rate of change is producing a business world in which customary managerial habits and organizations are increasingly inadequate. Experience was an adequate guide when changes could be made in small increments. But intuitive and experience based management philosophies are grossly inadequate when decisions are strategic and have major irreversible consequences. Pearce and Robinson (2003) note that there are three organizational elements providing fundamental long term means for institutionalizing the firm's strategy that is structure, leadership and organizational culture. Change involves moving from a present state through a transition state to a future desired state (Gongera, 2007).

Pearce and Robinson (2003) have described strategy as the primary tool that managers now use to guide companies in their turbulent existence. According to Ansoff and MacDonnell (1990) strategy is a set of decision-making rules for guidance of organization behaviour. They further argue that strategy is illustrative and somewhat abstract concept. Its formulation typically produces no immediate productive action in a firm. It is an expensive process both in terms of money and managerial time. Pearce and Robinson (2003) further define strategy as the managers' large scale, future-oriented plans for interacting with the competitive environment to optimize achievement of organization objectives. Thus, they add that strategy represents a firm's "game-plan". Though it does not precisely detail all future deployment of resources, it does provide a framework for managerial decisions. A strategy reflects a company's awareness of how to compete against whom, when, where and for what (Pearce and Robinson, 2003).

Schendel and Hofer (1979) underscore that 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. According to this definition, strategy is a match between organization's resources and skills and the environmental threats and opportunities

as it endeavors to achieve its targeted goals and objectives. Chandler (1992) defines strategy as the determination of basic long term goals and objectives, the adoption of action to achieve them and the allocation of resources.

In 1965, Professor Ansoff a well-known authority in the field of strategic management defined strategy as the common thread among the organizations activities and product, markets that defines the essential nature of business that the organization was planned to be in future. Igor Ansoff et al (1990) on the other hand defined strategy as a unified, comprehensive and integrated plan designed to ensure that the basic objectives of the enterprise are achieved. The three adjectives that Glueck used make the definition quite adequate. 'Unified' means that the plan joins all parts of an enterprise together; 'comprehensive' means it covers all the major aspects of the enterprise, and 'integrated' means that all the parts of the plan are compatible with each other (Kotter, 2007).

Strategy can therefore be described as a plan or a course of action or a set of decision rules forming a pattern or creating a common thread. The pattern or common thread related to the organization's activities which are derived from its policies, objectives and goals, pursuing those activities moving an organization from its current position to a desired future state. Strategy also defines a framework for guiding the choice of action. Since the firms internal and external environment change over time, strategy needs to be dynamic

Graham (2007) identifies four components of strategy; first, strategy should include a clear set of long-term goals. Second, it should define the scope of the firm. Thirdly, it should have a clear statement of what competitive advantage it will achieve and sustain. Finally, strategy must represent the firm's internal context that will allow it to achieve a competitive advantage in the environment in which it has chosen to compete.

### **2.3 The need for Strategic planning**

Calls for improved and more extensive planning in the small firm sector are frequently cited in the literature. For example, Osbourne (2005) argued that the entrepreneur must first identify an opportunity and then create a marketing and financial plan to capitalise on the idea. Control over the requisite resources must then be gained and an appropriate structure established. Osbourne (2005) also maintained that only about one-third of start-up

entrepreneurs create comprehensive marketing and financial plans, those who do so increase the probability of venture success.

Hewlett and Hewlett, (1999) agreed that every business, regardless of size, needs an effective, comprehensive business plan because the process of developing the plan forces the entrepreneur to think about the harsh "reality" of the business world, rather than the more common dream world. He believed that this is a necessary first step toward success and that it should have a well-defined format and parts.

Clayton (1996) took the requirement for strategic business planning in the small business sector even further with his belief that the lack of a strategic business plan in small businesses leads to outdated management practices, including an autocratic style of management practiced by the managing director or the proprietor. Business decision making is affected because no one other than the managing director or proprietor can make a decision because other people in the firm do not know where the business is going or how it is going to get there. Consequently, the potential ability of human resources within the firm is undermined and underutilized.

The standard theory of strategic management focuses around the planning of a mission and objectives, of which company performance is part, the implementation of strategies to achieve these objectives, and control to ensure that the objectives are achieved. Second, the purpose of strategic planning is to improve the effectiveness of management throughout an organization. This in turn could lead to indirect improvements in performance, although its efficacy may, of course, be lost in the complexity of variables with the potential to influence performance. However, managers may perceive that it contributes to effectiveness, giving them a feeling of confidence and control. Some authors have claimed that it is the act of planning which is of real value (Hamel, 2002), while Greenley (1986) has identified a range of advantages to be gained from using strategic planning. Strategic planning may therefore be effective as a process of management, regardless of the performance achieved. Despite this, Greenley (1994) argues the issue can be easily reverted back to performance: Even if these dimensions or features of planning are actually identified in a company's strategic planning, what purpose has been achieved by profiling their planning in a particular way if the company is unable to achieve higher levels of performance? Indeed, the whole focus of

strategic management evolves around the attainment of sets of objectives, which represent aspirations for future performance. (Kaplan and Norton. 2001).

## 2.4 Strategic Planning Processes

Strategic management seeks to align the firm's activities with its external environment. At the heart of this management approach is the strategic planning system. As firms face increased environmental change (e.g., more globalization) theorists (Grant, 2003) argue that firms benefit from strategic planning. For over thirty years, a plethora of studies have examined formal long range or strategic planning.

The strategic management process is concerned with establishing objectives and goals for an organization and maintaining a set of relationships between the organization and the environment. This enables it to pursue its objectives that are consistent with organizational capabilities, and continue to be responsive to changing business trends (Ansoff, 2000). The strategic management process is based upon the belief that key external and internal events and trends should continually be monitored. Organizations should pursue strategies that take advantage of external opportunities, minimize the impact of external threats, capitalize on internal strengths and mitigate internal weaknesses. Cole (2001) observes that strategic management process aims at identifying, articulating or developing an organization's uniqueness and wholeness. It also analyses business opportunities and threats, internal strengths and weaknesses or resource gaps and current values and management philosophy.

The strategic management process can be depicted as a series of steps. These components are: Strategy formulation (company vision and mission, company objectives and internal analysis), situation analysis and environmental scanning (competitor analysis, industry analysis, market analysis and strategy selection); strategy implementation and strategy evaluation and control (Pearce and Robinson, 2001). The process of strategic management involves strategy formulation, implementation, evaluation and control of actions that will enable an organization to achieve its objectives. A study on the contribution of formal planning to decisions revealed that planning systems studied contributed more to decisions that are considered important, risky, of global nature and related to divestments (Deepak, 1990).

Environmental scanning (analysis) is the process by which strategists monitor the environmental sectors (economic, political/legal, social/cultural, technological or ecological) to determine opportunities for and threats to the organization (Pearce and Robinson, 2001). The scanning gives planners time to anticipate opportunities and plan to take optimal responses to them thus developing appropriate measures to mitigate negative deviations. If a firm ceases to adjust its strategy to the environment, the result is minimal achievement of corporate objectives (Gabriel et al, 2005). Before an organization can begin to formulate strategy, management must scan the environment in order to identify opportunities, threats, strengths and weaknesses of the organization. To be successful over time, an organization must be dynamic and change oriented. There must be a strategic fit between what the customer wants and what the organization has to offer, as well as between what the organization needs and what the market can provide (Kotha, and Swamidass, 2000).

Strategy formulation is the development of long range plans for effective management of business opportunities and threats, in light of an organization's strengths and weaknesses. It is also called strategic or corporate planning. It includes environmental scanning, defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines (Andersen, 2004). Henderson, Ansoff et al (1999) argued that both organizational structure and competition are clearly important in shaping strategy and performance.

According to David (2007), strategy implementation includes organizing, motivating and staffing. Implementation of the chosen strategy is by any measure one of the most vital phases in the decision making process. Strategy implementation embraces all of those actions that are necessary to put the strategy into practice. David (2007) also states that strategies are not the end result of the strategic management process. Strategic thought has to be translated into strategic action. Once the strategic planning process is complete, the strategy must be implemented. No matter how creative and well formulated the strategic plan, the organization will not benefit if it is incorrectly implemented (Jay and Alec, 2005). Strategy implementation involves several dimensions of an organization. It requires changes in an organization's behaviour, which can be brought about by changing one or more dimensions, including management's leadership ability, organizational structure, information and control systems, human resources and production technology.

In strategy implementation, the management translates strategies and policies into action through development of programs, budgets and procedures. Although implementation is usually considered after strategy has been formulated, implementation is key part of strategic management. Effective leadership is necessary for strategy implementation. Managers have a role to influence members of an organization to adopt the behaviour needed for strategy implementation. Proper management involves communication and motivation as well as changes in corporate values and culture. Top managers seeking to implement a new strategy may find it useful to build coalitions and persuade middle managers to go along with the strategic plan and its implementation. If leaders involve other managers during strategy formulation, implementation will be easier because managers and employees will better understand, and be more fully committed to the new strategy (O'Regan, and Ghobadian, 2002).

Organizational structure is typically illustrated in an organization chart. This structure indicates individual managers' responsibilities and degree of authority and incorporates jobs into departments. Structure also pertains to the degree of centralization and whether a functional, divisional or matrix approach will be utilized. A proper mix of information and control systems must be developed to support the implementation of the strategic plan. Managers and employees must be rewarded for adhering to the new strategy and making it a success, or the intensity of implementation will be reduced substantially.

The human resource function plays a key role in strategy implementation. This function involves recruitment, selection, training, transfers, promotion and layoffs of employees to properly implement the strategic plan. New strategy may foster resentment and resistance among other managers and employees, and this is a matter that must be resolved quickly or it may hinder strategy implementation. Technology relates to the knowledge, tools and equipment used to accomplish an organization's assignments. If an organization adopts a strategy of producing a new product, managers must often redesign jobs and construct new buildings and facilities. New technology, because of its efficiency, may also be required for implementing a low-cost strategy.

As with other aspects of strategy implementation, the appropriate level of technology must be found for proper implementation of the strategic plan (Porter, 1997). According to Pearce and Robinson (2001), evaluation and control is the process by which an organization's activities

and performance results are monitored and actual performance compared with desired performance. In evaluation of strategy, managers try to ensure that the strategy chosen is properly implemented and is meeting the objectives of the organization. Control and evaluation process helps strategists monitor the progress of a plan. Evaluation and control processes are set up to ensure that the variance between expected and desired objectives will be close according to the strategy (Pearce and Robinson, 2001).

Though the above information may portray formality in strategic management, a number of factors determine how much formality is needed. These factors include the management style, complexity of the business environment and the size of the organization (Pearce and Robinson, 2001). Although evaluation and control is the final phase of strategic management, it can also pinpoint weaknesses in previously implemented strategies and thus stimulate the entire process to begin again.

Many of these studies have found that firms that plan possess different characteristics than non-planners. In particular, many studies have sought to examine the relationship between planning and firm performance (Boyd, 2001). A review of much of the literature suggests that strategic planning can be described along two broad dimensions, planning content or ends and planning processes or means. Planning content refers to the ends of the planning process such as: goals, mission statements, environmental information programs, and internal resources. Much of this content helps distinguish strategic planning from that which is purely operational planning. Prajogo and McDermott (2005) indicated that planning processes focus on the means or methods by which the planning process is carried out. Characteristics such as commitment, system maturity, comprehensiveness, time horizon, and importance are typical examples of such system or process characteristics.

This study focuses on planning processes or system characteristics because these processes have been examined far more in the literature (Miller & Cardinal, 2004) on planning and performance. This makes it easier to compare this study to the stream of literature that has preceded it. Second, culture is believed to affect planning processes (Haiss, 1990). As Brock et al. (2000) note, cultural values shape acceptable organization processes such as planning and decision making. Furthermore, Hofstede (2001) has observed that planning processes often reflect the dominant values of a culture.

## 2.5 Strategy Formulation and strategic planning

There are contrasting perspectives on the process of strategy formulation, for instance, Mintzberg and Lampel (2000) have classified ten. Broadly, they distinguish between prescriptive schools: design, planning and positioning and descriptive schools: cognitive, learning, power, cultural and environmental, and two which have elements of both: entrepreneurial and configuration. According to Mintzberg and Lampel (2000) some of the more recent approaches to strategy formation cut across these ten schools. The “dynamic capabilities” approach (Prahalad and Hamel, 1990) embodying notions of core competence, strategic intent and stretch, Mintzberg and Lampel see as prescriptive and practitioner-focused and classify it as a hybrid of the learning and design schools.

Essentially, the question regarding the nature of strategy formulation in organizations has centred on the so-called “design versus process” debate, which emphasizes the difference between deliberate and emergent strategies (Mintzberg and McHugh, 2002). Deliberate strategies are defined as “intentions rebased” from strategies that are formulated in advance, whereas an emergent approach produces evolving strategic patterns despite or in the absence of intentions’ (Mintzberg and McHugh, 1985,). One side advocates a formal, systematic, rational, strategic planning process (Ansoff, 2001). Others support an emergent process. Grant (2003) argues that this debate has occurred in the context of a lack of empirical investigation of the phenomenon itself as it has concentrated on a few case examples of “dubious validity”. Further, Grant maintains that much of the debate between the “strategy-as-rational-design” and “strategy-as-emergent-process” schools has been based upon a misconception of how strategic planning works in the real world. From his investigation of the strategic planning practices of the major oil companies, Grant (2003) found that the strategic planning systems of the international oil majors “could be described as processes of “planned emergence.” The primary direction of planning was bottom-up – from the business units to the corporate headquarters – and with business managers exhibiting substantial autonomy and flexibility in strategy making. At the same time, the structure of the planning systems allowed corporate management established constraints and guidelines in the form of vision and mission statements, corporate initiatives, and performance expectations.”

### 2.5.1 Firm environment

Boyd (2001) notes that strategic planning is one tool to manage environmental turbulence, which has been adopted by a wide range of organizations. Further, formal strategic planning is an explicit and ongoing organizational process, with several components, including establishment of goals and generation and evaluation of strategies. An effective strategic planning system will link long-range strategic goals with both mid-range and operational plans. Planners collect data, forecast, model and construct alternative future scenarios. Ostensibly, these activities should allow organizations to outperform other firms, which did not engage in planning (Emily 2006). Capon et al. (2004) argue that the greater the degree of sophistication of the planning process, the better the performance. In their view, strategic planners should perform better than financial planners because of their focus on adaptation to the environment, and the formal thinking through of strategic issues and resource allocation priorities. This practice should lead to the better identification of opportunities and threats, and appropriate firm action. Similarly, corporate planners should outperform division planners since an integrated corporate perspective should offer advantage over individual subunit perspectives. They also expect division strategic planners to outperform corporate financial planners because the adaptive environmental focus, albeit at a divisional level, should outweigh the benefits of corporate-wide financial integration. Overall they hypothesize that planners should outperform non-planners.

Environment is normally taken to mean those forces acting on the firm beyond the control of management (Schneider, and De Meyer, 2001). Although studies have found that certain aspects of strategic planning are associated with performance, theory also predicts that these associations will be influenced by external environmental influences. Capon, et al (2004, notes that if one of the purposes of strategic planning is to guide the organization in its relationships with the environment), then organizations that accurately project and anticipate environmental changes should exhibit an uncommon or distinctive level of performance. In this sense strategic planning may be more useful in a turbulent environment than a placid one. Consequently, the correlation between planning and performance may be stronger in a turbulent environment, and weaker in a placid environment (Boyd, 2001). There exist, however, some counter arguments that strategic planning is more likely to have a positive impact on firm performance in relatively less turbulent environments where future conditions

are easier to anticipate (Mintzberg, 2003). Comparison of these conflicting arguments with their respective empirical evidence was well documented by Priem et al. (2005).

### **2.5.2 Firm Size and Strategic planning**

Size has been argued to be a significant contingency variable to be considered when designing effective strategic planning systems. Robinson and Pearce (2003) argue that the organization's size is a critical contingency variable in the planning and performance relationship, and found evidence to support this position when they examined the planning-performance relationship among small firms. This finding was also confirmed by Powell (2004) who found that the correlation between strategic planning and performance was greater among large firms than among small firms. It may be further argued that in large organizations the strategic planning system functions as a co-ordination mechanism. Small firms, however, tend to relinquish formal strategic planning since they operate in relatively less complex industry environments and their internal operations are highly manageable by a single manager or small group of managers, without the need for being engaged in comprehensive planning . The larger the size of the organization the more formal the strategic planning system

Pearce et al. (2007) identify as a major methodological concern the influence that a firm's size may have on the planning-performance relationship. They call for explicit research attention to firm size, particularly regarding how this variable may interact with the formality dimension. Perhaps inadvertently, the reviewed studies treated elements of the industry context as uniformly operative and influential across diverse industries, despite an absence of comparative industry grouping analysis to substantiate their claims. The previous research considering the impact of inter-industry differences on the planning-performance relationship has produced conflicting results. Powell (2004) reported a higher planning and performance correlation in stable industries, while Miller and Cardinal (1999) reported a higher planning-performance correlation in unstable industries. Andersen (2000) noted that strategic planning is associated with higher performance in all the industrial settings studied and where the performance effect of strategic planning does not vary significantly across different industry groups.

### **2.5.3 The relationship between the time horizon of strategic planning and performance**

Long-term goals help to identify resource requirements at an early stage. The firm is thus able to acquire resources in advance and more efficiently. Moreover, a firm that aligns sourcing with long-term goals avoids purchases of unnecessary resources. In addition to that, long-term goals can motivate both entrepreneurs and employees (Collins and Porras, 2005). There is empirical evidence in support of a positive relationship between long-term formal planning and performance, indicating that the time horizon of plans for high performers is longer than that of plans for low performers. Thus, it can be assumed that the length of the time horizon of plans is positively related to firm performance.

### **2.6 Strategic Planning and Performance**

Strategic planning is a tool for finding the best future for organization and the best path to reach that destination. Quite often, an organization's strategic planners already know much of what will go into a strategic plan. However, development of the strategic plan greatly helps to clarify the organization's plans and ensure that key leaders are all on the same script but far more important than the strategic plan document is the strategic planning process itself. The strategic planning process begins with an assessment of the current economic situation. By examining factors outside of the company that can affect the company's performance.

In most cases, it makes sense to focus on the national, local or regional and industry economic forecasts. This part of the analysis should begin early, at least a quarter or so before the formal planning process begins. Hence, it's been concluded that, strategic planning positively affects organizations' performance, or more specifically, the amount of strategic planning an organization conducts positively affects its financial performance. Since the case study used for this research study is a public service provider, there is need to understand strategic planning and performance relationships in organizations.

The result from past researches suggested that the intensity with which firm engage in the strategic planning process has a direct positive effect on firm's performance and mediates the effect of managerial and organizational factors on firm performance (Pearce, Robbins and Robinson, 2006). Results also indicated a reciprocal relationship between strategic planning intensity and performance. That is, strategic planning intensity causes better performance and

in turn, better performance causes greater strategic planning intensity (Hopkins and Hopkins, 2007).

There is a constant need for organizations, especially service provider firms to think strategically about what is going on (Schmenner, 2005). This appears to be precisely what firms, in particular have begun to do in recent years. In response to increasing complexity and change in the service industry, firm has turned to strategic planning. The relatively new trend towards strategic planning in firm is viewed as a move designed not only to help them negotiate their environment more effectively, but to improve their performance as well (Prasad, 2000). In consistent results of related research, however, have not fully resolved the issue of whether strategic planning leads to improvements in firm's performance.

The intensity with which managers engage in strategic planning depends on Managerial for example strategic planning expertise and beliefs about planning-performance relationships, Environmental for instance complexity and change and Organizational size and structural complexity factors. The effects of these factors on strategic planning intensity have been suggested by several studies (Robinson *et al.*, 2006).

Studies that have analyzed the relationship between strategic planning and performance proved that the intensity with which firms engage in the strategic planning process intervene- that is cause an indirectness and lack of one-to-one correspondence-between factors such as strategic planning expertise and beliefs about planning performance relationships (managerial factors), environmental complexity and change environmental factors, firm size and structural complexity (organizational factors) and firm's performance. As suggested by the inconsistent research findings, past studies have misspecified the relationship between strategic planning and performance in firms. Misspecification of this relationship might be attributed to past studies' lack of attention to the relationship among these managerial, environmental, organizational factors and their potential impact on planning intensity and performance (Hopkins and Hopkins, 2007).

## **2.7 Empirical review**

Greenley (2004) notes that an initial examination of these results suggests that, on balance, the evidence supports an association between strategic planning and company performance.

However, this conclusion does not include an appraisal of the methodological rigor of these results. He argues that there were many methodological weaknesses, which challenge this initial conclusion.

Armstrong (2000) considered 12 studies reporting positive, null or negative benefits to formal planning, and concluded that these studies supported the usefulness of formal planning, but that “serious research problems were found in these studies, so few conclusions could be drawn about how to plan and when to plan. Pearce et al. (1997) examined 18 studies and concluded that empirical support for the effect of strategic planning “has been inconsistent and contradictory” and that only a “tenuous link” between formal strategic planning and financial performance had been identified. Boyd (2001) results from his meta-analysis using 29 empirical studies, which sampled 2,496 organizations in all, found the overall effect of planning on performance very weak.

In a more balanced view Boyd (2001) makes the following conclusions: Early adopters of strategic planning took comfort in the findings of Thune and House (1970). Firms which are questioning the need for strategic planning should remember two points from this body of research: first, existing research is subject to a great deal of measurement error, thus seriously underestimating the benefits of planning. Second, while the average effect size is small, many firms do report significant and quantifiable benefits from participating in the strategic planning process (Boyd 2001)

High levels of performance in firms may result in strategic planning, as greater performance allows for the allocation of resources to planning (Welch, (2000). Mintzberg (2004) puts it “only rich organizations can afford planning, or at least planners. While Rhyne (2005) in his study found that firms with planning systems more closely resembling strategic management theory were found to exhibit superior long-term performance, both relative to their industry and in absolute terms, he concluded that “whether strategic planning resulted in superior performance or superior performance permitted strategic planning remains difficult to specify” (Rhyne, 2005)

Empirical research on the impact of strategic planning on organizational performance was initiated by pioneering studies such as, Ansoff et al. (1970). Their findings confirmed the prevailing wisdom about the usefulness of strategic planning. This inconsistent nature of

results motivated some researchers' to investigate these studies to obtain possible explanations for this divergence in findings. Kudla (1980) criticized previous studies as lacking "control of extraneous, independent variables that could have influenced performance). Ramanujam et al. (2002) investigated the impact of five dimensions of the strategic planning system on organizational performance and results reinforced the overall positive impact of strategic planning on organizational performance when they controlled for the potential effects of both size and environment.

Despite the large volume of studies that has accumulated over the past three decades to clarify the form, strength and direction of the relationship between strategic planning and organizational performance, very little can be said with certainty about this relationship. This inconsistent and vexing nature of empirical research findings presented insofar encourages researchers to examine this relationship in different contexts.

Most of the empirical research conducted within the boundaries of this paper shows a strong bias toward examining the link between strategic planning and firm performance in U.S. and U.K. companies. To the best of the authors' knowledge, no study exists that is primarily and explicitly concerned with empirically examining this relationship in emergent markets such as Jordan. Therefore, the first concern of this paper is to examine the relationship between strategic planning and financial performance of the firm in JMOs. Following the conventional wisdom that advocates the positive impact of strategic planning on firm performance, the following two hypotheses are developed

The exclusive focus on indicators of firm performance has limited our ability to examine the impact of strategic planning on other important aspects of performance. This over reliance on economic indices to assess performance is in fact a partial conceptualization of this construct, especially within strategic context. Much criticism has been directed at the financial indicators due to their inability to encompass the multidimensionality of organizational performance. Alternatively, instead of relying on strict and narrow economic figures, subjective assessments of performance were suggested as an appropriate means to capture the multidimensionality of this construct. Drawing on this suggestion, the current study utilizes no performance indicators of organizational performance in addition to economic performance. Four behavioral indicators have been found to be common in literature (Venkatraman, and Ramanujam, 2003). They are: Adaptability, which refers to the ability of

the organization to cope with changes that occur in the environment in which the organization exists, Job satisfaction, which reflects the degree to which members of the organization are satisfied with their work Attractiveness, which measures the ability of the organization to attract and hire quality labor force, and Retention, which assesses the ability of the firm to retain quality people within the firm.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter presented the methodology that was used to carry out this study. Research methodology was defined as an operational framework within which the facts were placed so that their meaning may be seen more clearly. The task that follows the definition of the research problem was the preparation of the design. The methodology of this research included research design, population to be studied and sampling strategy, the data collection process, the instruments used for gathering data, and how data was analyzed and presented.

#### 3.1 Research Design

This research was conducted through a case study. A case study allows researchers to understand the nature and complexity of the process that is taking place and answer the “how” and “why” questions (Mugenda and Mugenda 2003). This method enhances in-depth investigations of the study. Cooper and schindler (2005) stressed that case studies places more emphasis on a full contextual analysis of fewer elements or conditions and their interrelations which relies on qualitative data.

#### 3.2 Data Collection

The study used a questionnaire to collect the required data. A questionnaire is a data collection instrument that sets out in a formal way the questions designed to elicit the desired information (Mugenda and Mugenda 2003). According to Donald and Charles (1975), if a questionnaire is to achieve the desired purposes, two basic criterion are to be met that is relevancy and accuracy. It consisted of a list of structured questions, un-structured questions and Liekert rating scales relating to the field of inquiry with space provided for selection of choices and explanatory answers. Close ended questions has the advantage of collecting viable quantitative data while open-ended questions allows the respondents freedom of answering questions and the chance to provide in-depth responses. Questionnaire method was preferred because it was efficient, cheap and easy to administer.

These questionnaires were administered through drop and pick later to respondents with a brief explanation on their purpose and importance. These questionnaires were given to twenty senior and middle level managers of the following departments; Human resource and salaries, Customer care which is the first point of contact with the external client, Public relations since they are responsible for the planned communication between the commission and internal and external publics, Policy planning and research department which provides corporate planning, policy analysis, research and innovations support services. They were also responsible for the formulation, implementation and evaluation of strategic planning and performance in the commission.

### **3.3 Data Analysis**

The collected questionnaire was checked for completeness and consistency before coding. The coded data was analyzed using statistical measures such as percentages, mean scores and standard deviations. The results were then presented using frequency tables, charts and graphs. This involved observation and detailed description of phenomena that comprise the object of study. The researcher used the data with an aim of presenting the research findings in respect to the effects of strategic planning on firm performance specifically focusing on Teachers Service commission.

## CHAPTER FOUR:

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter discusses the interpretation and presentation of the findings. The findings were analyzed and discussed in line with the contents of the questionnaire appendix one (1). The questionnaire was divided into three parts and findings of each section were analyzed accordingly. From the study, the target population was 35, 32 of whom responded and returned the questionnaires. This constituted 91.2% response rate.

#### 4.2 General Information

##### Position in the organization

The respondents were requested to indicate the position they hold in the commission. From the findings, majority of the respondents were customer care officers, their assistants, Human resource managers and their assistants, Public Relations Managers, others indicated that they were assistant managers; policy, planning and research specialists and others indicated that they were the operatives.

**Table 4. 1: Time in Years the Respondents had worked in the Teachers Service Commission**

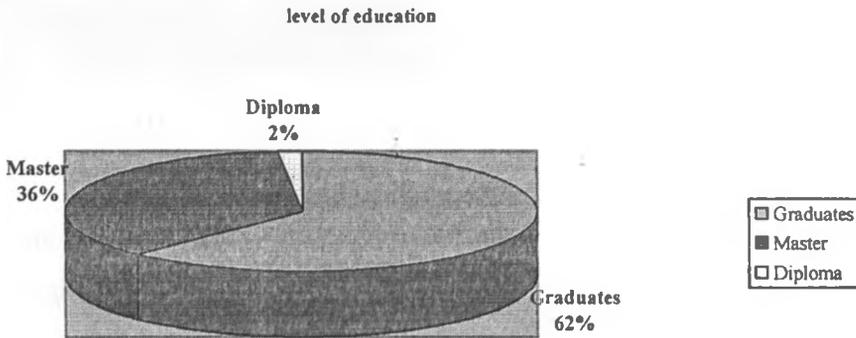
	Frequency	Percent
1-5 years	3	10
5-10 yrs	8	23.5
Over 10 years	21	66.5
Total	32	100.0

Source: Research Data

The respondents were requested to indicate the period of time they had been in working in their respective banks as indicated in the table 4.1. From the findings, most 66.5 % of the respondents indicated that they had been working in the organisation for 10 years and above.

23.5% of the respondents indicated that they had been working in the Teachers service Commission for 5 to 10 years while 7.6% of the respondents indicated that they had been working in the Commission for 1-5years. This clearly indicated that majority of the respondents had been working in the Teachers Service commission for more than 5 years had had experiences on the effect of strategic planning on performance of Teachers service commission .

**Figure 4. 1: Level of Education**

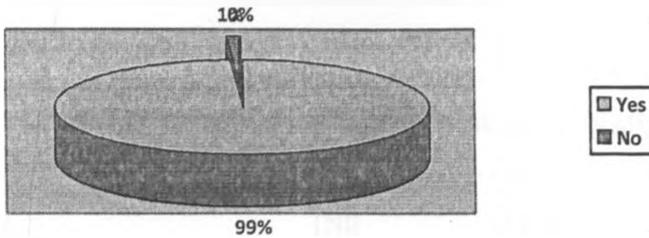


**Source: Response data**

The figure 4.1 shows level of education attained by the respondents. From the findings, 62% of the respondents were graduates, 36% of the respondents were post graduate with masters and 2% of the respondents were diploma holders. This implies that the Teachers service commission had employed educated personnel to offer quality services to its clients and ensure strategic issues are well understood and implemented.

### 4.3 Issues of Strategic Planning

Figure4. 2: Whether Teachers Service Commission has embraced Strategic Planning.



The respondents were requested to indicate whether Teachers service commission had embraced strategic planning. From the findings, 99% of the respondents indicated that Teachers service commission had embraced strategic planning while 1% of the respondents indicated that the commission has not. This clearly indicates that Management of the Teachers service commission has adopted strategic planning to achieve its objectives and attain high performance.

#### **People that were involved in the formulation of the company's mission and vision**

The respondents were requested to indicate people who were responsible for the formulation of Teachers service commissions' mission and vision, from the findings, majority of the respondents indicated that the senior managers in the department of Human resource, salaries, policy, planning and research, the commissioners were individuals responsible for the formulation of the mission and vision of the commission.

#### **How often are the missions and vision statements of TSC reviewed?**

The respondents were requested to indicate how often the vision and mission statement were reviewed .From the findings, most of the respondents indicated that the vision and mission statement are review after every five years.

### How long does it take before it is implemented?

On the period of time the made decision made take before they are implemented, most respondents indicated that decision made took time before its implemented while others indicated that decision made take effects immediately it had been agreed upon , while still others indicated that decisions made takes time and depends on the resources available for it to be effected.

**Table4. 2: Extent do the following factors cause the alteration of the commission strategic plan**

Statement	N0	Mean	Std Dev
Political changes	32	3.9	0.55
Economical changes	32	4.2	0.29
Physical environmental changes	32	3.6	0.43
Social Cultural factors	32	3.3	0.58
Competitors actions	32	4.4	0.71
Management policies	32	4.5	0.65

The table 4.2 indicates the factors that influence strategic planning in the Teachers service commission; the respondents were requested to indicate the extent to which the given factors causes alteration of the commission strategic plan. From the findings, majority of the respondents indicated that managerial policies influence alteration of the commission strategic plan to a very great extent as indicated by a mean of 4.5, while most of the respondents indicated that competitors action and economic changes influenced alteration of strategic plan of the commission to a great extent as indicated by a mean of 4.4 and 4.2 respectively. It was also found that most of the respondents indicated that political changes and physical environmental changes influence alteration of the strategic plan at Teachers service commission to a great extent as indicated by a mean of 3.9 and 3.6 respectively. It

was also found that social cultural factors influence strategic plan at Teachers service commission to a moderate extent as indicated by a mean of 3.3. This implies that managerial policies adopted by the management at Teachers service commission, competitions from other institutions and economic changes greatly influence the alteration of the strategic plan of the organization to a great extent.

**Table4. 3: The Extent the Teachers service Commission use the steps in strategic planning process**

Strategic Planning Steps	No	Mean	Std Dev
Establishing a vision-the benefits that stakeholders can expect	32	4.9	0.98
Establishing a mission-clarifying what business your company is in	32	4.8	0.79
Development of key strategies that contribute to the overall vision	32	4.5	0.88
Development of specific, measurable , realistic and time-bound strategic goals	32	4.7	0.97
Establishing company values-what the organization stands for and believes in	32	4.5	1.00
Communication of organizational vision, mission and key policies	32	4.7	0.97
Top management leadership through an executive council/policy committee	32	4.4	0.56
Development of short- and long-term operational goals; subdividing goals and allocating sub-goals with careful attention to details, participants, schedules and milestones	32	4.6	0.68
Monitoring and Evaluation – measure progress towards attaining operational and strategic goals with key performance indicator	32	4.5	0.29
Corrective action-review and address gaps between current position and the targeted	32	4.6	0.76

The respondents were requested to indicate the extent to which the Teachers service commission management adopt the ten strategic planning processes in it strategic planning endeavors. From the findings, majority of the respondents indicated that the Teachers service commission used Establishing a vision-the benefits that stakeholders can expect, Establishing a mission-clarifying what business your company is in, Development of specific, measurable, realistic and time-bound strategic goals and Communication of organizational vision, mission and key policies to a very great extent as indicated by a mean of 4.9, 4.8, 4.7 and 4.7 respectively. It was also found that the Teachers Service Commission adopt development of short- and long-term operational goals; subdividing goals and allocating sub-goals with careful attention to details, participants, schedules and milestones, adopt corrective action-review and address gaps between current position and the targeted and ensures Monitoring and Evaluation – measure progress towards attaining operational , strategic goals with key performance indicator , Establishing company values-what the organization stands for and believes in and Development of key strategies that contribute to the overall vision to a very great extent as indicated by a mean of 4.6 ,4.6, 4.5 , 4.5 and 4.5 respectively. Most of the respondents indicated that the Teachers Service commission adopts top management leadership through an executive councils and policy committee in strategic planning process as indicated by mean of 4.4.This implies that the Teachers Service Commission used the ten steps of strategic planning process in strategic planning to a very great extent.

**Table 4. 4: Extent to which each factor affect Strategy Implementation as TSC**

Factors	No	Mean	Std dev
The changing and accelerating environments leading to a high level of uncertainty	32	4.5	0.70
Higher customer expectations	32	4.7	0.56
The dilution of borders between competitive environments.	32	3.9	0.45
The move towards global competition.	32	4.4	0.85

The table indicates the factors that affect strategy implementation at Teachers service commission .The respondents were requested to indicate the extent to which the factor affected strategy implementation at Teachers service Commission. From the findings, majority of the respondents indicated that higher customer's expectations and the changing and accelerating environments leading to a high level of uncertainty affects strategy implementation at Teachers Service Commission to a very great extent as indicated by a mean of 4.7 and 4.5 respectively. Most of the respondents indicated that the move towards global competitions and dilution of the borders between competitive environment influence strategy implementation at Teachers service commission to a very great extent as indicated by mean of 4.4 and 3.9 respectively. This implies that strategy implementation at Teachers Service Commission, is greatly influenced by high customer demand, changing environmental changes and global competition.

**Table4. 5: Effects of strategic planning of performance of Teachers Service Commission**

Strategic planning and Performance	No	Mean	Std Dev
Through strategic planning TSC is able to cope with change in the environment	32	4.5	0.55
Through the strategic planning TSC hire highly qualified teachers	32	4.8	0.67
The TSC acquire technology through strategic planning	32	4.6	0.44
Through strategic planning the TSC is able to allocate teachers equally to all regions in the country	32	4.4	0.63
The TSC through adoption of strategic planning pay teachers well and retain qualified teachers in school	32	4.1	0.33
The TSC through adoption of strategic planning reduces Political barrier in hiring of teachers	32	3.8	0.75
The strategic place adopted by TSC enable it gain competitive edge over other organization	32	4.7	0.56

The respondents were requested to indicate to what extent they agree on the given statement on effect on strategic planning on performance of Teachers service commission. From the findings, majority of the respondents strongly agreed that through strategic planning, TSC hire highly qualified teachers, gain competitive edge over other organization and acquires technology through strategic planning, as indicated by a mean of 4.8, 4.7 and 4.5 respectively. Most of the respondents agreed that through strategic planning the TSC is able to allocate teachers equally to all regions in the country, pay teachers well and retain qualified teachers in school and reduces Political barrier in hiring of teachers as indicated by a mean of 4.4, 4.1 and 3.8 respectively .This implies that the through strategic planning, Teachers service commission has been able to improve its performance. Strategic planning positively affects organizations' performance, or more specifically, the amount of strategic planning an

organization conducts positively affects its performance. Since the case study used for this research study is a public service provider, there is need to understand strategic planning and performance relationships in organizations. High levels of performance in firms may result in strategic planning, as greater performance allows for the allocation of resources to planning that only rich organizations can afford planning, or at least planners. While Rhyne (2005) in his study found that firms with planning systems more closely resembling strategic management theory were found to exhibit superior long-term performance, both relative to their industry and in absolute terms, he concluded that “whether strategic planning resulted in superior performance or superior performance permitted strategic planning remains difficult to specify” (Rhyne, 2005).

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter summarizes the findings and makes conclusions of this study. The collected data has been analyzed and interpreted in line with the aim of the study: - an investigation of effects of strategic planning on the performance of Teachers Service Commission of Kenya. It also includes the study recommendations for further study.

#### 5.2 Summary.

It was established that the Teachers service Commission has embraced strategic planning to be able to cope up with the volatility of the environment. From the findings, 99% of the respondents indicated that Teachers service commission has embraced strategic planning. This clearly indicates that Management of the Teachers service commission has adopted strategic planning to achieve its objectives and attain high performance. According to Pearce and Robinson (2004), all organizations all over interact with both the external environment economic, social, cultural and technological factors and the operating environment that encompasses competitors, creditors, customers, suppliers and labour markets. Therefore, the goal of Teachers service Commission is to establish distinctive or unique capabilities to gain a competitive advantage in the marketplace through formulating and implementing effective strategic plan.

The senior managers in the department of Human resources, salaries, policy, planning and Research and the commissioners were individuals responsible for the formulation of the commissions vision and mission and the strategic plans for the commission.

From the findings, most of the respondents indicated that the vision and mission statement are review after ever two and half to five years. According to Callahan and Haines (1986), Planning is a conscious systematic process and should be reviewed for decisions to be made about vision , mission, values, goals, strategies priorities and activities that an organization and by extension industry players will pursue if they are to secure and remain relevant in the future, amidst a constantly volatile environment

Strategic planning is influenced by a number of factors, From the findings, managerial policies was found to influence alteration of the commission strategic plan to a very great extent as indicated by a mean of 4.5, competitors action and economic changes influenced alteration of strategic plan of the commission to a great extent as indicated by a mean of 4.4 and 4.2 respectively. It was also found that most of the respondents indicated that political changes and physical environmental changes influence alteration of the strategic plan at Teachers service commission to a great extent as indicated by a mean of 3.9 and 3.6 respectively. It was also found that social cultural factors influence strategic plan at Teachers service commission to a moderate extent as indicated by a mean of 3.3. This implies that managerial policies adopted by the management at Teachers service commission, competitions from other institutions and economic changes greatly influence the alteration of the strategic plan of the organization to a great extent. If a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength (Quinn 1980).

The strategic planning process is concerned with establishing objectives and goals for an organization and maintaining a set of relationships between the organization and the environment. According to Pearce and Robinson (2001), strategic planning involved Strategy formulation, company vision and mission, company objectives and internal analysis), situation analysis and environmental scanning (competitor analysis, industry analysis, market analysis and strategy selection); strategy implementation and strategy evaluation and control

From the findings, majority of the respondents indicated that the Teachers service commission used Establishing a vision-the benefits that stakeholders can expect, Establishing a mission-clarifying what business your company is in, Development of specific, measurable, realistic and time-bound strategic goals and Communication of organizational vision, mission and key policies to a very great extent .It was also found that the Teachers Service Commission adopt development of short- and long-term operational goals; subdividing goals and allocating sub-goals with careful attention to details, participants, schedules and milestones, adopt corrective action-review and address gaps between current position and the targeted and ensures Monitoring and Evaluation – measure progress towards attaining

operational , strategic goals with key performance indicator , Establishing company values- what the organization stands for and believes in and Development of key strategies that contribute to the overall vision to a very great extent .

Most of the respondents indicated that the Teachers Service commission adopts top management leadership through an executive councils and policy committee in strategic planning process .This implies that the Teachers Service Commission used the ten steps of strategic planning process in strategic planning to a very great extent. Strategic planning process at Teachers service commission has help the management in identifying, articulating or developing the commissions 's uniqueness and wholeness as well as analyses commissions opportunities and threats, internal strengths and weaknesses or resource gaps and current values and management philosophy.

From the findings, majority of the respondents indicated that higher customer's expectations and the changing and accelerating environments leading to a high level of uncertainty affects strategy implementation at Teachers Service Commission to a very great extent.The other factors that affects strategic planning implementation were global competitions and dilution of the borders between competitive environment influence strategy implementation at Teachers service commission This implies that strategy implementation at Teachers Service Commission, is greatly influenced by high customer demand, changing environmental changes and global competition.

It was established that long-term planning helps to identify resource requirements at an early stage. The firm is thus able to acquire resources in advance and more efficiently.From the findings, majority of the respondents strongly agreed that through strategic planning, TSC hire highly qualified teachers, gain competitive edge over other organization and acquires technology through strategic planning. Most of the respondents agreed that through strategic planning the TSC is able to allocate teachers equally to all regions in the country, pay teachers well and retain qualified teachers in school and reduces Political barrier in hiring of teachers. This implies that the through strategic planning, Teachers service commission has been able to improve its performance. Strategic planning positively affects organizations' performance, or more specifically, the amount of strategic planning an organization conducts positively affects its performance. Since the case study used for this research study is a public

service provider, there is need to understand strategic planning and performance relationships in organizations.

High levels of performance in firms may result in strategic planning, as greater performance allows for the allocation of resources to planning that only rich organizations can afford planning, or at least planners. While Rhyne (2005) in his study found that firms with planning systems more closely resembling strategic management theory were found to exhibit superior long-term performance, both relative to their industry and in absolute terms, he concluded that “whether strategic planning resulted in superior performance or superior performance permitted strategic planning remains difficult to specify” (Rhyne, 2005).

### **5.3 Conclusion**

From the findings, the study concludes that Teachers service Commission has embraced strategic planning to be able to cope up with the volatility of the environment, achieve its objectives and attain high performance and interact well with both the external environment economic, social, cultural and technological factors and the operating environment that encompasses competitors, creditors, customers, suppliers and labour markets. Therefore, the goal of Teachers service Commission is to establish distinctive or unique capabilities to gain a competitive advantage in the marketplace through formulating and implementing effective strategic plans.

From the findings, the study concludes that Strategic planning is influenced by managerial policies, competitors' action and economic changes, political changes as well as environmental changes influence. The study also concludes that if the Teachers service Commission wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength .

The study concludes that strategic planning help the management of the Teachers Service Commission to identify resource requirements at an early stage and acquire them in advance and more efficiently. The study further concludes that through strategic planning, TSC hires

highly qualified teachers, gain competitive edge over other organizations and acquires technology through strategic planning and attains high levels of performance in the firm as a result of embracing strategic planning, as greater performance allows for the allocation of resources to planning that only rich organizations can afford planning, or at least planners.

The study also concludes that through strategic planning the TSC is able to allocate teachers equally to all regions in the country, pay teachers well and retain qualified teachers in schools and reduces Political barriers in hiring of teachers and that the through strategic planning, Teachers service commission has been able to improve its performance.

Finally the study concludes that Strategic planning positively affects Teachers service commission' performance and more specifically, the amount of strategic planning it conducts positively affects its performance. Since the case study used for this research study is a public service provider, there is need to understand strategic planning and performance relationships in organizations.

#### **5.4.1 Recommendations**

The study recommends that firms should embrace strategic planning as it will help in management to identify resource requirements at an early stage and acquire resources in advance and more efficiently

The study recommends that through strategic planning, firms may acquired high qualified employees, gain competitive edge over other organization and acquires technology through strategic planning and attains high levels of performance.

The study also recommends that firms should embrace strategic planning to be able to distribute resources equally in the organization and retain qualified staff as well as reduces Political barrier and other factors to improve it performance.

Finally the study recommends that organizations should be able to adopt strategic planning as it affects organizations' performance and more specifically, the amount of strategic planning and it conducts positively affects its organization performance.

#### **5.4.2 Recommendation for Further Study.**

The study investigated of effects of strategic planning on the performance of Teachers service commission of Kenya and found that strategic planning has positive effects on firm's performance. Further study should be carried out to investigate the extent to which strategic planning affects firms performance as well as challenges affecting strategic planning in organization.

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**APPENDICIES.**

**Appendix 1: LETTER OF INTRODUCTION**

**TO: RESPONDENT**

**FROM: ERICA**

Dear sir/madam,

**RE: COLLECTION OF RESEARCH DATA**

I am a student at the University of Nairobi pursuing a degree in Master of Business Administration (MBA).

I am currently conducting a Management Research project on the impact of strategic planning and performance at TSC.

I humbly request for your valuable time in assisting to complete the attached Questionnaire.

The information provided in this study will be treated with utmost confidentiality and will not be used for any other purpose apart from its intended academic purpose.

Your cooperation is highly appreciated.

Thank you.

Yours faithfully,

## Appendix 2: Questionnaire.

This questionnaire is designed for academic purposes only and the information given in response will be treated with utmost confidentiality. Kindly answer the questions as objectively as possible.

### SECTION A: Background of Respondent

Please Tick Where Applicable

1. Position in the organization \_\_\_\_\_

2. How long have you worked in the organization?

1 Year to 5 Years [ ]

5 Years to 10 Years [ ]

Over 10 Years [ ]

4. Highest level of education

i. O-level/A-level [ ]

ii. Diploma [ ]

iii. degree [ ]

iv. masters

v. Any other, specify

**PART B: STRATEGIES ADOPTED BY THE FIRM**

5. Has your firm embraced strategic planning? .....

i. Yes [ ]

ii No [ ]

6. If Yes in (1) above, please indicate the people that were involved in the formulation of the company's mission and vision. ....

7. How often are the missions and vision statements of TSC reviewed?  
.....

8. Once a decision is made, how long does it take before it is implemented?  
.....

9. To what extent do the following factors cause the alteration of the commissions strategic plan?

Statement	Great extent	Moderate extent	Low extent	Not at all
Political changes				
Economical changes				
Physical environmental changes				
Social Cultural factors				
Competitors actions				
Management policies				
Other (Please specify)				

10. Kindly indicate the extent to which the 10 steps of strategic planning process are used in your organization. Use a scale of 1 to 5 where: 1 = No extent at all; 2 = little extent; 3 — Moderate extent; 4 = Great extent; 5 - A very great extent

Strategic Planning Steps	1	2	3	4	5
Establishing a vision-the benefits that stakeholders can expect					
Establishing a mission-clarifying what business your company is in					
Development of key strategies that contribute to the overall vision					
Development of specific, measurable , realistic and time-bound strategic goals					
Establishing company values-what the organization stands for and believes in					
Communication of organizational vision, mission and key policies					
Top management leadership through an executive council/policy committee					
Development of short- and long-term operational goals; subdividing goals and allocating sub-goals with careful attention to details, participants, schedules and milestones					
Monitoring and Evaluation – measure progress towards attaining operational and strategic goals with key performance indicator					
Corrective action-review and address gaps between current position and the targeted					

11 Kindly indicate the extent to which the listed Organizational Requirements for Strategic Planning by TSC. Use a scale of 1-5 where: 1 - No extent at all; 2 - Little extent; 3 = Moderate extent; 4= Great extent; 5 =A very great extent.

**Extent to which each affect Strategy Implementation**

Factors	1	2	3	4	5
The changing and accelerating environments leading to a high level of uncertainty					
Higher customer expectations					
The dilution of borders between competitive environments.					
The move towards global competition.					

**Section C: Strategic planning and Performance**

12 To what extent do you agree with the following statement concerning effects of strategic planning of performance of Teachers Service Commission?

<b>Strategic planning and Performance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Through strategic planning TSC is able to cope with change in the environment					
Through the strategic planning TSC hire highly qualified teachers					
The TSC acquire technology through strategic planning					
Through strategic planning the TSC is able to allocate teachers equally to all regions in the country					
The TSC through adoption of strategic planning pay teachers well and retain					
The TSC through adoption of strategic planning reduces Political barrier in hiring of teachers					
The strategic place adopted by TSC enable it gain competitive edge over other organization					

Any other please specify

.....

**THANK YOU**