

**STRATEGIC MANAGEMENT PRACTICES IN PARLIAMENT OF KENYA**

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## DECLARATION

I, the undersigned, declare that this is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

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

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## **DEDICATION**

I dedicate this project to my family for their moral support, prayers and patience throughout my study period.

## **ACKNOWLEDGMENT**

It has been an exciting and instructive study period in the University of Nairobi and I feel privileged to have had the opportunity to carry out this study as a demonstration of knowledge gained during the period studying for my master's degree. With these acknowledgments, it would be impossible not to remember those who in one way or another, directly or indirectly, have played a role in the realization of this research project. Let me, therefore, thank them all equally.

First, I am indebted to the all-powerful GOD for all the blessings he showered on me and for being with me throughout the study. I am deeply obliged to my supervisor for his exemplary guidance and support without whose help; this project would not have been a success.

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## **ABSTRACT**

The main purpose of the study was to establish the strategic management practices undertaken at Parliament of Kenya. The study was carried out through a case study design where the unit of study was sought to find out the strategic management practices at the Parliament of Kenya. The study made use of both primary and secondary data. The respondents of the study were ten (10) managers drawn from various departments. They included the Human resource Manager, Accounts Manager, ICT Manager, Legal Officer, Public relations manager, and budget officer and many others. Both the primary and secondary data was qualitative in nature. Content analysis was used to analyze the data. The findings of the study established that the strategic management practices in Parliament of Kenya by reviewing the evaluation of strategic management practices, the organizational performance and the challenges facing strategic management practices. The findings established that the strategic planning processes are reviewed constantly in order to improve on performance and performance measures. The role of managers is crucial in strategy management practices. They contribute content; act as the link between organizational levels and between the organizational levels and between the organizational level and direct reports and they serve as performance role models. The strategic steps and processes in planning and implementation include: evaluate the strategic plan; create a vision for implementing the strategic plan; select team members to help implement the strategic plan; schedule meetings to discuss progress reports and involve the upper management where appropriate. The process of strategic management is a continuous one that changes as the organizational goals and objectives evolve. Strategic planning can help to improve the performance of the organization by committing to the strategic planning procedures to reduce risk. The importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed. An important part of strategic planning is always monitoring and adapting the plan to survive changing and unanticipated conditions. Strategy should include a clear set of long-term goals; it should define the scope the firm and it should have a clear statement of what competitive advantage it will achieve and sustain. Strategy should 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. Strategy should only consider opportunity without much regard for possibilities and limits.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

The concept of the strategic management practices covers organization-wide issues in the context of a whole range of its operational influences. Organizations seek to reposition themselves in order to create new competences and capacities to exploit and deal with new situations. Practices are the flow of information through interrelated stages of an analysis toward the achievement of an aim. In strategic management practices, the flow of information involves historical, current, and forecast data on the operations and environment of the business. Managers evaluate these data in light of the values and priorities of influential individuals and stakeholders that are vitally interested in the actions of the organizations (Pearce and Robinson, 2009).

Thomson, Strickland and Gamble (2007) stress that the managerial practices of crafting and executing a strategy consists of five interrelated and integrated phases. First, developing a strategic vision of where an organization needs to head and where its future product, market, customer or technology focus should be. According to Mintzberg, Ahlstrand and Lampel (2009), vision is a mental representation of strategy, created, or at least expressed in the head of a leader that serves as an inspiration and sense of what needs to be done, but often tends to be a kind of image more than a fully articulated plan.

#### **1.1.1 Concept of Strategy**

According to Barney (2006), strategy can be viewed as building best defences against the five competitive forces or as finding positions in the industry where the forces are weakest. To enable the firm to deal effectively with the competitive forces and thus generate a sustainable competitive advantage, the firm is required to develop a defendable position in an industry through competitive strategy (Hill, 2001).

As Barney (2006) notes, strategy is the creation of a unique and valuable position involving a different set of activities. The firm needs to make a choice, to be either cost leader or differentiator, it cannot do both. The two basic types of competitive advantages combined with the competitive scope of activities which a firm seeks to achieve lead to



three generic strategies for outperforming rivals within an industry: cost leadership; differentiation and focus Murray, (2005). A strategy is a plan or course of action for the allocation of scarce resources in order to achieve specified goals. It is a plan of action stating how an organization will achieve its long term objectives.

The concept of strategy comes from ancient Greeks. The word strategy comes from the Greek word strategy, which means to plan the destruction of one's enemies through the effective use of resources (Shapiro, 2009). Moreover, Wason (2003) as quoted by Lamb (2004) stated that it is important that everyone in the organization shares a common view of its purpose and direction which informs and guides decision-making and actions. Strategy addresses how the organization will respond to changing conditions specifically, what to do about shifting customer needs and emerging industry trends, which new opportunities to pursue, how to defend against competitive pressures and other externally imposed threats, and how to strengthen the mix of the firm's activities by doing more of some things and less of others (Wason, 2003).

Moreover strategy addresses how an organization can compete in each one of the industries in which the organization participates, decisions about how to develop customer appeal, to position the firm against rivals, to emphasize some products and de-emphasize others, and to meet specific competitive threats that are always integral to competitive survival and the achievement of a defendable competitive advantage (Lamb, 2004).

Within each line of business of the organization, strategy will address what actions and approaches to be taken in each of the major functional areas and operating departments to create a unified and more powerful strategic effort throughout the business unit, the different functional and operating level strategies ought to be coordinated rather than be allowed to go off on independent courses; they need to support the creation of a sustainable competitive advantage (Lamb, 2004)

### **1.1.2 Strategic Management Practices**

According to Pearce and Robinson (2009), strategic management is an improvement in management process, where long range planning and business policy are blended, with increased emphasis on environmental forecasting and external considerations in formulating and implementing plans. Strategy on the other hand is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson, Scholes & Whittington, 2008).

Irrespective of where strategy comes from, whether the product of top executives or collaborative product of numerous company personnel, it is unlikely that the strategy as originally conceived, will prove entirely suitable over time. Every organization must modify its strategy in response to changing market conditions, advancing technology, the fresh moves of competitors, shifting buyer needs and preferences, emerging market opportunities, new ideas for improving the strategy, and mounting evidence that the strategy is not working well (Thomson, Strickland and Gamble, 2007).

Strategic management entails a number of processes. First is coming up with the vision and the mission statements of the organization. Secondly, setting objectives and using them as yardsticks for measuring the organization's performance and progress is a major operational strategic process (Johnson, Scholes & Whittington, 2008). Thirdly, crafting a strategy to achieve the objectives and move the organization along the strategic course that management has charted (Sagini, 2007). Fourthly, implementing and executing the chosen strategy efficiently and effectively. Strategic execution requires a system wide approach that consistently drives organizations to do the right things, and do them right. Such an approach helps identify, map out, and prioritize the necessary project investments so that everyone understands what they must do and how to interact with others to execute strategy (Morgan, Levitt and Malek, 2007).

Fifth, evaluating performance and initiating corrective adjustments in the organization's long-term direction, objectives, strategy and its execution in light of experience, changing conditions, new ideas, and new opportunities. Changing circumstances and ongoing

management efforts to improve the strategy cause an organization's strategy to evolve over time, hence the need for continuous surveillance through evaluation. Given that 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 (Kan'goro2010).

Effective strategy management practices require an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure (Rapa and Kauffman, 2005). It is of great importance to integrate soft facts as well in the reflection of the implementation process. It is the consideration of soft and hard facts together that ascertains that cultural aspects and human resources receive at least the same status as organizational aspects. Altogether, such an integrative interpretation allows an important scope of development for implementation activities (Rapa and Kauffman, 2005). According to Ansoff and MacDonnell (1990), Strategy is a set of decision-making rules for guidance of organization behavior. 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.

### **1.1.3 The Public Service**

Public entities have competitors for their services. Failure to deliver could result in disaffection among the public. They operate in a dynamic environment. They make choices for limited resources, hence there is need to strategically plan their operations. Gerry et al (2002), says that the concept of strategy and strategic management are just as important in the public service as in the commercial firms.

Competition in the public sector is usually concerned with competition for resource inputs typically within the political arena. The need to demonstrate best value in inputs has become increasingly important. Lick and Urwick (2010) generated a science of

administration whereby adherence to a set of presented principles, better known as the “principles of administration” would promote efficiency in government much like scientific management would for private industry.

#### **1.1.4 Parliamentary Service Commission**

The parliamentary service is one of the three arms of the government, the others being the judiciary and the executive. It's meant to provide service to the public, not to make profit. It is a service financed from public coffers, and serves to facilitate elected representatives of the people execute their constitutional mandate. Traditions inherited by the Kenyan public service at independence from British colonial rule have had an impact on and shall continue to impact the tenure of public service. One of them is the principles of political neutrality, where public servants will not be directly involved in political process of policy making. A Public servant does not take part in active party politics. He does not take part in active election campaigns, cannot stand for election campaigns, cannot stand for election unless he resigns.

The constitution of Kenya (2010) Chapter 8, established the parliament of Kenya as a bicameral chamber. The Kenyan parliament consists of 2 houses. , the Senate, and the National Assembly, the Parliamentary Service Commission is an independent commission established to ensure the smooth running of the Parliamentary business, by providing facilities for members, ensuring efficient and effective running of Parliament, constituting and abolishing offices, appointing and supervising office holders , preparing annual budget estimates.

The coming into effect of constitutional amendment Act of 1999 created the parliamentary service commission. The clerk of the senate is the secretary of the commission. The mandate of the commission is stipulated in the constitution and includes the following: constitution and abolition of offices, recruitment and deployment, disciplining, setting of terms of employment and conditions of service, and termination of service, and preparation of budgets of the commission. The commission, to fully execute its mandate, has five subcommittees; Finance, Staff welfare, Tender, members welfare, security and development. The parliament of Kenya has a strategic plan covering the

period 2008-2018. It was revised in 2012 following the enactment of the new constitution.

## **1.2 Research Problem**

The conceptual motivation of this study lies on the notation that the organization has to align its operational functions with the overall strategic goals and objectives. Contextually, the parliamentary service exists to achieve a purpose and they must ensure that they have resources required to do so and they use them effectively. Moreover, organization culture, environment, leadership, structure and policy processes rather than capital or technology can form the base of a prolonged sustained competitive advantage of a firm.

Studies have been carried out with strong recommendations for further research to bridge the knowledge gap as little is known regarding the true picture of strategic management practices in Parliament of Kenya. Kan'goro (2010), in a study concentrating on aspects of strategy formulation, as opposed to entire strategic management process, observed that strategic management is practiced in the Parliament of Kenya but recommended that a study be conducted to document aspects of strategy implementation, evaluation and control in the organization. She further recommended that regular studies be conducted to document the effects of environmental changes on strategic management in Parliament of Kenya organizations. Aosa (1992) indicated that an investigation of strategic management practices in public sectors organizations would increase the understanding of strategy processes in organizations in Kenya. In a closely related study on Change Management Processes in the service institutions, which involved only the Civil Service Reforms Secretariat, Nyamache (2003) observed that strategic management is being practiced in the sector but recommended further study on ministries and their departments.

In his study on challenges of strategy implementation at the Ministry of Finance, Aten'g (2007) also observed that strategic management is being practiced in the Parliament of Kenya but suggested that there is need to undertake further research in strategy implementation in the sector in view of numerous well written strategic plans that are yet

to be implemented. Given a discontinuous and surprise environmental turbulence, strategic management practices of an organization should be flexible, dynamic and entrepreneurial so as to allow timely implementation, this study seeks to fill the gap by seeking answers to the question: what strategic management practices are being undertaken at the Parliament of Kenya for effective performance?.

### **1.3 Objective of the Study**

To establish the strategic management practices undertaken at Parliament of Kenya

### **1.4 Value of the Study**

Theoretically, the study will help in appreciating the strategic management practice approach by the Parliament of Kenya as an achieving strategic concept for its contribution to employees' performance. It will also help to ascertain the need, if any, to re-orient the strategic choices of the organization in order to turn it into a sustainable organization while delivering on its core mandate of offering services to the public. The findings of the study will be important to parliament in assessing if the practice of strategic management has been entrenched in the institution and its impact on the delivery service to the public.

The results of this study will also be invaluable to researchers and scholars, as it will form a basis for further research. The students and academics will use this study as a basis for discussions on strategic management in parliament in general and the desire for its introduction in effective management of similar institutions.

In particular it is hoped that the findings of this study will enable parliament evaluate whether its own practices accord with what should be its function and its own mandate. Moreover this research will form a basis for further research in this area among academics and lastly, the study will form a theoretical reference in the field of strategic management within its core concepts of strategic management practices.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter is concerned with the review of pertinent literature. It covers both theoretical and empirical literature. Theoretical literature focuses on the strategic management practices and the strategy dilemma of organization in their capacity to adapt strategic management practices in the environment on time. On the other hand, empirical literature lays emphasis on findings of empirical studies on the performance of entities

### **2.2 Theoretical Review of Strategy Management Practices**

Various definitions have been provided for the term strategic management practices. However, notwithstanding the various definitions, the underpinning message is that strategic management practices concerns the need for organizations to position themselves to exploit opportunities and deal with threats in the environment. Because the environment is dynamic, these opportunities and threats shift all the time. This chapter reviews some of the theoretical orientation that have undertaken in this field.

Making strategic management practices work is even more difficult. Thompson and Strickland (2003) have stressed that the strategy implementing task is the most complicated and time-consuming part of strategic management. Stakeholder theory begins with the assumption that value is necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with stakeholders to deliver on their purpose. The focus of stakeholder theory is articulated in two core questions (Freeman, 2009).

First, it asks, what is the purpose of the firm? This encourages managers to articulate the shared sense of the value they create, what brings its core stakeholders together. This propels the firm forward and allows it to generate outstanding performance, determined both in terms of its purpose and market place financial metrics. Secondly, stakeholder theory asks, what responsibility does management have to stakeholders? This pushes

managers to articulate how they want to do the business. Specifically the kind of relationships they want and need to create with their stakeholders to deliver on their purpose. Many firms have developed and run their businesses in terms highly consistent with stakeholder theory.

Systems Theory is the trans-disciplinary study of the abstract organization of phenomena, independent of their substance, type or spatial or temporal scale of existence. It investigates both the principles common to all complex entities and the models which can be used to describe them. This theory was proposed in the 1940s by the biologist Ludwig and furthered by Ross Ashby, (2009). They emphasized that real systems are open to, and interact with their environments, and they can acquire qualitatively new properties through emergence, resulting in continual evolution. Rather than reducing an entity the properties of its parts or elements, systems theory focuses on the arrangement of and relations between the parts which connect them into a whole. Systems analysis developed independently of systems theory, applies systems principles to aid a decision-maker with problems of identifying, reconstructing, optimizing, and controlling a system while taking into account multiple objectives, constraints and resources. It aims to specify possible courses of action, together with their risks, costs and benefits.

### **2.3 Empirical Review**

The focus of most strategic management practices literature Ansoff (1968) is the theoretical strategic planning process, which is commonly referred to as the strategic management framework. This framework describes the various phases in strategy formulation. Via this framework, it is suggested that management is able to produce strategies, which are capable of being implemented successfully. This, however, is not necessarily the case. Implementation of strategies is concerned with putting strategy into practice. It is described by Giles (2010) as the execution of tactics both internally and externally so that the organization moves in the desired strategic direction. 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 Rai (2007). Strategy therefore can 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 which move an organization from its current position to a desired future state and a strategy defines a framework for guiding the choice of action. Since the firm's internal and external environment strategy over time means that strategy needs to be dynamic.

Strategy has four components; first, strategy should include a clear set of long-term goals. Second, it should define the scope 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, Rai, (2007). According to Kotter, (2007), a business will not survive in the long term unless it re-invents itself. In an effort to achieve efficient organizational structures, strategy is inevitable as a way of reducing costs and improving operational efficiency. Organizational restructuring can be done in various ways such as re-engineering, rightsizing, restructuring, turnaround etc. The ultimate goal in most cases is to make fundamental strategy in how business is conducted in order to maintain a fit with constantly changing and more challenging market environment. Graham, (2007) opines that strategy is necessary in organizations as maintaining the status quo can lead to stagnation as markets and customers move on, competition evolves and strategy s, and so do the stakeholders.

Hamel and Prahalad (2009) argue that any company that is a by-stander on the road to the future will watch its structures, values and skills become progressively less attuned to the industry realities. Such discrepancy between the pace of industry strategy and the pace of Company strategy, gives rise to the need of organizational transformation. As Schaap I. James (2006) put it; strategy in organizations comes about as a response to the shocks of rapidly evolving markets and technology. According to Kotter, (2007), transformations

often begin and begin well when an organization has a new head who is a good leader and who sees the need for a major strategy.

Kotter (1999) argues that winning in business today requires innovation; Companies that innovate reap all the advantages of a first mover. They acquire deep knowledge of new markets and develop strong relations with them. Innovators also built reputation of being able to solve most challenging problems. Hamel, and Prahalad, (2009) state that, to create a new business, a Company has to regenerate its core strategy including, its market, distribution channels, customers and competitors.

There is no such a thing as sustaining market leadership. Every business must be regenerated again and again. As Ian *et al* (2006) point out, strategy today is occurring at a rate that is difficult to sustain. Globalization of markets, fluctuations in world economy, diversification in services, mergers, acquisitions and industry deregulations are but a few of the challenges faced by companies today. Companies are quickly realizing that to thrive in today's competitive environment, they must rapidly deploy new technologies to support key business objectives.

### **2.3.1 Evaluation of the Strategic Management Practices**

Strategic evaluation is perhaps the less-researched part of the strategy process but it is vital in assessing the level of success of the chosen strategy. It is not only concerned with performance and performance measures but also helps to signal when the strategy requires adjustment in the light of experience and in the context of a rapidly changing external environment, as strategy is a continuous process rather than a single event that involves four basic elements.

Evaluation in service organizations for instance involves examining how the strategy has been implemented as well as the outcomes of the strategy (Coulter, 2005). This includes determining whether deadlines have been met, the implementation steps and processes are working correctly and whether the expected results have been achieved. If a shortcoming is discovered against the mentioned outlined expected results, then the strategy can be modified or reformulated (Johnson and Scholes, 2002).

The standard performance is a bench mark with which the actual performance is to be compared. The reporting and communication system help in measuring the performance. If appropriate means are available for measuring the performance and if the standards are set in the right manner, strategy evaluation becomes easier. But various factors such as manager's contribution are difficult to measure. Similarly divisional performance is sometimes difficult to measure as compared to individual performance. Thus, variable objectives must be created against which measurement of performance can be done. The measurement must be done at right time else evaluation will not meet its purpose. For measuring the performance, financial statements like balance sheet, profit and loss account must be prepared on an annual basis.

While measuring the actual performance and comparing it with standard performance there may be variances which must be analyzed. The strategists must mention the degree of tolerance limits between which the variance between actual and standard performance may be accepted. The positive deviation indicates a better performance but it is quite unusual exceeding the target always. The negative deviation is an issue of concern because it indicates a shortfall in performance. Thus in this case the strategists must discover the causes of deviation and must take corrective action to overcome it.

## **2.4 Strategic Management Practices and Organization Performance**

Research indicates that organizations using strategic-management concepts are more profitable and successful than those that do not (Johnson and Scholes, 2002). This is attributed to the fact that focus is placed on the important things. Resources like time, talent, money are properly allocated to those activities that provide the most benefit. Businesses using strategic-management concepts show significant improvement in sales, profitability, and productivity compared to firms without systematic planning activities. High-performing firms tend to do systematic planning to prepare for future fluctuations in their external and internal environments. Firms with planning systems more closely resembling strategic management theory generally exhibit superior long-term financial performance relative to their industry (Coulter, 2005).

High-performing firms seem to make more informed decisions with good anticipation of both short- and long-term consequences. On the other hand, firms that perform poorly often engage in activities that are shortsighted and do not reflect good forecasting of future conditions (Grant, 2005). Strategists of low-performing organizations are often preoccupied with solving internal problems and meeting paperwork deadlines. They typically underestimate their competitors' strengths and overestimate their own firm's strengths. They often attribute weak performance to uncontrollable factors such as poor economy, technological change, or foreign competition.

Besides helping firms avoid financial demise, strategic management offers other tangible benefits, such as an enhanced awareness of external threats, an improved understanding of competitors' strategies, increased employee productivity, reduced resistance to change, and a clearer understanding of performance-reward relationships (David, 1989). Strategic management enhances the problem-prevention capabilities of organizations because it promotes interaction among manager's at all divisional and functional levels. Interaction can enable firms to turn on their managers and employees by nurturing them, sharing organizational objectives with them, empowering them to help improve the product or service, and recognizing their contributions.

In addition to empowering managers and employees, strategic management often brings order and discipline to an otherwise floundering firm (King et al, 2002). It can be the beginning of an efficient and effective managerial system. Strategic management may renew confidence in the current business strategy or point to the need for corrective actions. The strategic-management process provides a basis for identifying and rationalizing the need for change to all managers and employees of a firm; it helps them view change as an opportunity rather than a threat (Grant, 2005).

## **2.5 Challenges Facing Strategic Management Practices**

The market place is evolving and immature and its boundaries are unclear Berley, (2009). The products in terms of goods and services are getting more complex causing the future to be uncertain. The concept on market place and globalization is so critical to the operation of traditional tools of business management. The rapid rate of change and

technological innovation mean that organizations have to be agile and flexible in terms of strategic planning. The change is at times too often and unpredictable, therefore challenging the already set strategic plans in a given period (Grant, 2005).

Expertise intensive organizations depend on employee's knowledge for success. The firms will require structures to support the creative process of these individuals as well as the conversion of ideas into marketable products or services Berley, (2005). This is because their input is a key component in the firm's products and services. These products or services give the firm a competitive advantage ahead of its competitors (Porter, 1985). The firm will therefore require proactive measures in its strategic management processes and practices to sustain such expertise in individuals to be part of superior products and services to the organization. The challenge is how to sustainably and strategically manage such talents that add value to the customers. This is because the competitors are grasping for the same talents.

Organizations have to look to their internal resources for the formulation, implementation and control of strategic management practices. This requires knowledgeable employees, finances and time (Mintzberg *et al.*, 1999). However, small firms lack the expertise in strategic management practices and employees in place could be few in a manner that they lack sufficient time to be involved in strategic management issues. Some owners of small firms get involved in routine management, therefore lacking time to look at the big picture and long term state of the firm. Some top managers see strategic management as too much time consuming (Coulter, 2005). Financially, the firm too has to set aside budgets for the activities involved in strategic planning and management

Thorough interaction between management and workers during organization analysis enhances employee's involvement. If the workers perceive their contribution as ignored, the strategic plan may lead to failure at implantation. Furthermore, strategic management is a top management affair (Waren, 2000). Though the departmental heads are fully involved, usually workers are not fully aware of strategic management practices. At times, the employees at lower levels get suspicious of top management apparent change

of organizational structures. This makes staff resistant to necessary change that is aimed to benefit the firm and all stakeholders including the workers.

Studies have shown that two thirds of transformation initiatives fail. According to Sirkin, (2005), strategy Management is a set of ideas, strategies and skills that can be applied to engage strategy effectively, during planning, implementation and supporting continuous improvement following strategy. The key benefits of strategy management include; helping one to recognize the power of human dynamics in a strategy process, acting as a map for guiding action and helping stay on course rather than getting caught up in the complexity and tumult of strategy and thirdly, it can help you develop a relationship you need to maximize effectiveness of a strategy effort.

According Nyambok (2005), organizational strategy management is a careful planning, organization and execution of an alteration from the norm to the unknown which will require thinking and doing things differently. The entire process has to involve people from the beginning to the end by making the stakeholders buy into the strategy process and own the process itself. Strategy must be managed because it is disruptive and alters the equilibrium of operations. It results in a paradigm shift and causes variations in the status quo. Wataku (2007) adds that, it is vital to carefully manage strategy for the good of the people affected and the organization for it to yield good results.

The pace of strategy is ever increasing-particularly with the advent of the internet and the rapid deployment of new technologies, new ways of doing business and new ways of conducting ones' life. Organizational strategy management seeks to understand the sentiments of the target population and work with them to promote efficient delivery of the strategy and enthusiastic support for its results. Strategy can be looked at in two levels; the first level is generic enough to apply to any type of strategy. It is mostly targeted at understanding the human response to strategy and creating effective strategies for engaging people to achieve strategy. The second level of strategy management includes strategies that are specific to a particular type of strategy (Sulle, 2009). There are two related aspects of organizational strategy that are often confused. Organizational strategy management is concerned with the hearts and minds of participants and target

population to bring about strategy d behavior and culture. The key skills required are founded in business psychology and require “people” people. The other aspect of organizational strategy is the organizational design where roles, skills, job descriptions and structure of workforce may be designed. People issues collectively account for majority of strategy effort failures, (Aten’g, 2005). According to Johnson and Scholes (2002), there is an assumption in most of what is written about strategies that there will be a tendency towards inertia and resistance to strategy; people tend to hold on existing ways of doing things and existing beliefs about what makes sense. Managing strategies must therefore address the powerful influence of paradigm and cultural web on the strategy being followed by the organization.

## **2.6 Chapter Summary**

The above school of thought argues that there is no distinction points out that scientific management models developed by Taylor and Weber apply equally well in both private and public sector organizations. In any case, they add, current trends show that the public sector is becoming entrepreneurial, adopting market oriented and competitive practices among other commercial banks practices.

These studies seek to establish the strategic management practices that are being undertaken at the Parliament of Kenya for effective performance. Moreover, the study shall identify how these strategies differ in the nature of that value, resources, capabilities and environments, in ways which have implications for the making and implementation of strategy.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter details how the proposed study was carried out. It covered the design to be adopted to conduct the study, how data was collected and eventual analysis of the data in order to generate research findings for reporting.

### **3.2 Research Design**

The study was carried out through a case study design where the unit of study was sought to find out the strategic management practices at the Parliament of Kenya. The design is most appropriate when detailed, in-depth analysis for a single unit of study is desired. Case study research design provided very focused and valuable insights to phenomena that may otherwise be vaguely known or understood. The design enabled the researcher not only to establish factors explaining phenomena but also unearth underlying issues.

### **3.3 Data Collection Method**

The study made use of both primary and secondary data. Primary data was obtained from managers at the Parliament of Kenya using an interview guide. The interview guide (Appendix I) was used to solicit data on the changes in the council's environment and the responses thereto. The respondents of the study were ten (10) managers drawn from various departments. They included the Human resource Manager, Accounts Manager, ICT Manager, Legal Officer, Public relations manager, and budget officer and many others. These respondents were better placed in providing required data because they play a leading role in ensuring that they position the organization favorably within the changing environment through instituting appropriate timely responses. The interview guide was administered through personal interviews to allow for further probing. The secondary data was obtained from parliament's documented strategies and any other relevant information about the organization. The data was obtained through review of relevant documents, key among them parliament's strategic plan and other relevant documentations.



### **3.4 Data Analysis**

Both the primary and secondary data was qualitative in nature. Given this fact, content analysis was used to analyze the data. According to Nachmias and Nachmias (1996), content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends. The data obtained was compared with existing literature in order to establish areas of agreement and disagreement.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

#### **4.1 Introduction**

This chapter presents the findings of the study established from the interview guide in establishing the strategic management practices undertaken at parliament of Kenya. This chapter also explains the findings in comparison with relevant literature as established by other authors in the same field of study. Content analysis was used in this study due to the research instrument used was an interview guide.

#### **4.2 The Respondent Profiles**

The respondents comprised of the top management of the parliament of Kenya. In total the researcher interviewed 10 respondents that had been intended to be interviewed as in the research design. This included ten managers from the following departments: Human Resource Manager, Accounts Manager, ICT Manager, Legal Officer, Public relations manager, and budget officer charged with strategic management practices in parliament of Kenya. In terms of working experience, all the ten respondents had worked in the organization for over five years with all of them having risen through the organization ranks. Four of the respondents had been working with microfinance sector prior to joining Parliament of Kenya limited Nairobi and the main aim of recruiting them was to revolutionize the operations of the parliament. To this extent, the respondents were found to be knowledgeable on the subject matter of research and thus helpful to realization of research objective.

Further all the respondents indicated their satisfaction with current duties and were keen in highlighting various opportunities available within their organization. These included career development, unique interaction among staff, solving customer complaints and new challenges that came with their current jobs. All these the respondents said helped them in personal development and enabled them to create a motivated workforce.

## **4.3 Research Findings**

### **4.3.1 Responsibilities in strategic implementation process**

The study sought to determine the role of the respondents in Parliament of Kenya in strategic implementation process. A manager plays a crucial role in Strategy Execution. As a manager, they are the principle owner of the strategy execution in the department or team. They contribute content; act as the link between organizational levels and between the organizational levels and between the organizational level and direct reports and they serve as performance role models.

The challenge to the idea that middle managers were merely involved in implementing the strategies developed by senior managers essentially came from the conjunction of three separate ideas. First, as Mintzberg's principles of "emergent strategy" gained popularity during the 1970s and 80s, the division between formulation and implementation was seen to be a fallacy. Second, the special position of middle managers as the mediators between strategic and day to day working raised arguments that they were best placed to understand issues and recognize problems and opportunities. Third, the role of social interaction in organizations was being recognized and the idea that strategic planning was based in rationality was seen to be a partial view.

A series of studies over the past 20 years has found a positive connection between the involvement of middle managers in strategic planning and increased organizational performance. The discovery that higher performance was associated with middle managers being involved in the thinking as well as the doing led to a significant study which identified four ways that middle managers influenced strategy. They influence upwards through championing alternatives or synthesizing information to senior management, or downwards through facilitating adaptability in the organization, or through the implementation of deliberate strategies. Possibly surprisingly, these studies found that although middle manager involvement contributed to greater understanding of and commitment to the strategy, this was not what led to improved implementation. In fact the causal link was that the influence of middle managers led to better decisions.

Despite the growing acceptance that middle managers influence formulation as well as implementation of strategy, two issues have yet to be explored. First, the actual link, and how this is affected by environmental factors, has still to be studied in detail. Second, it appears that the influence of middle managers has not been universally recognized by practitioners.

#### **4.3.2 Staff involvement in strategic planning**

The respondents indicated that employees are often excluded in the discussion of actions under the planning strategy process. It is often the case that a very select group of executives and “experts” participate in a company’s strategic planning process. It is seen as a high-level exercise, and indeed it is. However, it can become elitist in nature and may lose touch with the company’s most important assets its managers and employees. We call them the “fingertips” of the company. Ignore your sense of touch at your own peril.

Managers and employees are often excluded from the strategic planning process because some experts believe it is not a good idea to allow strategy creation to be influenced by the implementers. This is because some say that the employee-implementers view the world in limitations, where a strategy should only consider opportunity without much regard for possibilities and limits. That is technically correct, but never a very practical approach. Limits have a tendency to define capabilities and companies, and who better to honestly know and state these limits than your non-executive employees.

Despite minimal interaction to the strategic management process in the organization, strategic management enhances the problem-prevention capabilities of organizations because it promotes interaction among manager’s at all divisional and functional levels. Interaction can enable firms to turn on their managers and employees by nurturing them, sharing organizational objectives with them, empowering them to help improve the product or service, and recognizing their contributions.

King et al., (2002) adds that empowering managers and employees, strategic management often brings order and discipline to an otherwise floundering firm. It can be the

beginning of an efficient and effective managerial system. Strategic management may renew confidence in the current business strategy or point to the need for corrective actions. According to Grant (2005), the strategic-management process provides a basis for identifying and rationalizing the need for change to all managers and employees of a firm; it helps them view change as an opportunity rather than a threat.

#### **4.3.3 Reviewing of deadlines and milestones**

The study established that the deadlines and milestones under the planning strategy are constantly reviewed. Strategic planning processes are reviewed constantly in order to improve on performance and performance measures also helps to signal when the strategy requires adjustment in the light of experience and in the context of a rapidly changing external environment, as strategy is a continuous process rather than a single event that involves four basic elements.

The review of strategy management process involves several processes from planning, implementation and evaluation. Each process has to be allocated its deadlines and the milestones according to the process in place. The findings according to Coulter (2005), the findings, evaluation in service organizations for instance involves examining how the strategy has been implemented as well as the outcomes of the strategy. Johnson and Scholes (2002) add that determining whether deadlines have been met, the implementation steps and processes are working correctly and whether the expected results have been achieved. If a shortcoming is discovered against the mentioned outlined expected results, then the strategy can be modified or reformulated.

#### **4.4 Strategic Planning Implementation steps and processes**

The respondents indicated that the strategic planning and implementation steps and processes work correctly in the organization. A strategic plan is of little use to an organization without a means of putting it into place. In fact, implementation is an essential part of the strategic planning process, and organizations that develop strategic plans must expect to include a process for applying the plan. The specific implementation process can vary from organization to organization, dependent largely on the details of

the actual strategic plan, but some basic steps can assist in the process and ensure that implementation is successful and the strategic plan is effective.

The strategic steps and processes in planning and implementation include: evaluate the strategic plan. The first step in the implementation process is to step back and make sure that you know what the strategic plan is. Review it carefully, and highlight any elements of the plan that might be especially challenging. Recognize any parts of the plan that might be unrealistic or excessive in cost, either of time or money. Highlight these, and be sure to keep them in mind as you begin implementing the strategic plan. Keep back-up ideas in mind in case the original plan fails.

Create a vision for implementing the strategic plan. This vision might be a series of goals to be reached, step by step, or an outline of items that need to be completed. Be sure to let everyone know what the end result should be and why it is important. Establish a clear image of what the strategic plan is intended to accomplish.

Select team members to help implement the strategic plan. Make sure you have a team that has your back, so to speak, and understands the purpose of the plan and the steps involved in implementing it. Establish a team leader, if other than yourself, who can encourage the team and field questions or address problems as they arise.

Schedule meetings to discuss progress reports: Present the list of goals or objectives, and let the strategic planning team know what has been accomplished. Whether the implementation is on schedule, ahead of schedule, or behind schedule, assess the current schedule regularly to discuss any changes that need to be made. Establish a rewards system that recognizes success throughout the process of implementation.

Involve the upper management where appropriate. Keep the organization's executives informed on what is happening, and provide progress reports on the implementation of the plan. Letting an organization's management know about the progress of implementation makes them a part of the process, and, should problems arise, the management will be better able to address concerns or potential changes.

The findings of the study correspond with Sagini (2007) who says that strategic management entails a number of processes. First is coming up with the vision and the mission statements of the organization. Johnson, Scholes & Whittington (2008) add that setting objectives and using them as yardsticks for measuring the organization's performance and progress is a major operational strategic process. Sagini (2007) established that crafting a strategy to achieve the objectives and move the organization along the strategic course that management has charted. According to Morgan, Levitt and Malek (2007), implementing and executing the chosen strategy efficiently and effectively. Strategic execution requires a system wide approach that consistently drives organizations to do the right things, and do them right. Such an approach helps identify, map out, and prioritize the necessary project investments so that everyone understands what they must do and how to interact with others to execute strategy.

Kan'goro (2010) further adds that evaluating performance and initiating corrective adjustments in the organization's long-term direction, objectives, strategy and its execution in light of experience, changing conditions, new ideas, and new opportunities. Changing circumstances and ongoing management efforts to improve the strategy cause an organization's strategy to evolve over time, hence the need for continuous surveillance through evaluation. Given that 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.

#### **4.4.1 Performance Indicators**

There's constant pressure to achieve performance targets, to reach higher performance levels, and to ensure that people's work supports and furthers the organization's goals. Performance management is the process used to manage this performance. Key performance indicators focus on the aspects or areas of our organization's performance that are critical or vital for our ongoing and future success measure our success in key

areas and processes that affect our customers, our employees, our shareholders or other stakeholders.

Key performance indicators are metrics used to help a business define and measure progress towards achieving its objectives or critical success factors. They are quantifiable measures that can be expressed in either financial or non-financial terms and reflect the nature of your business. Examples of key performance indicators include: unit sales; return on investment; market share percentage and product quality.

The characteristics of key performance indicators are characterized by non-financial measures; measured frequently for example, daily, weekly; acted upon by CEO and the senior management team; all staff understand the measure and what corrective action is required; responsibility can be tied down to the individual or team; significant impact that it addresses most of the top eight Critical Success Factors and Balanced Score Card perspectives and has a positive impact that is, it affects all other performance measures in a positive way.

Businesses are frequently accused of focusing on the bottom line and the short term. Kaplan and Norton (1996) promoted the use of the balanced scorecard to look at leading indicators of sustainable, longer-term performance. It is a more balanced view of organizational performance, and is focused on monitoring these performance indicators. They provide a more holistic view of the business's progress and for each business will depend very much on its subjective view of the world.

Performance indicators are usually drawn from four perspectives: Financial perspective: implementation and execution of strategy contribute to bottom line; Customer perspective: value proposition of business apply to satisfy customers and generate more sales to the most profitable customer groups; Internal process perspective: the processes that create and deliver the customer value proposition and key processes required in order for the company to excel at providing the value expected by the customers both productively and efficiently; Innovation and learning perspective: intangible assets of an organization, mainly on the internal skills and capabilities that are required to support the value-creating internal processes.



#### **4.4.2 Organization strategic results and objectives**

The findings of the study established that strategic management is the process in which an organization develops and implements plans that espouse the goals and objectives of that organization. The process of strategic management is a continuous one that changes as the organizational goals and objectives evolve. Small businesses engage in strategic management to ensure that they adapt to trends and external changes such as globalization. Several key concepts characterize strategic management and the development of organizational goals.

At the core of the strategic management process is the creation of goals, a mission statement, values and organizational objectives. Organizational goals, the mission statement, values and objectives guide the organization in its pursuit of strategic opportunities. It is also through goal setting that managers make strategic decisions such as how to meet sales targets and higher revenue generation. Through goal setting, organizations plan how to compete in an increasingly competitive and global business arena.

Strategy implementation is putting the actual strategy into practice to meet organizational goals. The idea behind this concept is to gather all the available and necessary resources required to bring the strategic plan to life. Organizations implement strategies through creating budgets, programs and policies to meet financial, management, human resources and operational goals. For the successful implementation of a strategic plan, cooperation between management and other personnel is absolutely necessary.

The findings correlate to Johnson and Scholes (2002) who notes that strategy can 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 which move an organization from its current position to a desired future state and a strategy defines a framework for guiding the choice of action. Since the firms internal and external environment strategy over time means that strategy needs to be dynamic.

According to Coulter (2005) the objectives must be created against which measurement of performance can be done. The measurement must be done at right time else evaluation will not meet its purpose. For measuring the performance, financial statements like balance sheet, profit and loss account must be prepared on an annual basis.

#### **4.4.3 Framework for benchmarking performance**

The study sought to determine the framework for benchmarking the organizational performance. The framework has five phases for implementation on benchmarking of the performance of the organization. Planning that during this phase the organization determines which process to benchmark and against what type of organization. Analyzing data acquisition, an analysis is performed for the performance gap between the source organization and the recipient organization. An indication of best practice is then evident. Integration involves the preparation of the recipient for implementation of actions. Actions are implemented within the recipient organization. Maturity involves continuous monitoring of the process and enables continuous learning and provides input for continuous improvement within the recipient organization.

Benchmarking is the process of improving performance by continuously identifying, understanding, and adapting outstanding practices and processes found inside and outside an organization. Benchmarking focuses on the improvement of a given business process by exploiting best practices rather than merely measuring the best performance. Best practices are the because of best performance.

The findings are in line with Pearce and Robinson (2009) who says that benchmarking process involves comparing one's firm performance on a set of measurable parameters of strategic importance against that of firms' known to have achieved best performance on those indicators. Development of benchmarks is an iterative and ongoing process that is likely to involve sharing information with other organizations working with them towards an agreeable metrology.

Benchmarking should be looked upon as a tool for improvement within a wider scope of customer focused improvement activities and should be driven by customer and internal

organization needs. Benchmarking is the practice of being humble enough to admit that someone else is better at something and wise enough to learn how to match and even surpass them at it.

According to Wheelen and Hunger (2008), the standard performance is a bench mark with which the actual performance is to be compared. The reporting and communication system help in measuring the performance. If appropriate means are available for measuring the performance and if the standards are set in the right manner, strategy evaluation becomes easier. But various factors such as manager's contribution are difficult to measure. Similarly divisional performance is sometimes difficult to measure as compared to individual performance. Thus, variable objectives must be created against which measurement of performance can be done. The measurement must be done at right time else evaluation will not meet its purpose. For measuring the performance, financial statements like balance sheet, profit and loss account must be prepared on an annual basis.

They further add that while measuring the actual performance and comparing it with standard performance there may be variances which must be analyzed. The strategists must mention the degree of tolerance limits between which the variance between actual and standard performance may be accepted. The positive deviation indicates a better performance but it is quite unusual exceeding the target always. The negative deviation is an issue of concern because it indicates a shortfall in performance. Thus in this case the strategists must discover the causes of deviation and must take corrective action to overcome it.

#### **4.4.4 Institution's Performance and Planning Strategy**

The study findings established that the institution's performance is closely linked to the planning strategy. Strategic planning can help to improve the performance of the organization by committing to the strategic planning procedures to reduce risk. Engage commitment from those people who will be affected by the plan: ensure that there is support for planning and the implementation of the plan. The people involved include

primarily the Chief Executive Officer and their immediate reporting managers, and the layer of staff or management at one remove from the Chief Executive Officer (CEO).

The CEO must engage with the governing body which in turn engages the beneficiary groups they are there to represent. Other stakeholder groups may possibly be affected by the implementation of the strategic corporate plan in the operation of the enterprise. Their interests must be respected. It must be remembered that the processes for engaging people operate in various ways in all the other stages of the planning process.

Set long term strategic objectives for improved performance of the organization: the objectives set should be clear further the enduring purpose of the organization and what benefit the organization seeks to provide the group. Every organization should set out benefits clearly defined of beneficiaries, long term verification and target figure that reflect the organization's goals. If it cannot set such a target, the organization should be reformed until this becomes possible. The intended beneficiaries must be defined as one homogeneous group; in the case of the business enterprise it is the owners or shareholders.

The benefit offered must also be homogeneous and capable of definition in just a few words. In the business context, the proposed benefit is something like increased wealth. The benefit must be capable of being targeted and of empirical verification- essentially then, it must be quantifiable. It must be of perceived significance to the beneficiaries, e.g. the benefit resulting from the point of view of the shareholders is improved prospects for an acceptable mix of capital gains and dividends within a risk profile that is tolerable.

Formal strategic planning calls for the Analysis of key strategic factors, shortlisting the really major strategic issues and the generation of Alternative strategies. First, an attempt should be made to provide comprehensive strategies; that is, the plan should consider all the truly important factors the strategic elephants. Secondly the strategies should not exhaust all available resources. Something should be held in reserve. This recognizes uncertainty and adds flexibility to the plan. Alternative strategies can improve the adaptability of the organization in two ways. First, by explicitly examining Alternatives, it is likely that the organization will find Alternatives that are superior to the current

approach. Second, the organization will encounter environmental changes; if Alternative, contingency, plans have been considered for these changes, the organization can respond more effectively.

Processes of finding all the relevant significant strategic factors will be covered on other pages about SWOT analysis, and methods for generating the alternative strategies will be under Business Strategy, for companies, or nonprofit strategy making for other kinds of organization. It is all too easy to go with the bright ideas that emerge from brainstorming strategic alternatives. Effective formal planning uses systematic methods for evaluating the various alternatives. Evaluate to ensure that they do not violate any constraints. Rate the strategic options against the objectives. Ensure that all major strategic issues are addressed. Then you are in a position to design a set of strategies, based on a few key decisions. With this done you can proceed with some confidence to get approval from the governing body, and convert the strategic intentions into specific work assignments for individual managers, prepare budgets and project plans, and generally prepare to implement the strategic plans.

Strategic planning that is essential in improving organization performance includes the practical corporate planning summarized as SPADE. START -Organizing to plan, engaging affected parties; PURPOSE -Sizing up the strategic challenge, setting targets; ANALYSE -Strengths, Weaknesses, Opportunities, Threats, and generate options; DECIDE -Devising Strategies from the options looked at and EXECUTE -Evaluating and action strategies. Put simply - find and decide what to do about the handful of really big issues facing the business or any other organization. The strategic planning process and tools, such as SWOT analysis, offered will help directors, owners, managers - to find the real issues in the organization.

These approaches, with their value-based management focus, will ensure that the business or non-profit organization (NPO) will have long run superior performance, and the organization will also be at less risk of failure.

#### **4.4.5 Strategy Evaluation**

The study findings found out that all levels of the institution include the Board of directors and the commission takes part in strategy evaluation. The Board employs a comprehensive planning, budget formulation, and budget execution process to ensure the identification, prioritization, and accomplishment of goals and objectives. Planning is coordinated throughout the System by the Strategic Framework and by committees responsible for information technology and supervision and regulation. The Board's strategic planning efforts recognize key differences between government and private sector strategic planning and results measurement. Private planning can use measures of costs and revenue derived from prices determined in competitive markets; the results of that planning are reflected in the ability of the private entity to prosper over time.

Strategy evaluation is vital to an organization's well-being; timely evaluations can alert management to problems or potential problems before a situation becomes critical. Strategy Evaluation is as significant as strategy formulation because it throws light on the efficiency and effectiveness of the comprehensive plans in achieving the desired results. The managers can also assess the appropriateness of the current strategy in today's dynamic world with socio-economic, political and technological innovations. Strategic Evaluation is the final phase of strategic management.

The significance of strategy evaluation lies in its capacity to co-ordinate the task performed by managers, groups, departments etc., through control of performance. Strategic Evaluation is significant because of various factors such as developing inputs for new strategic planning, the urge for feedback, appraisal and reward, development of the strategic management process, judging the validity of strategic choice etc.

The process of Strategy Evaluation consists of following steps: Fixing benchmark of performance: while fixing the benchmark, strategists encounter questions such as what benchmarks to set, how to set them and how to express them. In order to determine the benchmark performance to be set, it is essential to discover the special requirements for performing the main task. The performance indicator that best identify and express the special requirements might then be determined to be used for evaluation. The

organization can use both quantitative and qualitative criteria for comprehensive assessment of performance. Quantitative criteria include determination of net profit, ROI, earning per share, cost of production, rate of employee turnover etc. Among the Qualitative factors are subjective evaluation of factors such as - skills and competencies, risk taking potential, flexibility etc.

Measurement of performance: the standard performance is a bench mark with which the actual performance is to be compared. The reporting and communication system help in measuring the performance. If appropriate means are available for measuring the performance and if the standards are set in the right manner, strategy evaluation becomes easier. But various factors such as managers' contribution are difficult to measure. Similarly divisional performance is sometimes difficult to measure as compared to individual performance. Thus, variable objectives must be created against which measurement of performance can be done. The measurement must be done at right time else evaluation will not meet its purpose. For measuring the performance, financial statements like balance sheet, profit and loss account must be prepared on an annual basis.

Analyzing Variance: in measuring the actual performance and comparing it with standard performance there may be variances which must be analyzed. The strategists must mention the degree of tolerance limits between which the variance between actual and standard performance may be accepted. The positive deviation indicates a better performance but it is quite unusual exceeding the target always. The negative deviation is an issue of concern because it indicates a shortfall in performance. Thus in this case the strategists must discover the causes of deviation and must take corrective action to overcome it.

#### **4.4.6 Outcomes Communicated**

Strategic Plans communicate the intentions of management to employees, shareholders, and others. Operating Plans should be communicated to everyone held responsible for doing the tasks. If outside groups will assist, then include them in the communication.

The first step in establishing communication activities for the organization is to draft a thorough communication plan and strategy. The communication plan sets out a clear framework for your communication activities and allocates roles, tasks and goals to individual members of the team. It will serve as a guiding document throughout the organization lifecycle including information on objectives, audiences, messages, tools and budget available. Before drafting communication plan, start with a brief analysis of what is to be achieved. The plan should begin with an overview of the organization's communications environment, objectives and goals. Include a short situation analysis where the organizations communication strengths, weaknesses, opportunities and threats (SWOT-analysis).

Strategy execution is where the high level plan is translated into more operational planning and action items. Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful.

#### **4.4.7 Periodic Evaluation of Strategic Plans**

The findings of the study established that there is a formal, periodic evaluation of the strategic plan. Strategic planning is a tool for organizing the present on the basis of the projections of the desired future. That is, a strategic plan is a road map to lead an organization from where it is now to where it would like to be in five or ten years. Both are defined as used as a context for development and evaluation of intended and emergent strategies. It is necessary to have a strategic plan for the organization. In order to develop a comprehensive plan for the organization that includes both long range and strategic



elements. One cannot overemphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed.

It is the final stage in strategic management is strategy evaluation and control. All strategies are subject to future modification because internal and external factors are constantly changing. In the strategy evaluation and control process managers determine whether the chosen strategy is achieving the organization's objectives. The fundamental strategy evaluation and control activities are: reviewing internal and external factors that are the bases for current strategies, measuring performance, and taking corrective actions.

The core aim of strategic management succeeds only if it generates a positive outcome. Strategic evaluation and control consists of data and reports about the performance of the organization. Improper analysis, planning or implementation of the strategies will result in negative performance of the organization. The top management needs to be updated about the performance to take corrective actions for controlling the undesired performance. All strategies are subject to constant modifications as the internal and external factors influencing a strategy change constantly. It is essential for the strategist to constantly evaluate the performance of the strategies on a timely basis. Strategic evaluation and control ensures that the organization is implementing the relevant strategy to reach its objectives.

It compares the current performance with the desired results and if necessary, provides feedback to the management to take corrective measures. Strategic evaluation consists of performance and activity reports. If performance results are beyond the tolerance range, new implementation procedures are introduced. One of the obstacles to effective strategic control is the difficulty in developing appropriate measures for important activities. Strategic control stimulates the strategic managers to investigate the use of strategic planning and implementation. After the evaluation, the manager will have knowledge about the cause of the problem and the corrective actions

The findings correlate with Coulter (2005) who indicates that evaluation in service organizations for instance involves examining how the strategy has been implemented as well as the outcomes of the strategy. This includes determining whether deadlines have

been met, the implementation steps and processes are working correctly and whether the expected results have been achieved. If a shortcoming is discovered against the mentioned outlined expected results, then the strategy can be modified or reformulated.

According to Johnson and Scholes (2002) notes that strategic evaluation is perhaps the less-researched part of the strategy process but it is vital in assessing the level of success of the chosen strategy. It is not only concerned with performance and performance measures but also helps to signal when the strategy requires adjustment in the light of experience and in the context of a rapidly changing external environment, as strategy is a continuous process rather than a single event that involves four basic elements.

According to Rowley, Lujan, & Dolence (1997) the periodic evaluations of strategies, tactics, and action programs are essential to assessing success of the strategic planning process. It is important to measure performance at least annually (but preferably more often), to evaluate the effect of specific actions on long-term results and on the organization's vision and mission. The organization should measure current performance against previously set expectations, and consider any changes or events that may have impacted the desired course of actions.

#### **4.4.8 Corrective Action of Strategic Plans**

The respondents indicated that the corrective action is taken as a result of evaluation of strategic plans. Strategic planning is a dynamic process of identifying outcome gaps in relation to the company's vision. If the business is failing to meet its mission, then corrective action must be developed and implemented to ensure that the organization is doing what it was formed to do. An important part of strategic planning is always monitoring and adapting the plan to survive changing and unanticipated conditions. Factors that contribute to the adaptive nature of the plan are: persistence, feedback metrics and conditions improvement.

Continuous improvement involves evaluating the results of strategies and plans and taking corrective action to ensure that goals are attained. Once the company has a clear

understanding of what it wants to achieve what it will hold it accountable for and what it will cost then decisions can accurately be made.

**Figure 4.1: Graphical Representation of Continues Improvement**

**Establish Goals**

What do we want to achieve?



**Measure Results**

What is happening?



**Evaluate Performance**

Why is it happening?



**Take Corrective Action**

What should we do about it?

**Source: Author, 2014**

Corrective action assesses what is happening with the plans of the organization. It evaluates the performance to date and determines the corrective action that needs to be taken. Taking corrective action identifies the deviation in performance and the essential to plan for a corrective action. If the performance is consistently less than the desired performance, the strategists must carry a detailed analysis of the factors responsible for such performance. If the strategists discover that the organizational potential does not match with the performance requirements, then the standards must be lowered. Another rare and drastic corrective action is reformulating the strategy which requires going back

to the process of strategic management, reframing of plans according to new resource allocation trend and consequent means going to the beginning point of strategic management process.

The strategists must mention the degree of tolerance limits between which the variance between actual and standard performance may be accepted. The positive deviation indicates a better performance but it is quite unusual exceeding the target always. The negative deviation is an issue of concern because it indicates a shortfall in performance. Thus in this case the strategists must discover the causes of deviation and must take corrective action to overcome it.

Monitor execution of the strategies against the long term objectives have planned the work of implementing or executing the strategic plan, a system is needed in place for working the plans as they get implemented. Strategic plan should provide for formal reporting at agreed intervals. To allow for corrective action, the monitoring system should address the same objectives and factors determined as significant through the planning process. Too often there is disconnect between the plans and how it is managed into reality.

According to Grant (2005), the strategic-management process provides a basis for identifying and rationalizing the need for change to all managers and employees of a firm; it helps them view change as an opportunity rather than a threat. Strategic management may renew confidence in the current business strategy or point to the need for corrective actions.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study inquired on the strategic management practices undertaken at Parliament of Kenya. The respondents cited that it involved the evaluation of the organizational strategic management practices undertaken at parliament of Kenya. Particularly, organizational strategic management practices involve evaluation of strategic management practices, the strategic management practices and organization performance and the challenges facing strategic management practices.

#### **5.2 Summary of Findings**

The study inquired on the strategic management practices undertaken at Parliament of Kenya. The findings established the responsibilities in strategic implementation process lies greatly on the managers. The managers play a crucial role in strategy execution. As a manager, they are the principle owner of the strategy execution in the department or team. They contribute content; act as the link between organizational levels and between the organizational levels and between the organizational level and direct reports and they serve as performance role models. The challenge to the idea that middle managers were merely involved in implementing the strategies developed by senior managers essentially came from the conjunction of three separate ideas.

Managers and employees are often excluded from the strategic planning process because some experts believe it is not a good idea to allow strategy creation to be influenced by the implementers. This is because some say that the employee-implementers view the world in limitations, where a strategy should only consider opportunity without much regard for possibilities and limits. That is technically correct, but never a very practical approach. Limits have a tendency to define capabilities and companies, and who better to honestly know and state these limits than non-executive employees.

Deadlines and milestones under the planning strategy are constantly reviewed. Strategic planning processes are reviewed constantly in order to improve on performance and

performance measures also helps to signal when the strategy requires adjustment in the light of experience and in the context of a rapidly changing external environment, as strategy is a continuous process rather than a single event that involves four basic elements. The review of strategy management process involves several processes from planning, implementation and evaluation. Each process has to be allocated its deadlines and the milestones according to the process in place. Evaluation in service organizations for instance involves examining how the strategy has been implemented as well as the outcomes of the strategy.

A strategic plan is of little use to an organization without a means of putting it into place. In fact, implementation is an essential part of the strategic planning process, and organizations that develop strategic plans must expect to include a process for applying the plan. The specific implementation process can vary from organization to organization, dependent largely on the details of the actual strategic plan, but some basic steps can assist in the process and ensure that implementation is successful and the strategic plan is effective. The strategic steps and processes in planning and implementation include: evaluate the strategic plan; create a vision for implementing the strategic plan; select team members to help implement the strategic plan; schedule meetings to discuss progress reports and involve the upper management where appropriate.

There's constant pressure to achieve performance targets, to reach higher performance levels, and to ensure that people's work supports and furthers the organization's goals. Performance management is the process used to manage this performance. Key performance indicators focus on the aspects or areas of our organization's performance that are critical or vital for our ongoing and future success measure our success in key areas and processes that affect our customers, our employees, our shareholders or other stakeholders. Key performance indicators are metrics used to help a business define and measure progress towards achieving its objectives or critical success factors. They are quantifiable measures that can be expressed in either financial or non-financial terms and reflect the nature of your business. Examples of key performance indicators include: unit sales; return on investment; market share percentage and product quality.

The findings established that strategic management is the process in which an organization develops and implements plans that espouse the goals and objectives of that organization. The process of strategic management is a continuous one that changes as the organizational goals and objectives evolve. Small businesses engage in strategic management to ensure that they adapt to trends and external changes such as globalization. Several key concepts characterize strategic management and the development of organizational goals.

The study determined the framework for benchmarking the organizational performance. The framework has five phases for implementation on benchmarking of the performance of the organization. Planning: that during this phase the organization determines which process to benchmark and against what type of organization. Analyzing data acquisition: an analysis is performed for the performance gap between the source organization and the recipient organization. An indication of best practice is then evident. Integration involves the preparation of the recipient for implementation of actions. Actions are implemented within the recipient organization. Maturity involves continuous monitoring of the process and enables continuous learning and provides input for continuous improvement within the recipient organization.

The study established that the institution's performance is closely linked to the planning strategy. Strategic planning can help to improve the performance of the organization by committing to the strategic planning procedures to reduce risk. Engage commitment from those people who will be affected by the plan: ensure that there is support for planning and the implementation of the plan. The people involved include primarily the Chief Executive Officer and their immediate reporting managers, and the layer of staff or management at one remove from the Chief Executive Officer (CEO).

The study findings found out that all levels of the institution include the Board of directors and the commission takes part in strategy evaluation. The Board employs a comprehensive planning, budget formulation, and budget execution process to ensure the identification, prioritization, and accomplishment of goals and objectives. Planning is coordinated throughout the System by the Strategic Framework and by committees

responsible for information technology and supervision and regulation. The Board's strategic planning efforts recognize key differences between government and private sector strategic planning and results measurement. Private planning can use measures of costs and revenue derived from prices determined in competitive markets; the results of that planning are reflected in the ability of the private entity to prosper over time.

Strategic Plans communicate the intentions of management to employees, shareholders, and others. Operating Plans should be communicated to everyone held responsible for doing the tasks. If outside groups will assist, then include them in the communication. The first step in establishing communication activities for the organization is to draft a thorough communication plan and strategy. The communication plan sets out a clear framework for your communication activities and allocates roles, tasks and goals to individual members of the team. It will serve as a guiding document throughout the organization lifecycle including information on objectives, audiences, messages, tools and budget available. Before drafting communication plan, start with a brief analysis of what is to be achieved. The plan should begin with an overview of the organization's communications environment, objectives and goals. Include a short situation analysis where the organizations communication strengths, weaknesses, opportunities and threats (SWOT-analysis).

The findings established that there is a formal, periodic evaluation of the strategic plan. Strategic planning is a tool for organizing the present on the basis of the projections of the desired future. That is, a strategic plan is a road map to lead an organization from where it is now to where it would like to be in five or ten years. Both are defined as used as a context for development and evaluation of intended and emergent strategies. It is necessary to have a strategic plan for the organization. In order to develop a comprehensive plan for the organization that includes both long range and strategic elements. One cannot overemphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed.

The respondents indicated that the corrective action is taken as a result of evaluation of strategic plans. Strategic planning is a dynamic process of identifying outcome gaps in



relation to the company's vision. If the business is failing to meet its mission, then corrective action must be developed and implemented to ensure that the organization is doing what it was formed to do. An important part of strategic planning is always monitoring and adapting the plan to survive changing and unanticipated conditions. Factors that contribute to the adaptive nature of the plan are: persistence, feedback metrics and conditions improvement.

### **5.3 Conclusion**

The study made conclusions based on the study findings. The role of managers is crucial in strategy management practices. They contribute content; act as the link between organizational levels and between the organizational levels and between the organizational level and direct reports and they serve as performance role models. Managers and employees are often excluded from the strategic planning process because some experts believe it is not a good idea to allow strategy creation to be influenced by the implementers. Strategic planning processes are reviewed constantly in order to improve on performance and performance measures also helps to signal when the strategy requires adjustment in the light of experience and in the context of a rapidly changing external environment, as strategy is a continuous process rather than a single event that involves four basic elements. The strategic steps and processes in planning and implementation include: evaluate the strategic plan; create a vision for implementing the strategic plan; select team members to help implement the strategic plan; schedule meetings to discuss progress reports and involve the upper management where appropriate. There's constant pressure to achieve performance targets, to reach higher performance levels, and to ensure that people's work supports and furthers the organization's goals. Performance management is the process used to manage this performance. The process of strategic management is a continuous one that changes as the organizational goals and objectives evolve. Strategic planning can help to improve the performance of the organization by committing to the strategic planning procedures to reduce risk. Engage commitment from those people who will be affected by the plan: ensure that there is support for planning and the implementation of the plan. The Board employs a comprehensive planning, budget formulation, and budget execution process to

ensure the identification, prioritization, and accomplishment of goals and objectives. Strategic Plans communicate the intentions of management to employees, shareholders, and others. Operating Plans should be communicated to everyone held responsible for doing the tasks. The importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed. An important part of strategic planning is always monitoring and adapting the plan to survive changing and unanticipated conditions.

#### **5.4 Recommendations**

The study made recommendations based on the study findings. The organization should modify its strategy in response to changing market conditions, advancing technology, the fresh moves of competitors, shifting buyer needs and preferences, emerging market opportunities, new ideas for improving the strategy, and mounting evidence that the strategy is not working well. Strategy should 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. The organization is quickly realizing that to thrive in today's competitive environment, they should rapidly deploy new technologies to support key business objectives. The variable objectives should be created against which measurement of performance should be done. The measurement should be done at right time else evaluation will not meet its purpose. For measuring the performance, financial statements like balance sheet, profit and loss account must be prepared on an annual basis.

While measuring the actual performance and comparing it with standard performance there may be variances which should be analyzed. The strategists should mention the degree of tolerance limits between which the variance between actual and standard performance may be accepted. Strategy should be managed because it is disruptive and alters the equilibrium of operations. Managing strategies should therefore address the powerful influence of paradigm and cultural web on the strategy being followed by the organization.

Given that 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. Given a discontinuous and surprise environmental turbulence, strategic management practices of an organization should be flexible, dynamic and entrepreneurial. Strategy should include a clear set of long-term goals; it should define the scope the firm and it should have a clear statement of what competitive advantage it will achieve and sustain.

Strategy should 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. Strategy should only consider opportunity without much regard for possibilities and limits.

### **5.5 Limitation of the study**

The research met with various challenges when conducting the research that included the fact that the firm ordinarily do not want to give information due to client confidentiality. In addition, some of the interviewees would not find the subject to be of interest. Additionally, some respondents would not want to give the information as they considered it of competitive importance. The respondents being normally very busy people may not have found a lot of time to be interviewed. Since the research was conducted via open-ended interviews, a large amount of time was needed to collect information from the respondents. Time limitation made it impractical to include more respondents in the study. This study was also limited by other factors in that some respondents may have been biased or dishonest in their answers. More respondents would have been essential to increase the representation of the firm team in this study and allowed for better check of consistency of the information given. However, the researcher did look for contradictions in the information given and no inconsistency were found.

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**APPENDIX I: INTERVIEW GUIDE**

1. Interviewee’s managerial position:_____	
2. Years with the Parliament of Kenya:_____	
3. Years in the current position: _____	
4. What is your role in the Parliament of Kenya strategic implementation process?	
5. Does staff meet regularly to discuss actions under the planning strategy	
6. Are deadlines and milestones under the planning strategy constantly reviewed	
7. Are strategic planning Implementation steps and processes working correctly	
8. Does The institution have relevant performance indicators for all activities of the Institution	
9. Does the organization strategic results achieved meet the organization objectives	
10. Does The Institution have a framework on fixing benchmark of performance	
11. How is the Institution’s performance closely linked to the planning strategy	
12. All levels of the Institution including the Board of directors and the commission take part in strategy evaluation	
13. Outcomes are communicated to all levels of the Institution	
14. There is a formal, periodic evaluation of the strategic plan	
15. Corrective action is always taken as a result of evaluation of strategic plans	