THE INFLUENCE OF STRATEGIC DECISIONS ON PERFORMANCE OF SECONDARY SCHOOLS IN NAKURU SUB COUNTY IN KENYA

BY

MARTHA NJERI KARIUKI

A RESEARCH PROJECT SUBMITTED IN PARTIAL

FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF

THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,

SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

OCTOBER, 2015

.

DECLARATION

I hereby declare that the work contained in this project is	my original work and has not
previously, in part or in its entirety, been presented at any o	other university for assessment
or award of degree.	
Signed	Date
Martha Njeri Kariuki	
This research project has been submitted with my approval	for presentation as University
of Nairobi Supervisor.	
Signed	Date
Mr. Eliud Mududa	
Lecturer,	
School of Business,	
University of Nairobi.	

.

ACKNOWLEDGMENTS

To Everlasting God, thank you for enabling me to scale heights I never thought I would. You have been my friend, my love and the rock that is higher than I. You have been dependable and I will forever be grateful to you.

I am indebted to my supervisor Mr. Mududa for his academic guidance and insightful comments that made it possible for me to complete this project. May God bless you. To my spiritual parents; Pastors Andrew Mwangi and Cathy Mwangi; thank you for your unconditional love. Through your teachings, I have had mind laundry and my life has been transformed. You continually prayed for me and taught me to have daring faith in God. You are the best.

I especially also express special thanks to my very special friends Sophie Giva, Esther Muthoni Muiruri, Gladys Wanjeri Mugo, Mary Wanjiru Maina and Eunice Wanjiku Njoroge for their sincere love. Only God can reward you adequately. I am grateful to my MBA classmates; Fatuma Ali, Faith Njuhi, Jane Birungi and Catherine Wahome. You put a smile on my face in times of challenges. May God bless you.

DEDICATION

This project is dedicated to my son Adrian. What do I say about you? Words fail me. Your love is more than words can say? Like an Eagle, soar high. To my loving mother, my brothers and sisters; thank you for everything you have done for me.

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGMENTS	iii
DEDICATION	iv
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS AND ACRONYMS	X
ABSTRACT	xi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1Concept of Strategy	3
1.1.2 Strategic Decisions	4
1.1.3 Organizational Performance	6
1.1.4 Secondary Schools in Kenya	8
1.1.5 Secondary Schools in Nakuru Sub County	9
1.2 Research Problem	10
1.3 Research Objective	12
1.4 Value of the Study	12
1.5 Chapter Summary	13
CHAPTER TWO: LITERATURE REVIEW	14
2.1 Introduction	14
2.2 Theoretical Foundation of the Study	14
2.3 Strategic Decision Making Process	16
2.3.1 Create a Constructive Environment	16
2.3.2 Investigate the Situation in Detail	17
2.3.3 Generate Good Alternatives	18
2.3.4 Explore Options	19
2.3.5 Select the Best Solution	20
2.3.6 Evaluate the Plan	21
2.3.7 Communicate Decisions and Take Action	21

•	
2.4 Strategic Decisions and Performance	22
2.5 Chapter Summary	24
CHAPTER THREE: RESEARCH METHODOLOGY	25
3.1 Introduction	25
3.2 Research Design	25
3.3 Population	25
3.4 Data Collection	26
3.5 Data Analysis	27
3.6 Chapter Summary	27
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND	
INTERPRETATION	29
4.1 Introduction	29
4.2 Demographic Information	29
4.2.1 Age of the Respondents	30
4.2.2 Respondents Current Title or Position	31
4.2.3 Respondents Duration worked in the Current Title or Position	32
4.2.4 Respondents Length of Continuous Service with the School	33
4.2.5The Duration the Secondary School has been in Operation	34
4.3 The Process of Decision Making used by Secondary Schools	34
4.4 The Influence of Strategic Decisions on Performance of Secondary Schools	36
4.4.1 Secondary Schools Performance in K.C.S.E in the Last Five Years	38
4.4.2 Tests on Coefficients	39
4.4.3 Model Summary	42
4.4.4 Analysis of Variance	42
4.5 Discussions	43
4.6 Chapter Summary	44
CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSION AND	
RECOMMENDATIONS	46
5.1 Introduction	46
5.2 Summary	46

5.3 Conclusions	. 47
5.4 Limitations of the Study	. 48
5.5 Recommendations	. 48
5.6 Suggestions for Further Research	. 49
REFERENCES	. 50
APPENDICES	. 55
Appendix I: Letter of Introduction	. 55
Appendix II: Questionnaire for Principals and Deputies	. 56
Appendix III: List of Secondary Schools in Nakuru Sub County	. 61

LIST OF FIGURES

Table 4.1: Age of the Respondents	30
Table 4.2: Respondents current Title or Position	31
Table 4.3: Respondents Duration worked in the Current Title or Position	32
Table 4.4: The Process of Decision Making used by Secondary Schools	35
Table 4.5: The Influence of Strategic Decisions on Performance	37
Table 4.6: K.C.S.E Mean in the Last Five Years	38
Table 4.7: Coefficients	39
Table 4.8: Model Summary	42
Table 4.9: ANOVA	42

LIST OF TABLES

Figure 4.1: Respondents Length of Continuous Service in the School	33
Figure 4.2: The duration the Secondary School has been in Operation	34

LIST OF ABBREVIATIONS AND ACRONYMS

BoG - Board of Governors

BoM - Board of Management

CEB - County Education Board

GoK - Government of Kenya

JKUAT - Jomo Kenyatta University of Agriculture and Technology

KCSE - Kenya Certificate of Secondary Education

PTA - Parents Teachers Association

TSC - Teachers Service Commission

ABSTRACT

This study examined the influence of strategic decisions on performance of secondary schools in Nakuru Sub County. The study had one objective: To determine the influence of strategic decisions on performance of secondary schools in Nakuru Sub County. The study used research design (descriptive survey) to collect data and descriptive statistics (frequency distribution, cumulative frequencies and standard deviation) to analyze quantitative data. The study found out that the decision making process is used by secondary schools between a moderate and very large extent, that is, evaluates plan before implementation, explores and integrates ideas, commitment and support in strategic decisions, implementations, selects the best alternative, an enabling environment, board of management investigates alternatives in detail and communication of decisions to all, are used by different secondary schools in a large and very large extent. Incorporation of new technologies is used by secondary schools in a moderate extent. The study through regression analysis found that 72.5% of the variations in mean score is explained by the variations in the independent variables (hiring of competent staff, reduction of costs of running the school, improved infrastructural development, improved academic performance, increased number of students, strategic plan implementation and achievement of set targets). Through the analysis of variance, the F calculated at 5% level of significance was 14.153 since F calculated is greater than the F critical (value = 2.17). The F significance value of 0.00 indicated that regression model has probability of 0% of giving wrong prediction. This shows that the overall model was significant hence there is a positive relationship between dependent variable and independent variables. However, there were limitations in the study. For instance, the findings of this study are specific to the secondary schools in Nakuru Sub County. The data was collected by Likert scale questionnaires hence, the results might have biases of the respondents reflected in the results and therefore a possibility that if respondents were different, the results might be different. Some secondary schools were not ready to participate in answering the questionnaires, citing lack of time and others confidentiality of their data. The study recommends that all secondary schools in Kenya should adopt these strategic decisions in order to improve their performance. The study suggests further research to be conducted to find out reasons why some of these secondary schools have not yet implemented strategic decisions. Also a similar study should be conducted in other sectors like the hospitals, manufacturing firms and banking industry.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Today, the world is changing; managers are faced with a multitude of decisions every

day. They have to make decisions even if they are not willing to do so and as Barnard

(1938) argues, the making decisions, as everyone knows from personal experience is a

burdensome task. Drucker (1954) states that the product of managers are decisions and

actions. Pearce II & Robinson (1994) indicated that decision-making is inevitable

because to explicitly avoid making a decision is in itself to make a decision. Dutton et al

(2003) indicated that to make too many decisions too fast may introduce many unfamiliar

problems into management forcing executives in unpredictable environment to make

more and more decisions and at a faster pace.

This study is in the body of knowledge under decision theory and basic systems theory.

According to Sowden (1984), decision theory helps managers in formulating rules that

might lead to a most advantageous course of action under the given circumstances. In this

theory two individuals are faced with an uncertain decision where the final outcome is

not only based on their personal decision but also on that of the other individual. Since

both parties do not know what actions the other person will take, this results in an

uncertain decision framework. According to Draft (2008), systems theory emphasizes

that educational results are a function of different types of inputs that are applied into use

during the educational process. The results in this case are the students achievements in

the examination while inputs are resources such as information, financial, material and

1

human service used to enhance the production of results in the learning institutions. Olasunkami & Olufunmilayo (2012) state that systems theory of organizations comprises of five elements, namely; inputs, transformation process, feedback and the environment. Further on, Meyer & Rowan (1978) argue that open systems simply refers to the concept that organizations are strongly influenced by their environment. The environment consists of other organizations that exert various forces of an economic, political or social nature (Galbraith & Lawler, 1993). The environment also provides key resources that sustain the organization and leads to change and survival.

This study sought to find how strategic decisions influence performance in secondary schools in Nakuru sub county. In order to cope with the dynamics of the external environment, the principals and their deputies should make strategic decisions that are in line with the mission and the vision of secondary schools in order to achieve performance in terms of grades, discipline and the overall development of the schools. There is an ongoing concern for enhanced academic performance by all stakeholders in secondary schools in Kenya. The government is concerned about schools attaining a significant increase in the transition rate from secondary schools to technical institutions and universities as outlined in the Kenya Vision 2030 strategy, (Icharia, 2009). The drive to achieve this vision, all public secondary schools, according to the GOK (2005) were directed to prepare a five year strategic plan to chart the way for a successful educational outcome. Private schools which must also be run with guidance from the country's educational policies are also supposed to prepare strategic plans. Formulating and implementing a strategic plan by the schools' management is a strategic decision in itself.

The plan holds strategic decisions which according to Dess & Priem (1995) are the decisions that affect the long term performance of the business and which relate directly to its aims and objectives. Schools in Nakuru sub county in line with the requirements from the government have been preparing strategic plans. Despite this, the sub county's Kenya Certificate of Secondary Examination (KCSE) mean score has remained below average; that is below 6 out of a possible 12. The mean grade has stagnated at C- for four years, (Ministry of Education, 2014). This could mean that the strategic decisions as outlined in the strategic plans are not fully implemented. This revelation has therefore necessitated this study.

1.1.1Concept of Strategy

Thompson (1997) defines strategy as a plan of action designed to achieve a specific goal or series of goals within an organizational framework. Strategy is the pattern of objectives, purposes or goals and the major policies and plans for achieving these goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. Strategy is largely about using internal assets to create a value-added proposition. This helps to capture opportunities in the competitive environment while avoiding threats.

Mintzberg (1987) explains that strategy involves the action plan of a company for building competitive advantage and increasing its triple bottom line over the long-term. The action plan relates to achieving the economic, social, and environmental performance

objectives. In essence, it helps bridge the gap between the long-term vision and short-term decisions. Strickland et al (2008) explain that strategy specifies the organization's mission, vision and objectives, developing policies and plans to execute the vision and allocating resources to implement these policies and plans.

Strategy is important because the resources available to achieve these goals are usually limited. Strategy generally involves setting goals, determining actions to achieve the goals and mobilizing resources to execute the actions. Thompson & Strickland (2002) maintain that a strategy describes how the ends (goals) will be achieved by the means (resources). The senior leadership of an organization is generally tasked with determining strategy. Strategy can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes. It involves activities such as strategic planning and strategic thinking.

1.1.2 Strategic Decisions

Various researchers have discussed what strategic decisions are, their characteristics and their importance. Dess & Priem (1995) define strategic decisions as those decisions which affect the long term performance of the business and which relate directly to its aims and objectives. They directly affect the nature and the success of the firm, are typically novel, and occupy the thinking of senior management (Sergio Janczak,2005). However, they can be greatly influenced by people lower down in the organization (Bower, 1970). Mintzberg et al (1976) also state that strategic decisions are those

fundamental decisions that shape the course of an organization. In other words, the decisions which are important in terms of actions taken, the resources committed, or the precedents set. They are usually infrequent and made by top management of institutions because they do have an impact on its performance or even its survival. According to Duhaime & Baird (2007), strategic decisions are based on sight from the external environmental assessment and are responses to strategic questions about how the organization will compete. For example, who is the target customer for the organization's products and services and what is the geographic scope of the business.

According to Digman (2006), the management should make competitive decisions to build a sustainable competitive advantage over its rivals. Fredrickson & Mitchell (2004) contend that strategic decisions should be long-term in nature since they highly act as a guide in the future planning of the organization in working towards achieving the mission and the vision of the organization.

The importance of strategic decisions is that they are the means by which the scarce resources of an institution are rationally committed to satisfy managerial expectations for success (Bass 1983). According to Cathy (1980), they deal with the long term health of an enterprise. They guide the management in working towards achieving the goals of the organization. Dutton & Duncan (2007) put forth that the importance of strategic decision making is that it combines experience with training which aid in developing the skills. Strategic decisions bind a team and improve focus on working towards achieving certain goals and objectives. According to Fredrickson (2005), managers require an approach

that is well thought out to ensure that the decisions they make are successful in the long run. Duhaime & Baird (2007) argue that understanding the concepts towards making more strategic and methodical decisions is valuable strength, especially when one has many responsibilities in the work place.

1.1.3 Organizational Performance

Different proponents have defined organizations in different ways. Sababu (2007) defines an organization as a social unit within which people strive to achieve a given mission. Organizational performance is important to any organization; be it commercial, private or public, profit-making or not-for-profit organizations (Johnson et al,2008).Organizational performance is the actual output or results of an organization as measured against its intended outputs, goals and objectives (Bond & Cummins, 2000). It is a comparison of the economic value of firms and rating them to have either competitive advantage or competitive disadvantage (Barney, 2007). According to Ongeti, (2014), a company's performance is the ability of an organization to achieve its objectives through use of resources efficiently and effectively. Effectiveness means providing a product or a service which is of value to customers while efficiency is about how the organization uses resources to achieve organizational goals, (Ekawati, 2014). Okwako (2013) states that organizational performance is a measure of the extent to which the organization's goals and objectives have been achieved and such measure of achievement informs all the stockholders of the extent to which they are succeeding in the business. One of the systems for measuring organizational performance is the Balanced Scorecard

which is performance management system used to clarify an organization's vision and strategy and translate them into action. Previously, most tools focused on financial performance but the Balanced Scorecard uses measurements to track activities in four main perspectives to give a more balanced evaluation of an organization's performance.

These perspectives are namely: financial perspective, internal process, innovation and growth perspective and customer perspective (Kaplan & Norton, 2001). Under the financial perspective the organization is concerned about its resource providers through tools such as profit and loss statements, balance sheets, and budget reports. Organizational departments can use results to develop and implement revenue, cost saving, and budget strategies, create a risk management program, and establish internal controls.

On internal process, the organization measures its productivity and effectiveness through benchmarks. To achieve its objective, the organization compares itself with its competitors in the same line of business in order to build best practices and internal controls. Past results are used to develop process improvement projects and crossfunctional teams and invest in new technology tools (Kaplan & Norton, 2001). Innovation and growth perspective is used to measure the level of satisfaction of the employees. Organizations use past records to improve training avenues of communication and enhance the quality of work life. The other perspective is the customer which measures the extent to which customers are satisfied with the quality of services offered by the organization.

1.1.4 Secondary Schools in Kenya

Secondary schools in Kenya are spread across all the 47 counties and are classified as either public or private. Public secondary schools are divided into 4 categories; National, Extra County, County and Sub County. By 2014, there were 7,325 public secondary schools with an enrolment of 2,144,069 students. The government spends about 44 billion Kenya shillings annually on a total of 67,966 secondary school teachers (Jambonewspot, 2014). Public secondary schools are government sponsored through provision of teachers. As from 2008, free secondary school education for public schools was introduced. This means that the government pays 3,600 Kenya Shillings for every student per year to cater for learning materials like textbooks and chalk .Operations money for workers' salaries, electricity, water and other expenses is also paid for by the government.

However, parents whose children go to boarding schools pay subsidized fees as they have to meet boarding costs. The government however allows schools to diversify in getting extra funds like carrying out Income Generating Activities (Mitugo, 2005). Private schools are owned and managed by individuals or organizations that determine their own admission criteria. All public secondary schools in Kenya are governed by Board of Management. The Kenya Education Act Cap 21 of 1968 was replaced by the Basic Education Act of 2013. It states that all basic education institutions and middle level colleges be managed by Board of Management who are usually appointed by County Education Board (C.E.B). Its task is to promote quality of education, provision of

physical facilities, administration and management of the schools finances. Besides the BoM, public secondary schools are also managed by Parents and Teachers Association (PTA). This body brings together both the parents and teachers by creating a forum for discussion on all matters concerning the school. It creates an opportunity for exchange of views between teachers and parents, (Jambonewspot, 2014)

1.1.5 Secondary Schools in Nakuru Sub County

Nakuru County is located within the Rift Valley. It constitutes nine sub counties, namely; Naivasha, Gilgil, Nakuru, Subukia, Nakuru North, Rongai, Kuresoi, Molo, and Njoro. Nakuru sub county, which is the former Nakuru Municipality, is the focus of this study. It has 45 registered secondary schools. There are 22 Public schools with 322 teachers while the private schools are 23. Of these public schools, 2 are national, 5 are county and 15 are sub county. The sub county is unique in that 95% of the public schools are day schools. The overall supervision and management of the schools is done by the sub county education office which has 3 education officers, 5 quality assurance officers and 6 auditors who are also in charge of the other sub counties. (Ministry of Education, 2014). The enrolment of students in the sub county has increased over the last 5 years from 14,732 in 2010 to 19,292 in 2014 in secondary schools. The Kenya Certificate of Secondary Education performance for the last 6 years shows very minimal improvement. It moved from D+ in 2008 to C- in 2009 and has stagnated at this grade for the last four years, (Ministry of Education, 2014). This grade is below average. Given the fact that a student's performance in KCSE determines how one transits to institutions of higher

learning like tertiary colleges or universities, students with such grades may find it hard to access opportunities for upward mobility socially and economically.

1.2 Research Problem

According to Duhaime & Baird (2007) decision-making is one of the most important functions of managers in any kind of organization. It is a process that must be understood completely before it can be practiced effectively. It is the process of successive approximation to some desired objective in which what is desired continues to change under reconsideration (Lindblom,1959). Digman (2006) argues that those responsible for strategic decision-making face a task of extreme complexity and ambiguity. The choice to focus on strategic decisions is due to its nature and significance.

Strategic decisions are long term, highly unstructured, complex, and inherently risky and have great impact on the future of the organization. They are those important decisions that typically require a large amount of organizational resources and firm's environment consideration. Like many other organisations, schools are facing changes in the turbulent environment. The top management which comprises of the principals, deputies, heads of departments and stakeholders such as BoM, PTA, and Education Officers are the strategic thinkers of the schools and should all be involved in making educational strategic decisions. This will lead to improved performance of students in their studies, extra curricula activities and discipline.

Studies have been done in relation to the relationship between strategic decisions and performance. Eisenhardt (2002) carried out a study on the impact of speed of decisions on performance of banks in Europe. It was found out that speed did not have a major impact on performance. Shrivastava & Grant (2005) conducted a study on the effectiveness of strategic decisions on performance in manufacturing firms. It was concluded that well-thought strategic decisions highly impacted on the performance of manufacturing firms. Smith & Hayne (2007) did a study on 'making a decision under time pressure'. The study concluded that such decisions were ineffective since the managers did not take their time to think through them.

Mwangi (2012) carried out a study on strategic decision speed and firm performance of two major firms in photography industry in Nairobi and concluded that firm performance is not influenced by strategic decision speed. Kagathi (2013) investigated on strategic decisions making at JKUAT and concluded that strategic decisions potentially influenced performance of the organization since it involved both its external and internal stakeholders.

From the above studies, few of them focused on strategic decisions influencing performance of organizations other than secondary schools within Nakuru sub county. This study therefore seeks to answer the questions: what are the strategic decisions influencing performance of secondary schools within Nakuru sub county? How do strategic decisions influence performance of secondary schools within Nakuru sub county?

1.3 Research Objective

 To determine the influence of strategic decisions on performance of secondary schools in Nakuru sub county.

1.4 Value of the Study

Secondary schools managers within Nakuru sub county and other counties in Kenya will stand to benefit from this study since they will be able to know the relevance of strategic decisions in achieving the goals and objectives in their schools. The study will also provide additional information on the processes and the procedures of making strategic decisions that influence performance of secondary schools.

The government is a key player in policy setting under the ministry of education. The findings of this study will be used in policy setting to ensure that the management of schools makes strategic decisions that are impactful on the performance of their schools in terms of academics, discipline and development. This will improve the quality of education offered in schools and minimize administrative costs.

This study will add more information to the existing body of knowledge in terms of literature, findings, conclusions and recommendations. Researchers and academicians interested in this area and related topics can use this study as a reference point for further research. The findings can be replicated in other related institutions of learning such as middle level colleges and enhance performance of the institutions as well as examine the

best strategic decisions to implement to achieve the best results. The findings and recommendations of the study can be adopted in the East Africa Region to improve the performance of Secondary schools. To the investors in the education sector, the findings of this study can be of paramount benefit. They can push for adoptions of the strategic decisions that will bring better performance hence maximize the returns on their investment.

1.5 Chapter Summary

Chapter one has introduced strategic decisions as they relate to performance of secondary schools in Nakuru sub county. It has discussed the theoretical foundations of the study mainly focusing on decision theory and basic systems theory and their implications on performance of institutions.

The chapter has also looked into strategic decisions and their importance. Further, the chapter has in detail discussed the secondary schools in Nakuru sub county. The research problem has been defined from a perspective of previous studies that have been carried out by other researchers both in Kenya and in some parts of the world. The research objective and the value of the study have also been discussed.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the theoretical foundation of the study; that is decision theory, open

systems theory, decision making process and the relationship between strategic decisions

and performance.

2.2 Theoretical Foundation of the Study

This study premises its reasoning on the basis of decision theory and education

production function based on systems theory. According to Kahneman & Tversky (1979)

decision theory is concerned with identifying the values, uncertainties and other issues

relevant in a given decision. It focuses on the rationality of strategic decisions and the

resulting optimal decision. The two argue that it is closely related to the field of game

theory. Decision theory is concerned with the choices of individual agents whereas game

theory is concerned with interactions of agents whose decisions affect each other.

Lorge & Solomon (1955) put forth that decision theory is concerned with identifying the

best decision to take, assuming an ideal decision maker who is fully informed, able to

compute with perfect accuracy, and fully rational. Sowden (1984) states that the practical

application of this prescriptive approach about how people ought to make decisions is

called decision analysis. This approach is aimed at finding tools, methodologies and

software to help people make better decisions. The most systematic and comprehensive

software tools developed in this way are called decision support systems.

14

The relevance of this theory is that; decision makers should practice participative form of decision making in order to easily accommodate the views of all its employees in the organization (Knight, 1985). When the views of all employees are represented, it helps to create strong bonds between the top management and the employees and thus create a good working relationship between the management and its employees. This kind of relationship improves the level of confidence and trust between employees and the top management since everyone is satisfied (Sorrell, 2010).

The proponents of this theory, Galbraith & Lawler (1993) argue that decisions are meant to change the way of doing things in a manner that accommodates changes in the external environment. This is intended to guide the organization towards achieving corporate goal. This is achieved through dialogue and consultation to arrive at the best decision that best meets the needs of all its stakeholders.

This study also relies on the systems theory as discussed by Draft (2008) who argues that educational results are a function of various types of inputs that are applied into use during the educational process. The results in this case are the students achievements in the examinations. Inputs on the other hand refer to the school's resources—such as the teacher's education level, experience and the school's structures such as facilities, class sizes and financial expenditures. Olasunkami & Olufumilayo (2012) state that a system is a set of interrelated parts that function as a whole—to achieve a common purpose. They further argue that a system functions by acquiring inputs from the external environment, transforming them in some way and discharging outputs back to the

environment.Draft's (2008) open systems generally encompasses five elements.These are; inputs, transformation process, outputs and the environment. Olasunkanmi & Olofunmilayo (2012) discuss these inputs as resources such as human service, financial, information and infrastructural facilities put into use to produce and enhance quality performance by the students.The second step in the system is transformation process where the inputs are changed into outputs.In learning institutions,outputs comprise of the students academic performance, students behaviour both in the school and in the society as a whole. Feedback is knowledge of the results that play a part in the selection of the various kinds of inputs in the next phase of process of students admission in an institution. Finally, the environment consists of other organizations that exert various forces of an economic, political or social nature.

2.3 Strategic Decision Making Process

This part consists of decision making process .Decision-making is a process of successive approximation to some desired objective in which what is desired continues to change under reconsideration (Lindblom,1959). There are seven stages of decision making processes as discussed below:

2.3.1 Create a Constructive Environment

Dean & Sharfman (1996) maintain that decisions can become complex when they involve or affect other people. It is important to create a constructive environment in which to explore the situation and weigh up your options. Digman (2006) further indicates that

when making a decision in a group, it is advisable to conduct a stakeholder's analysis to identify the right members to include in the process. In order to build commitment from the others, the stakeholders should be well represented in the decision making group. This helps to achieve a participative decision making process that represents the interests of all the members of the groups.

Dess & Priem (1995) note that to avoid groupthink, people should be encouraged to contribute to the discussions, debates and analysis without any fear of the other participants rejecting their ideas. Everyone should recognize that the objective is to make the best decision possible in the circumstances; it is not time for people to promote their own preferred alternative but a common interest that unites the group.

2.3.2 Investigate the Situation in Detail

Dessa and Priem (1995) argue that before making decisions, it is important to understand the situation at hand. It might be that the objective of one individual can be approached in isolation. However, there are a number of interrelated factors to consider. According to Dessa & Priem (1995), it is paramount that the decision maker start by considering the decision in the context of the problem it is intended to address. Then, define the problem using appreciation to extract the greatest amount of information from what one might know and inductive reasoning to draw sound conclusions from the facts. One could also use the problem definition process to gain a better understanding of what is happening. It

is imperative to explore the problem from multiple perspectives and to make sure no information is left out.

2.3.3 Generate Good Alternatives

Shrivastava and Grant (2005) maintain that before making decisions, the management should explore on the available alternatives. Generating a number of different options may seem to make the decision more complicated at first but the act of coming up with alternatives forces enables the management team to dig deeper and look at the problem from a different angle. Therefore, the management might decide to employ a variety of creative thinking techniques. These might help to step outside the normal patterns of thinking and come up with innovative solutions. Dutton and Duncan (2007) contend that brainstorming is one of the most popular method of generating ideas.

Duhaime and Baird (2007) state that the management should consider how people outside the group might influence, or be affected by the decisions made. The management can employ tools like the reframing matrix. This tool uses 4ps; that is, Product, Planning, Potential, and People as a way to gather different perspectives. Smith and Hayne (2007) further argue that the management could also invite outsiders to be part of the discussion or the use of the perceptual positions technique to encourage existing participants to adopt different functional perspectives; for example, having a marketing person speak from the viewpoint of a financial manager.

2.3.4 Explore Options

According to Bond and Cummins (2000) if the management is satisfied with the selection of alternatives, it should evaluate the feasibility of risks and implications of each one. It is important to note that every decision involves some degree of risk. Therefore, the management should employ risk analysis in adopting a structured approach to assessing threats and evaluating the probability of adverse events occurring and what they might cost to manage. Digman (2006) highlighted that the board of management should then prioritize risks based on their impact or probability chart in order to focus on the ones that are most likely to occur.

According to Dess and Priem (1995), the management should contemplate in evaluating options in the potential consequence of each of the alternatives. Impact analysis can be carried out to determine the unexpected consequences that could arise. Other considerations that the management should take into account is whether the organization's resources are adequate. If the solution matches the objectives and whether the decision is likely to work in the long term. Dean and Sharfman (1996) further indicate that the management should weigh up a decision's financial feasibility using cost benefit analysis to help in evaluating the most viable financial alternatives using a range of effective techniques such as net present value and internal rate of return.

2.3.5 Select the Best Solution

Fredrickson &Mitchell (2004) contend that when the management has settled on an alternative, the next step is to make a decision. This decision is made when one alternative is better than the rest. However, if the management observes that there are still competing options, there are many tools that they may use to help them in deciding between them. If the management has various criteria to consider, they might use

decision matrix analysis in comparing the reliability and accuracy.

When determining their relative importance, the management might conduct a paired comparison analysis to decide which one should carry the most weight in his decision. Fredrickson (2005) notes that decision trees are used when choosing between different financial options. They assist in laying options out clearly especially in determining the likelihood of the project succeeding or failing into the decision making process.

Fredrickson (2005) further indicate that when anonymity is inevitable, decision-makers might dislike one another, or there is a tendency for certain individuals to dominate the process. The management may use the Delphi technique to reach a fair and impartial decision. This uses cycles of anonymous, written discussion and argument, managed by a facilitator. Participants do not meet, and sometimes they might not be aware who else is involved.

2.3.6 Evaluate the Plan

In reference to Smith and Hayne (2007), before the board of directors starts to implement its decision, they should evaluate all options possible to ensure that common errors have not crept into the process. The information should be trustworthy; the management should do its best on research based on concrete facts. Sorrell (2010) indicates that this will help to avoid confirmation bias, a common psychological bias in decision making. The management should discuss its preliminary conclusions with important stakeholders to enable them to spot flaws, make recommendations, and support their conclusions.

Sorrell (2010) maintains that use of inconclusive analysis to review common decision making problems like overconfidence, escalating commitment, or groupthink may have undermined the process of decision making. Therefore, consider checking the logical structure of the process with the ladder of Inference, to make sure that a well-founded and consistent decision emerges at the end.

2.3.7 Communicate Decisions and Take Action

According to Smith and Hayne (2007) after the management makes a decision, they need to communicate it to everyone affected by it in an engaging and inspiring way. They should get everyone involved in implementing the solution by discussing how and why they arrived at a certain decision. The more information provided about risks and projected benefits, the more likely people will support the decision made. If the people point out a flaw in your process as a result, the management team should be humble to

welcome their input and review their plans appropriately. Sowden (1984) argue that it is much better to do that on time, cheaply, than having to do it expensively and embarrassingly if the plans have failed.

2.4 Strategic Decisions and Performance

According to Pearce & Robinson (2007), strategic decisions made by an organization highly influence the performance of that particular organization. Both Papadakis (1998) and Elbanna (2006) concluded that there was a positive relationship between rational decision makers and organizational performance. Using survey and interview data from large sample of managers of internet firms, Forbes (2000) found significant relationships, characteristic of the strategic decision-making process and different aspects of firm performance. The findings concluded that there was a positive relationship between strategic decisions and organizational performance. Mintzberg et al, (1976) state that strategic decisions are those fundamental decisions that shape the course of an organization. In other words, the decisions which are important in terms of actions taken, the resources committed, or the precedents set. They are usually infrequent and made by top management of institutions because they do have an impact on its performance or even its survival.

Kibiego (2014) states that organization performance is one of the most important issues for every organization be it profit or non-profit. Secondary schools in Kenya whether public or private are required to enhance academic performance by all stakeholders. The

government is concerned about schools attaining a significant increase in the transition rate from secondary schools to technical institutions and universities as outlined in the Kenya Vision 2030 Strategy Paper (Icharia 2009). It is with this in mind that the government directed all public secondary schools to develop a five year school strategic plan to navigate the way for a successful educational outcome, (GoK 2005).

Education Indicators in Kenya (www.sp.uconn.edu/WPN04.pdf) state that although the quality of education is difficult to measure, students outcomes (performance) have been used as the most objective criteria of evaluating it. In most cases, these outcomes are a reflection of the educational inputs and experiences which produce them. Eshiwani, (1993), similarly states that the whole issue of students performance should be considered from the broad framework of input and output.

The education system in Kenya is largely examination oriented and its quality is generally evaluated in terms of the number of students that pass the national examinations, (Eshiwani 1993). One principal function of schools is to take human raw material (students) and transform them into valuable employable adults, (Republic of Kenya 1988). These strategic plans generally outline a school's strategic decisions that are geared towards improvement of performance in terms of: academic excellence; discipline and school culture; land and infrastructure development; stakeholders satisfaction; financial stability and excellence in non-academics, (Ndegwa 2013). For schools to actualize the formulated strategic decisions, implementation of the strategic plans has to be effected. This however is not always the case. According to Thompson &

Strickland (1993), strategy implementation process is the most complicated, tougher and most time consuming than crafting a strategy. There are challenges faced by management and Atkinson,(2006),states that more than 50% of the strategies fail at implementation stage. Schools in Nakuru sub county, like other schools in Kenya have been preparing strategic plans. This study seeks to determine the influence of the strategic decision they make on performance in the sub county.

2.5 Chapter Summary

Chapter two looked into the theoretical foundations of strategic decisions. Decision theory and basic systems theory are highlighted as they explain how institutions' strategic decisions are applied in order to influence performance. The literature review outlines the thoughts of other researchers in the area of strategic decisions. The chapter highlights the process of decision making and also the relationship between strategic decisions and performance of institutions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the methodology that was used for this study. It constitutes the

research design, the study population, data collection and data analysis.

3.2 Research Design

This study used a descriptive survey. Kothari (2004) explains that descriptive studies are

conducted to demonstrate associations or relationships between two variables. In this

study, it was used to show the relationship between strategic decisions and organizational

performance. A descriptive survey was used to explain the relationship between variables

in a phenomenon. Wangila (2011) argues that a descriptive survey study is carried out to

collect detailed descriptions of the existing phenomena with the intention of employing

data to justify the current conditions and practices or to craft more intelligent plans to

improve them. Survey research, according to (Mugenda & Mugenda 1999), is one of the

most important methods for researchers who desire to collect original or primary data for

the purpose of describing a population. According to Mitchell & Jolley (2013), a research

design is the plan according to which the research participants are identified and to

collect information from them.

3.3 Population

The population of the study consisted of both the private and public secondary schools in

Nakuru sub county. According to the Ministry of Education (2013), Nakuru sub county

25

has 45secondary schools (22 public, 23 private). A census approach was used. This is because detailed information about the 45 secondary schools was more likely to be available. A census survey is suitable when the population of study is small since it's cost effective and efficient.

3.4 Data Collection

Mugenda & Mugenda (2003) state that data population is the total collection of elements from which one wishes to make some inference. This study used primary data that was collected through a semi-structured questionnaire designed to elicit specific responses for qualitative and quantitative analysis respectively. Glen (2003) states that a questionnaire refers to any written instrument that contains statements or questions posed to a respondent for them to respond through selecting from among answers already presented. The structured questionnaires had three sections. The first part contained questions on the demographic profile of the respondents and the school. The second part of the questionnaire contained questions on the decision making process used by secondary schools in Nakuru sub county. The third part contained the objective of the study which is to determine the influence of strategic decisions on performance of secondary schools in Nakuru sub county. Both the second part and third parts used the 5 point Likert scales.

The respondents chosen for this study were the school management staff and in specific the principal or the deputy. This category of the respondents was chosen because they are the key decision makers. They are deemed to understand the strategic decisions since they are directly in charge of formulating and implementing the institutions strategic plans. They also play a very vital role in influencing the academic performance of their schools. The structured questionnaires were administered using a drop and pick later method at an agreed time with the researcher.

3.5 Data Analysis

Data analysis is the examination of what has been collected in a research and making deduction and reference (Kothari, 2004). Before analysis, the raw data was cleaned and checked for completeness by eliminating unusable data, interpreting ambiguous answers and eliminating contradictory data from related research questions. The edited data then was coded in order to translate responses into specific categories.

Code numbers were assigned to each answer of survey question and from this a coding list or frame was obtained. The coding was organized and reduced the research data into manageable summaries. Descriptive statistics such as means, percentages and frequency distributions was used to describe the responses as it was a better method of presenting the findings of the study. Presentation of the results was done on tables, pie charts and bar graphs.

3.6 Chapter Summary

Chapter three discussed the research methodology by highlighting the research design that has been used in the study. Descriptive survey has been used as it explains the relationship between two variables in a phenomenon. The chapter also looked into the population of the study which is both public and private schools in Nakuru sub county. The chapter also discussed the data collection process, place of collection and the respondents. The data was collected in both public and private secondary schools in Nakuru sub county by use of a semi-structured questionnaire. The respondents were either principals or their deputies. Lastly data analysis of the study has been highlighted. It explained how the data was cleaned, coded and that descriptive statistics was used to describe the responses of the study.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND

INTERPRETATION

4.1 Introduction

This chapter presents the introduction and discusses the interpretation and presentation of

the study findings. The purpose of the study was to investigate the influence of strategic

decisions on performance of secondary schools in Nakuru sub county. The finding was

intended on answering the study's research question. The findings are presented in

percentages and frequency distributions, mean and standard deviations. A total of 45

schools were targeted but 2 were not in operation and therefore 43 questionnaires were

issued out and 36 were returned. This represented a response rate of 83.7%. and a non-

response rate of 16.3% which is over and above 50% response rate which is regarded as

desirable (Babbie, 1990).

4.2 Demographic Information

The demographic information in this study included one's age, one's current title or

position, the length of one's continuous service in the position, the duration the school

has been in operation and the type of school. These findings are presented in Tables 4.1-

4.3 and figures 4.1-4.2.

29

4.2.1 Age of the Respondents

Table 4.1: Age of the Respondents

Age	Frequency	Percentage	Cumulative Percentage
18-25 years	1	2.8	2.8
26-35 years	6	16.7	19.4
36-45 years	14	38.9	58.3
46-50 years	11	30.6	88.9
51 and above years	4	11.1	100.0
Total	36	100.0	

The respondents were asked to indicate their age brackets and 2.8% of the respondents indicated they were between 18-25 years, 16.7% of the respondents indicated they were between 26-35 years, 38.9% of the respondents indicated they were between 36-45 years, 30.6% of the respondents indicated they were between 46-50 years and 11.1% of the respondents were above 51 years. The results in the table 4.1 indicate that 80.6% of the respondents were above 36 years; an indication that they are conversant with the Ministry of Education's schools policies and academic performance. They are also more involved in making educational strategic decisions hence are able to answer the research questions.

4.2.2 Respondents Current Title or Position

The respondents were asked to indicate their current title or position in the school.

Table 4.2: Respondents current Title or Position

Current title or position	Frequency	Percentage	Cumulative Percentage
Head Teacher	19	52.8	52.8
Deputy Head Teacher	11	30.6	83.3
Head of Department	2	5.6	88.9
Senior Teacher	3	8.3	97.2
Others	1	2.8	100.0
Total	36	100.0	

Out of the 36 respondents,52.8% indicated that they were head teachers, 30.6% of the respondents indicated they were deputy head teachers, 5.6% of the respondents indicated they were head of department, 8.3% of the respondents indicated they were senior teachers and 2.8% of the respondents indicated they were in others (school teacher). The results in table 4.2 indicate 83.4% of the respondents were either head teachers or deputy head teachers. These are some of the key personnel that form a school's management team that runs the institution This indicates that they were in a better position to understand their respective schools strategic decisions and the management data required in the questionnaires.

4.2.3 Respondents Duration worked in the Current Title or Position

The respondents were asked to indicate the duration they have worked in their current position. Out of the 36 respondents, 50% indicated they have worked in their current position for less than 5 years, 33.3% of the respondents have worked in their current position between 5-10 years, 8.3% of the respondents have worked in their current position between 11-15 years and similarly, 8.3% of the respondents have worked in the position above 15 years. The results in table 4.3 indicate that 50% of the respondents have been working in their current position for over 5 years hence an indication they have a higher understanding of strategic management practices in their respective secondary schools.

Table 4.3: Respondents Duration worked in the Current Title or Position

Duration Worked in Curi	rent Frequency	Percentage	Cumulative
Position			Percentage
Less than 5 Years	18	50.0	50.0
5-10 Years	12	33.3	83.3
11-15 Years	3	8.3	91.7
Above 15 Years	3	8.3	100.0
Total	36	100.0	

4.2.4 Respondents Length of Continuous Service with the School

The respondents were requested to indicate the years they have worked in their respective schools.

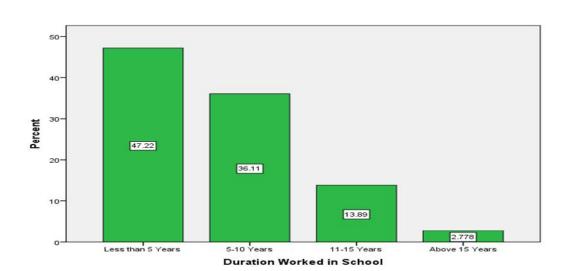


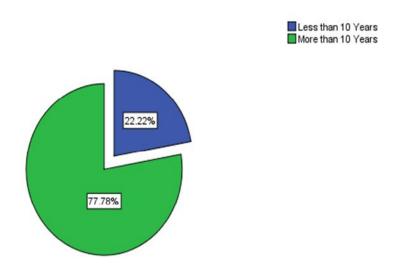
Figure 4.1: Respondents Length of Continuous Service in the School

The findings indicated that 47.22% of the respondents they have worked in their respective schools for less than 5 years, 36.11% of the respondents have worked in their respective schools between 5-10 years, 13.89% of the respondents have worked in their respective schools between 11-15 years and 2.778% of the respondents have worked in their respective schools above 15 years. The results in figure 4.1 indicate that 52.78% of the respondents have worked for their respective schools above 5 years an indication that they have a better understanding of the different strategic decisions that are made in their respective schools.

4.2.5The Duration the Secondary School has been in Operation

The respondents were requested to indicate the duration their respective secondary schools have been in operation. Of the 36 respondents, 22.22%, indicated that their respective schools have been in operation for less than 10 years while 77.78% of the respondents indicated that their respective schools have been in operation for more than 10 years. The results in figure 4.2 indicate that majority of the respective schools have been in operation for more than 10 years; thus indicating they have acquired a wide understanding of strategic related issues in their operations.

Figure 4.2: The duration the Secondary School has been in Operation



4.3 The Process of Decision Making used by Secondary Schools

The respondents were requested to indicate the extent to which their respective secondary schools practice the process of decision making in a five point Likert Scale. The range

was "Very small extent (1)" to "Very large extent (5). The scores of "Very small extent" and "Small extent" have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; $(0 \le S.E < 2.4)$. The scores of "moderate extent" have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: $(2.5 \le M.E. < 3.4)$ and the score of both "Large extent" and "Very large extent" have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous likert scale; $(3.5 \le L.E. < 5.0)$. The results are shown on table 4.4.

Table 4.4: The Process of Decision Making used by Secondary Schools

Decision making process	Mean	Std. Deviation
Evaluates plan before implementation	4.0278	1.02779
Explores and integrates ideas	3.8857	1.18251
Commitment and support in Strategic Decisions	3.8571	1.26358
Implementations		
Selects the best alternative	3.8235	1.29030
An enabling environment	3.7778	1.24467
Board of management investigates alternatives	3.6389	1.04616
in detail		
Communication of decisions to all	3.5278	1.15847
Incorporation of new technologies	3.2222	1.28976

The results indicate that decision making process is used by secondary schools between a moderate and very large extent. From the data collected, evaluates plan before implementation, explore and integrate ideas, commitment and support in strategic decisions implementations, selects the best alternative, an enabling environment, board of management investigates alternatives in detail and communication of decisions to all are used by different secondary schools in a large and very large extent. This is shown by a mean score of 4.0278, 3.8857, 3.8571, 3.8235, 3.7778, 3.6389 and 3.5278 respectively. Similarly, incorporation of new technologies is used by secondary schools in a moderate extent. This is shown by a mean score of 3.2222.

4.4 The Influence of Strategic Decisions on Performance of Secondary Schools

The objective of the study was to determine the influence of strategic decisions on performance of secondary schools in Nakuru sub-county. The respondents were requested to indicate the extent to which strategic decisions improve performance of the school in a five point Likert Scale. The range was "No extent at all (1)" to "Greatest extent (5). The scores of "No extent at all" and "Less extent" have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \le S.E < 2.4$). The scores of "moderate extent" have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ($2.5 \le M.E. < 3.4$) and the score of both "Great extent" and "Greatest extent" have been taken to represent a variable

which had a mean score of 3.5 to 5.0 on a continuous likert scale; $(3.5 \le L.E. < 5.0)$. The results are shown on table 4.5.

Table 4.5: The Influence of Strategic Decisions on Performance

Strategic Decisions	Mean	Std. Deviation
Improved infrastructural development	3.6944	1.34843
Hiring of competent staff	3.5833	1.46141
Improved academic performance	3.4444	1.15745
Strategic plan implementation	3.4167	1.36015
Increased number of students	3.3611	1.41730
Achievement of set targets	3.3056	1.06421
Reduction of costs of running the school	2.6944	1.26083

From the data collected, improved infrastructural development and school hires competent staff strategic decisions influence performance to a great extent. This is shown by a mean of 3.6944 and 3.5833 respectively. Similarly, improved academic performance, strategic plan implementation, increased number of students, teachers achieve set targets and reduction of costs of running the school strategic decisions influence performance to a moderate extent. This is shown by a mean of 3.4444, 3.4167, 3.3611, 3.3056 and 2.6944 respectively.

4.4.1 Secondary Schools Performance in K.C.S.E in the Last Five Years

The respondents were requested to write their respective secondary schools K.C.S.E mean for the last five years. The range was "Mean D+ (1)" to "Mean B+ (4)". The scores of "D+" have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \le S.E < 2.4$). The scores of "C" have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ($2.5 \le M.E. < 3.4$) and the score of both "B-" and "B+" have been taken to represent a variable which had a mean score of 3.5 to 4.0 on a continuous likert scale; ($3.5 \le L.E. < 5.0$). The results are shown on table 4.6.

From the data collected, the year 2010 the secondary schools had D+. This is shown by a mean score of 2.3889. The year 2011, 2012, 2013 and 2014 the secondary schools had C. This is shown a mean of 2.5833, 2.5833, 2.4167 and 2.5556 respectively.

Table 4.6: K.C.S.E Mean in the Last Five Years

K.C.S.E Mean	Mean	Variance	
2010	2.3889	.930	
2011	2.5833	.821	
2012	2.5833	.879	
2013	2.4167	.993	
2014	2.5556	.883	

4.4.2 Tests on Coefficients

Table 4.7: Coefficients

Model	Unsta	ndardized	Standardized	t	Sig.
	Coeffi	cients	Coefficients		
	В	Std. Error	Beta		
(Constant)	.268	.244		1.097	.282
Strategic plan implementation	.253	.168	.333	1.501	.031
Improved academic performance	.391	.160	.469	2.452	.021
Improved infrastructural development	.104	.133	.143	.781	.442
Achievement in set targets	.491	.233	.524	2.111	.033
Increased number of students	.079	.117	.111	.673	.506
Reduction of costs of running the school	.279	.133	.317	2.096	.026
Hiring of competent staff	.080	.100	.121	.803	.429

Dependent Variable: KSCE Mean score

The regression model used was:

$$Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 X4 + \beta 5 X5 + \beta 6 X6 + \beta 7 X7 + \epsilon$$

Where;

Y= dependent variable (KSCE Mean score for 5 years)

 $\alpha = constant$

.

 βi = coefficient of respective independent variables

X1=Strategic plan implementation

X2= Improved academic performance

X3= Improved infrastructural development

X4= Achievement of set targets

X5= Increased number of students

X6= Reduction of costs of running the school

X7= Hiring of competent staff

 $\varepsilon = \text{Error term}$

As per the SPSS generated table above, the regression becomes:

$$Y = 0.268 + 0.253X_1 + 0.391X_2 + 0.104X_3 + 0.491X_4 + 0.079X_5 + 0.279X_6 + 0.080X_7$$

The multiple linear regression model indicates that all the independent variables have positive coefficient. The regression results above reveal that there is a positive relationship between dependent variable and independent variables. From the findings, one unit change in strategic plan implementation results to 0.253 units increase in KSCE mean score. One unit change in improved academic performance, results to 0.391 units increase in KSCE mean score. One unit change in improved infrastructural development, results to 0.104 units increase in KSCE mean score. One unit change in achievement of set targets, results to 0.491 units increase in KSCE mean score. One unit change in increased number of students, results to 0.079 units increase in KSCE mean score. One unit change in reduction of costs of running the school, results to 0.279 units increase in

KSCE mean score. Similarly, a unit change in hiring of competent staff results to 0.080 units increase in KSCE mean score.

The significant values represented by p 3 are all < 5% (from 0.06 - 0.37) hence this implies that only four of them are the predictors used which were significant. Similarly, the sample used Z-statistic represented by t since it is more than 30. Four of the t values are > 1.96 hence only four values are significant (strategic plan implementation, improved academic performance, achievement in set targets and reduction of costs of running the school).

The above results concur with Papadakis (1998) and Elbanna (2006), who concluded that there is a positive relationship between rational decision makers and organizational performance. Similarly, Pearce & Robinson (2007) concluded that strategic decisions made by an organization highly influence the performance of that particular organization. Likewise, Forbes (2000) found that there was a positive relationship between strategic decisions and organizational performance. On the contrary, Mwangi (2012) found that strategic decision speed does not have a significant effect on firm performance. That is the firm performance in the photography industry in Kenya is not influenced by the speed with which strategic decisions are made.

4.4.3 Model Summary

Table 4.8: Model Summary

Model	R	R Square	Adjusted R	Std. Error of the Estimate
			Square	
1	.883ª	.780	.725	.52294

From table 4.8, the coefficient of determination is 72.5%. This indicates that 72.5% of the variations in KCSE mean score is explained by the variations in the independent variables. It represents a fairly good fit since an R-Square of 0.780 is generally accepted as the threshold for a good fit.

4.4.4 Analysis of Variance

Table 4.9: ANOVA

Mode	el	Sum of Squares	Df	Mean square	F	Sig.
1	Regression	27.093	7	3.870	14.153	0.000 ^b
	Residual	7.657	28	.273		
Total		34.750	35			

a. Dependent Variable: KCSE Mean Score

b. Predictors: (Constant), hiring of competent staff, reduction of costs of running the school, improved infrastructural development, improved academic performance, increased number of students, strategic plan implementation, achievement of set targets.

The F calculated at 5% level of significance was 14.153 since F calculated is greater than the F critical (value = 2.17), this shows that the overall model was significant. The F significance value of 0.00, indicates that regression model has probability of 0% of giving wrong prediction. It can be concluded that regression model is statistically significant, hence suitable for explaining how strategic decisions influence performance

4.5 Discussions

of secondary schools.

The study revealed that the majority of the respondents were above 36 years and that they have been working in their current position for over 5 years. Reviewing the respondents' continuous service to the organization, the study revealed that the majority of the respondents have worked for their respective schools for above 5 years. The study also revealed that the majority of the respective schools have been in operation for more than 10 years.

The study revealed that decision making process is used by secondary school between a moderate and very large extent. From the data collected, it was revealed that evaluates plan before implementation, explore and integrate ideas, commitment and support in strategic decisions implementations, selects the best alternative, an enabling environment, board of management investigates alternatives in detail and communication of decisions to all are used by different secondary school in a large and very large extent.

The study also revealed that strategic decisions influence performance of secondary schools. This is evident through the positive relationship between dependent variable (KCSE mean score) and independent variables [hiring of competent staff, reduction of costs of running the school, improved infrastructural development, improved academic performance, increased number of students, strategic plan implementation and achievement of set targets).

4.6 Chapter Summary

This chapter presented the introduction and discussed the interpretation and presentation of the study findings. The finding intended to answer the study's research question. The findings were presented in percentages and frequency distributions, mean and standard deviations. A total of 45 schools were targeted and 36 questionnaires were returned, thus a response rate of 83.7%. The results from the questionnaires indicated that 80.6% of the respondents were above 36 years, and most of the respondents were either head teachers or deputy head teachers. Also the study found that 50% of the respondents have been working in their current position for over 5 years while the other 50% have worked for their respective schools for less than 5 years. The respondents also indicated that majority of the schools have been in operation for more than 10 years.

The study also found out that the decision making process is used by secondary schools between a moderate and very large extent. The study through regression analysis found that 72.5% of the variations in KCSE mean score is explained by the variations in the

independent variables (hiring of competent staff, reduction of costs of running the school, improved infrastructural development, improved academic performance, increased number of students, strategic plan implementation and achievement of set targets). Through the analysis of variance, the F calculated at 5% level of significance was 14.153 since F calculated is greater than the F critical (value = 2.17). This shows that the overall model was significant hence there is a positive relationship between dependent variable and independent variables.

CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSION AND

RECOMMENDATIONS

5.1 Introduction

The study was carried out to establish the influence of strategic decisions on performance

of secondary schools in Nakuru sub-county. This chapter presents the summary of

findings for the research objective, conclusion, limitations, recommendations made based

on the findings and suggestions on the areas that need to be researched further in the

study.

5.2 Summary

The results from the process of decision making used by secondary schools indicate that

decision making process is used by secondary schools between a moderate and very large

extent. From the data collected; evaluates plan before implementation, explore and

integrate ideas, commitment and support in strategic decisions implementations, selects

the best alternative, an enabling environment, board of management investigates

alternatives in detail and communication of decisions to all are used by different

secondary schools in a large and very large extent.

The finding of the research objective through regression analysis found that the 72.5% of

the variations in KCSE mean score is explained by the variations in the independent

variables (hiring of competent staff, reduction of costs of running the school, improved

infrastructural development, improved academic performance, increased number of

46

students, strategic plan implementation and achievement of set targets). Through the analysis of variance, the F calculated at 5% level of significance was 14.153 since F calculated is greater than the F critical (value =2.17). This shows that the overall model was significant hence there is a positive relationship between dependent variable and independent variables.

5.3 Conclusions

From the findings of the study, it can be concluded that the strategic decisions influencing performance include improved infrastructural development, hiring of competent staff, improved academic performance, strategic plan implementation, increased number of students, achievement of set targets and reduction of costs of running the school. This implies that the first research question has been achieved. From the findings of the study, also it can be concluded that strategic decisions influence performance of secondary schools. This is evident through the positive relationship between dependent variable (KCSE mean score) and independent variables(hiring of competent staff, reduction of costs of running the school, improved infrastructural development, improved academic performance, increased number of students, strategic plan implementation and achievement of set targets). Therefore, the study recommends that all secondary schools in Kenya should adopt strategic decisions.

5.4 Limitations of the Study

The study focused on the influence of strategic decisions on performance of both public and private secondary schools in Nakuru sub county. One of the limitations is that some schools did not have strategic plans which in essence contain the strategic decisions made by the school management. The other limitation was in respect to administration and collection of data. Some respondents did not fill the questionnaires within the period they had said they would and therefore more visits were made to these schools. Other respondents misplaced the questionnaires and more had to be issued again to them while others did not return them. Another limitation is that two private schools were no longer in operation. Due to this, the study did not capture all the data The data was collected by Likert scale questionnaires hence, the results might have biases of the respondents reflected in the results and therefore a possibility that if respondents were different, the results might be different. Some secondary schools were not ready to participate in answering the questionnaires, citing lack of time and others confidentiality of their data needed.

5.5 Recommendations

Strategic decisions influencing performance include improved infrastructural development, hiring of competent staff, improved academic performance, strategic plan implementation, increased number of students, achievement of set targets and reduction of costs of running the school, therefore the study recommends that all the secondary

schools throughout Kenya should adopt these strategic decisions in their day to day decision making processes.

Strategic decisions influence performance of secondary schools. Therefore, the study recommends that all secondary schools in Kenya should adopt these strategic decisions in order to improve their performance.

5.6 Suggestions for Further Research

The findings of this study are specific to both public and private secondary schools in Nakuru sub-county. Therefore future studies on the same area can be done to cover both public and private secondary schools or both public and private primary schools in the whole Nakuru county. A similar study should be conducted out in other sectors such as the hospitals, manufacturing firms and banking industry.

The findings indicate there are a number of secondary schools in Nakuru sub-county that have not implemented the strategic decisions. A study should be conducted to find out reasons why some of these secondary schools have not yet implemented strategic decisions.

REFERENCES

- Atkinson, H. (2006). Strategy Implementation: A role for the Balanced Scorecard in Management Decision, vol 44 No. 10, pp 1441-60.
- Babbie, E.(1990) The Practice of Social Research. Califonia: Wadsworth Publishing Company.
- Barnard, C.I.(1938) The Functions of the Executive. Cambridge, Mass: Havard University Press.
- Barney, J.,B.(2007) Gaining and Sustaining Competitive Advantage.3rd Ed. New Jersey: Pearson Hall.
- Bass, B. M. 1983) Organizational Structure, environment and Performance: Richard D. Irwin, Homewood, and I.L.
- Bond. S.R & Cummins, J.G. (2000). The Stock Market and Investment in the New Economy: Some Tangible Facts and Intangible Fictions. *Brookings Papers on Economic Activity*, 1:61-108.
- Bower, J.I., Managing that Resource Allocation Process; A Study of Corporate Planning and Investment. Irwin, Illinois, 1972
- Cathy, A. E. (1989) Relationship between Organizational value Sharing and Influence over Strategic Decisions: *The Scholarly commons:* Cornell University School of Hotel Admission.
- Chandler, A. D. (1962). Strategy and Structure: Chapters in the History of the American Industrial Enterprises. MIT Press, Cambridge, MA.
- Constitution of Kenya (2010).
- Coulter, M. (2005). *Strategic Management in Action*, 3rd ed. Upper Saddle River, NJ: Pearson Prentice Hall.
- Dean J. W Jr & Sharfman, M.P. (1996). A Study of Strategic Decision Making Effectiveness. *Academy of Management*. 13, 483=499.
- Dess, G.G & Priem, R.L. (1995). Consensus-Performance Research: Theoretical and Empirical Theoretical Extensions. *Journal of Management Studies*.32, 400-417.
- Digman, L.A. (2006). *Strategic Management Concept, Decisions Cases*. Texas: Business Publication Inc.

- Draft, R.L.(2008). New Era of Management. Thompson Corporation: U.S.A.
- Drucker, P.F.(1954) The Practice of Management. Harper and Broders, New York.
- Duhaime, I.M & Baird, I.S. (2007). Divestment Decision Making: The Role of Business Unit Size. *Journal of Management*.13,483-499.
- Dutton, J.E., Cameron, K.S., Quinn, R.E., (2003). Positive Organizational Scholarship: Foundations of a new Discipline 48-65. Berret-Koehler Publishers Inc. San Francisco, CA.
- Dutton, J.E & Duncan, R.B. (2007). The Influence of The Strategic Planning Process on Strategic Change, *Strategic Management Journal*. 8. 103-116.
- Elbanna, S. (2006). Planning and participation as determinants of strategic planning effectiveness: evidence from the Arabic context, *Management Decision*, 46, 5, 779-96.
- Education Indicators in Kenya: www.sp.uoconn.edu/WPN04.pdf
- Eisenhardt, K.M. (2002). Has Strategy changed? MIT Sloan Management Review 88-91.
- Eisenhardt, K.M. (2005). Making Fast Strategic Decision in High-Velocity Environments like Banks. *Academy of Management Journal*, 32, 543-576
- Ekawati, R.S. (2014) The Effect Partnership on Innovation Capability and Business Performance of Garment Industry in West Java Indonesia, international Journal of Scientific and Technology Research Volume 3 Issue 12 Dec 2014 ISSN 2277-8616.
- El Rincón de Hildebrandt (2009). The Challenge of Strategy Implementation: Tools for Turning Your Firm's Strategic Plan into Action. Accounting and Financial Planning for Law Firms. Media US Properties, LLC.
- Eshiwani, G.S. (1993) Education in Kenya since Independence (1997 2010) Nairobi Government Printer.
- Forbes, D.P. (2000). The strategic implications of managerial cognition and firm decision processes: evidence from a new venture context, *unpublished PhD thesis*, New York University, New York, NY
- Fred R. David (2011). Strategic Management Concepts and Cases. Francis Marion University, Florence. Prentice Hall, South Carolina.

Fredrikson, J.W & Mitchell, T.R. (2004). Strategic Decision Processes: Comprehensiveness and Performance In an Industry With an Unstable Environment. *Academy of Management Journal*, 27, 399-423.

- Fredrikson, J.W. (2005). Effects of Decision Motive and Organizational Performance Level on Strategic Decision Processes. *Academy of Management Journal*. 28, 821-843.
- Galbraith, J.R & Lawler, E.E (1993). Organizing for the Future: The new logic for managing complex organizations 3rd Ed. Wiley.
- GoK (2013). *Kenya Educational Commission Report, Part 1.* Nairobi: Government Press. Jambonewspot October, 30, 2014
- Icharia S. N. (2013). Critical Success Factors in Kenya Certificate of Secondary Education Examinations in Public Secondary Schools in Kiambaa Division Unpublished U.o.N MBA Project.
- Johnson, G., Scholes, K., & Whittington, R (2008). *Exploring Corporate Strategy*, 7th Edition, Prince-Hall, England.
- Kagathi, K. (2013). Strategic Decisions Making at JomoKenyatta University of Agriculture and Technology, Kenya. *Unpublished MBA Project*, University of Nairobi.
- Kahneman, D. and Trevrsky, A (1979) Prospect Theory; An Analysis of Decision under Risk. Econometrica Vol. 47 No.2.
- Kaplan, R. S. & Norton, D. P. (2001). The Strategy Focused organization: *How Balanced Score Card Companies Thrive in the New Business environment*. Boston, Harvard Business School Press.
- Kibiego, J. T. (2014). Influence of Strategic Partnerships on the performance of Kenyatta International Convention Centre, *Unpublished MBA Project, University of Nairobi*.
- Knight F. H. (1985). Risk, Uncertainty and Profit. University of Chicago Press.
- Kothari, C.R. (2004). Research Methodology; Methods and Techniques. New Age International (P) Ltd, New Delhi.
- Lindblom, C.E.(1965) The Intelligence of Democracy. New York: Free Press
- Lorge, I and Solomon, H. (1955). Two models of group behavior in the solution of Eureka-Type problems, Psychometrika 20, 139 148.

- Meyer, J.W & Rowan, B.(1978). The structure of educational organizations. In M.W Meyer (Ed), *Environments and Organizations*. (pp. 78-109). San Francisco: Jossey-Bass.
- Ministry of Education. Nakuru Sub-county Education Day, 6th June 2014.
- Mitchell, M & Jolley, J (2013). Research Design explained. Belmont, CA, Wadsworth.
- Mitugo, S. N. (2005). Impact assessment of hidden cost of free primary education on enrolment and completion rates of pupils in public primary schools in Tharaka District. University of Nairobi. Unpublished M.Ed project.
- Mitzberg,H. et al (1976) The Structure of "Unstructured" Decision Process. Administrative Science Quarterly 1976-N21(2).
- Mintzberg, H. (1987). Crafting Strategy. Harvard Business Review, 65 (4), 66-75.
- Mugenda, M.O., & Mugenda, G.A. (2003). Research methods: quantitative and Qualitative approaches. African Centre for Technology Studies.
- Mwangi, L. (2012). Strategic Decisions Speed and Firm Performance of the Two Major Firms in Photography Industry in Nairobi, Kenya. *Unpublished MBA Project*, University of Nairobi.
- Okwako, D.A.(2013) Strategic Planning and Performance of Public Secondary Schools in Rarieda District.-Unpublished MBA Thesis: University of Nairobi.
- Olasunkanmi, A.A.,& Olofunmilayo, O.M.(2012). An Input Analysis of Public and Private Secondary Schools in Lagos, Nigeria. International Journal of Humanities and Social Science; Vol.2.No.18,Oct.2012.
- Ongeti, J.W. (2014). Organization Resources, Corporate Governance, Structures and Performance of Kenya State Corporations Unpublished MBA Thesis: University of Narobi.
- Papadakis, V.M. (1998). Strategic investment decision processes and organizational performance: an empirical examination, *British Journal of Management* 9, 2, 115-32.
- Pearce, J. A II & Robinson R. (2007). Strategic Management; Strategy, formulation and implementation, 5th edition, Richard Irwin inc. USA.
- Pearce, J. A II & Robinson, R.B Jr. (1994). *Strategic Management. Formulation, Implementation and Control*, 5th Ed. Burr Ridge, Illinois. Irwin Inc.

Republic of Kenya, 1988.Report of the presidential Working Party on Education and Manpower Training for the next decade and Beyond: Government Pri

- Sergio, J. (2005) The Strategic Decision-Making Process in Organizations. Havard Business Review
- Shrivastava, P. & Grant, J. (2005). Empirically Derived Models Of Strategic Decision-Making Processes In Manufacturing Firms. *Strategic Management Journal*.6, 97-113.
- Smith, A.P & Hayne, S.C. (2007). Decision Making Under Time Pressure in Factories. *Management Communications Quarterly*. 11, 97-127.
- Sowden, L. (1984). The Inadequacy of Bayesian Decision Theory. *Philosophical Studies*. 45, 293-313.
- Strickland, A.J., Gamble, J.E & Jain, A.K. (2008). *Crafting and Executing Strategy*. 16th *Ed*, Tata McGraw Hill, New Delhi.
- Thompson, K, & Strickland, C. (2002). Strategic Management: Concepts and Cases, Irwin, New York.
- Thompson, A., Strickland, J.A.(1993).Strategic Management :Concepts and Cases.(12th ed.) New York: Richard D.Irwin.
- Thompson, A. (1997). Strategy Winning in The Market Place, 2nd Ed. McGraw Hill, Irwin New York, USA

APPENDICES

Appendix I: Letter of Introduction

Dear Respondent,

REQUEST FOR RESEARCH DATA

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

am required to submit as part of my course work assessment, a research proposal report

on The Influence of Strategic Decisions on Performance of Secondary Schools in Nakuru

Sub-County. I am kindly requesting you to assist me in this study by filling the attached

questionnaire honestly and to the best of your ability as it applies to your institution.

Please be assured that the information you provide will be used solely for academic

purposes and all responses will remain confidential.

Martha Njeri Kariuki

Student Researcher

55

Appendix II: Questionnaire for Principals and Deputies

This research project was conducted with the authorization of the University of Nairobi, Faculty of commerce and School of Business.

Section A: General Information

Please tick responses appropriately.

Section A (i): Demographic Information of the Respondents

- 1. Age of the Respondent:
 - a). 18 25
 - b). 26–35 [
 - c). 36 45
 - d). 46 50 []
 - e).51 and above []
- 2. What is your current title or position?
 - a) Head Teacher

[]

b) Deputy Head Teacher

[]

c) Head of Department

[]

d) Senior Teacher

- []
- e) Other (specify).....
- 3. How long have you worked in your current position?
 - a) Less than 5 years

b) 5 to 10 years	[]
c) 11 to 15 years	[]
d) Above 15 years	[]
4. How many years have you worked in this sc	hool?
a) Less than 5 years	[]
b) 5 to 10 years	[]
c) 11 to 15 years	[]
d) Above 15 years	[]
Section A (ii) Demographic Information for th	ne School
1. Name of the Secondary School (optional)	
2. Duration that the secondary school has been in	operation
Less than 10 years []	
More than 10 years []	
Section B: The Process of Decision Making Pr	ocess Used by Secondary Schools
Please indicate the extent to which you agree	e with the following statements on the
process of decision making used by your school.	The scale below will be applicable:
1=very small extent.	
2= small extent	
3= moderate extent	
4= Large extent	
5= To a very large extent	

No Statement 3 4 5 The board of management provides an enabling environment for decision making The board of management investigates alternatives in details to generate more information to select from The management of the school explores and integrate ideas before making a decision The management selects the best alternative for decision making The management of the school evaluates the plan before implementation The board of management communicates decisions to all its employees in order to make decisions The management of the school incorporates new technologies into products faster than competitors The management shows commitment and support the in implementing strategic decisions 9. Any other? Please state

Section C: The extent to which strategic decisions improve performance of the school

Does y	our scho	ool have a strat	egic plan?		
	Yes	[]			
	No	[]			
If yes,	who ar	re involved in	the formulation a	and implementation	of the school
strategi	ic plan?				
Formu	lation				
Implen	nentation	1			
How h	as your	school perform	ned in K.C.S.E in	the last five years?	Please fill the

iii. How has your school performed in K.C.S.E in the last five years? Please fill the table below.

Year	School mean grade
2010	
2011	
2012	
2013	
2014	

II.	Please indicate your level of agreement with regard to the extent to which
	strategic decisions improve performance of your school.

1-Not at all

2-Less extent

3-Moderate extent

4-Great extent

5-Greatest extent;

No	Parameter	1	2	3	4	5
1	The strategic plan is implemented					
2	There is improved academic performance					
3	Improved infrastructural development					
4	The teachers achieve set targets					
5	Increased number of students					
6.	Reduction of costs of running the school					
7.	The school hires competent staff					

THANK YOU FOR YOUR TIME

Appendix III: List of Secondary Schools in Nakuru Sub-County

No	Name of School	Туре		
1	Nakuru Girls	National		
2	Nakuru High	National		
3	Langalanga	County		
4	Christ The King	Private		
5	Menengai High	County		
6	St. Xavier	Private		
7	Nakuru Day	County		
8	Afraha High	County		
9	Lanet Secondary	Sub-County		
10	Loreto Nakuru	Private		
11	EastMore	Private		
12	Upper hill	Sub-County		
13	Moi Secondary	Sub-County		
14	Nairobi Road	Sub-County		
15	St. Lukes	Private		
16	NakuruWest	Sub-County		
17	Flamingo Secondary	County		
18	Tumaini	Sub-County		
19	Hillcrest	Sub-County		
20	Uhuru High	Sub-County		
21	Kenyatta Secondary	Sub-County		
22	Kings Academy	Private		
23	Rasul-Akram	Private		
24	Crater View	Sub-County		
25	St. Marys Girls	Sub-County		
26	Shinners Girls	Private		

27 Sub-County Nakuru Central 28 Nakuru Park View Private 29 Hopewell Private 30 George Muthaiti Private Mogoon Sub-County 31 32 YMCA Private 33 Riverside Private Pistis Academy 34 Private 35 City Mission Private 36 Bartmore Private 37 Lake Lowrenzo Private 38 Bishop Mureithi Private 39 Sub-County Kelelwet 40 St. Nicholas Private 41 Khalsa Private Kiamunyeki 42 Private State View Private 43

Source: Republic of Kenya, Ministry of Education. *Nakuru District Education Day on 6the June, 2014*

Private

Special

44

45

Sport Light

Ngala Secondary