

**STRATEGIC PLANNING AND PERFORMANCE OF KCA
UNIVERSITY IN KENYA**

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DECLARATION

I declare that this research project is my original work and has not been presented for examination in other institution of learning such as college or University for any academic award such as certificate, diploma or degree

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This project has been prepared under my guidance and handed in with my approval as the University Supervisor for examination.

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DEDICATION

This research project is dedicated to my family who has been my constant source of inspiration and encouragement. They have given me the drive, discipline and desire to go on and tackle any tasks with enthusiasm and determination. Without their love and support this project would not have been successful.

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ABBREVIATIONS AND ACRONYMS

BSC:	Balanced Scorecard
CHE:	Commission for Higher Education
CIPFA:	Chart Foulks Lynch
CPA:	Certified Public Accountant
CUE:	Commission for University Education
ECP:	Emerging Capital Partners
EFQM:	European Foundation for Quality Management
ERP:	Enterprise Resource Planning
EXPO:	Exposition or Trade Fair
HR:	Human Resource
ICPAK:	Institute for Certified Public Accountants
ICT:	Information Communication Technology
KASNEB:	Kenya Accountants and Secretaries National Examination Board
KCA:	Kenya College of Accountancy
KCAU:	KCA University
KCSE:	Kenya Certificate of Secondary Education
KPI:	Key Performance Indicators
PMM:	Performance Measurement Matrix
QA:	Quality Assurance
RBV:	Resource Based View
SSS:	Self Sponsored Students
VC:	Vice Chancellor

ABSTRACT

Strategic Planning is an important ingredient for organizational growth, development performance and change Management. Managers make decisions on a day to day basis that directly affect organizational performance in a negative or positive way. It' been noted that firms who have successfully incorporated strategic planning, experience superior performance compared to those that do not embrace the practice. The Strategic Planning Process involves four main steps. These steps include: strategy formulation, strategy implementation, external and internal analysis, plus evaluation and control. The main objective of this study was to investigate the effect of strategic planning on the performance of KCA University Kenya. The study was conducted through a case study of KCA University. Primary as well as secondary data sources were used for the study. The data was obtained by use of in-depth together with interactive interviews of 11 management staff at the University. Secondary data was also collected from other sources to support the primary data. The nature of data collected was qualitative and therefore analyzed using content analysis. The study established that strategic planning at KCA University (KCAU) was mainly done through the Quality Assurance department with assistance from external consultants in consultation with top management. The leadership of KCAU had a clear vision to be acknowledged as a leading business university of Choice whose graduates proficiently and assertively serve Kenya as nation, East Africa, and the Globe at large. While their mission statement is "to offer high quality market driven teaching, research and extension services in a safe and supportive academic environment". The study established that the challenges facing the organization included resistance to the strategic planning process from members of staff, lack of synchronization between the strategic plan and departmental and individual staff work plans, lack of understanding of the strategic plan amongst members of staff as well as staff not working well together. The study concludes that KCA University's strategic plan reaffirms KCAU's commitment "to be recognized as a premier business university of Choice whose graduates competently and confidently serve the nation of Kenya, East African Region and the Global Community". The study recommends that the process should be inclusive of all employees and that the University and various departments should conduct regular evaluation of the strategies and the same be communicated to staff. Management should also effectively budget for the process and increase the budgetary allocation for the same. This study has various implications in the higher education sector, to KCA University and to academicians in interested in strategic planning. The study provides an insight on various factors players in the higher education sector need to consider in their strategic planning process as well as recommendations for strengthening the relationship between performance and strategic planning in higher educational institutions. This investigation also provides additional areas of study and research gaps for academicians in strategic planning and individual researchers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic Planning is an important ingredient for organizational growth, development performance and change Management. Managers make decisions on a day to day basis that directly affect organizational performance in a negative or positive way. It's been noted that organizations that have successfully incorporated the practice of strategic planning, record superior performance in comparison to that have not (Arasa and Obonyo, 2012). One of the major roles of strategic planning in organizations is to solve major organizational problems; and deal effectively with rapidly changing circumstances both internal and external (Bryson, 1988).

According to Arasa and Obonyo (2012, p. 204) "strategic planning results in a viable match between the firm and its external environment leading to what the firm, given its environment, should achieve". Arasa and Obonyo (2012, p. 204) further highlight that "Environmental scanning and analysis allows the firm to be connected to its environment and guarantees the alignment between the firm and its environment.

Environmental analysis also reveals the market dynamics, business opportunities and challenges and thus provides the basis for strategy selection". The type of strategy adopted by an organization can greatly affect its performance. According to Barney and Griffin (1992) there are four strategic types of organizations based on senior management, Defenders, Analyzers, Prospectors and Reactors.

Various theories can be used to explain the relationship between strategic planning and performance management. For this study, Game Theory, Theory of Dynamic Capabilities, and Resource Based Theory (RBV) formed the basis of the investigation. RBV Resource-based theory proposes that the internal factors within an organization are responsible for sustainable competitive advantage and greater performance of an organization. This theory predicts that setting out inimitable and distinctive firm's resources and competences can result in sustained greater performance (Fahy and Smithee, 1999). (Barton, 1992) describe Dynamic Capabilities as the capability of an organization to incorporate, develop, and reconfigure internal as well external proficiencies to tackle the ever dynamic and quickly changing business environment. Game theory looks at the relationship between participants in a specific model and their optimal decisions (Von & Morgenstern, 1944).

Private Universities are very important to the Kenyan economy in bridging the gap in student admission that cannot be met by public universities. However, not much research is documented to have been carried out on the relationship between strategic planning and performance in private higher educational establishments with a large number of studies conducted focusing on public universities and other institutions. More research therefore needs to be conducted on this relationship. As the leading accountancy training institution in Kenya, the performance of KCA University (KCAU) has a larger impact on the Country's economy and the performance of the Country's firms as accountants churned out by the institution end up being employed in both private and public institutions. This findings of this study therefore are informs policy making by the Government on performance and strategic planning in institutions of higher learning.

KCAU recently entered into a strategic partnership with Maarifa Education and ECP (Emerging Capital Partners) which is expected to increase performance of the University in the next ten years (ICPAK, 2015). This research investigated the role played by strategic planning in improving the University's performance through this partnership. The study also investigated whether the university system understood and embraced the strategic planning concept, the roles played by members of staff and effects on performance.

The Global Sector of Higher Education has faced numerous changes in the previous years. More than ever, the world is experiencing a mass demand for education, a rising student mobility, internationalization of education, a tremendous increase in higher education establishments and programs offered, as well as Inequality among national higher education systems (Altbach, Reisberg & Rumbley, 2009 and Beall, 2012). Kenya has not been left behind with the number of Private Universities increasing by the day.

KCA University, the organization that informed the context of this study is a private University in Kenya started by the Institute for Certified Public Accountants (ICPAK) in 1989 as an accountancy college under the name: Kenya College of Accountancy (KCA) and later graduated to a University in 2007. Currently, the university offers courses at undergraduate, professional and post graduate level and has five branches across the country. The University has seen tremendous growth since its inception as a college in 1989 coupled by changes in leadership with each new crop of leaders coming up with different strategic decisions. One of the recent strategic decisions made by the University is entering into a Partnership with Maarifa Education and ECP with a view to increase performance of the University in the next ten years (ICPAK, 2015).

1.1.1 Concept of Strategic Planning

Strategic has been defined by various scholars in different ways (Bryson, 1988, p. 74) defines Strategic Planning “as a disciplined effort to produce fundamental decisions and actions shaping the nature and direction of an organization’s (or other entity’s) activities within legal bounds.” Strategic planning can also be defined as the practice of using logical principles and thorough investigation to formulate, implement and control strategy and officially document the expectations of an organizational (Higgins and Vincze, 1993; Mintzberg, 1994; Pearce and Robinson, 1994).

Wendy (1997), describes strategic planning as the process of developing and maintaining consistency between the organization’s objectives and resources and its changing opportunities with the argument that strategic planning seeks to document and outline an approach to doing business that leads to acceptable profits and growth. (Arasa and Obonyo, 2012. P. 202) further clarify Strategic Planning as “a process of selecting organizational goals and strategies, determining the necessary programs to achieve specific objectives towards achieving the goals, and establishing the methods necessary to ensure that the policies and programs are implemented”.

The Strategic Planning Process involves four main steps. These are, mission statement, implementation, internal and external analysis, control and evaluation. (Abdalkrim, 2013). Hax and Majluf (1996) however argue that the Strategic planning process comprises of three main elements which helps turn an organization’s vision or mission into concrete achievable goals and strategic implementation. The stages include, strategic analysis, Strategic choice stage means generating, evaluating and selecting the most appropriate strategy and the final stage being strategy implementation.

As a management tool in Private and Public Companies. Use of Strategic Planning in the Business World began after the Second World War. Strategic Planning has also been noted to help organizations make better strategies through the use of more systematic, logical and rational approach to strategic choice. Bryson (1988, p78) explains that Strategic Planning enables organizations “think strategically; clarify future direction; make today’s decisions in light of their future consequences; solve major organizational problems; improve performance; deal effectively with rapidly changing circumstances; and build teamwork and expertise”. According to Arasa and Obonyo (2012), when an organization carries out the different steps in the strategic planning process, it facilitates the realization of effectiveness. Properly designed strategic plans lead to an operational framework that ends up allowing the organization to enjoy distinctive competitive advantages, and improved performance (Porter, 1996).

1.1.2 Organizational Performance

According to Richard et al, (2009, p.722) organizational performance comprises of “the actual output or results of an organization as measured against its intended outputs (or goals and objectives) encompassing three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment.); product market performance (sales, market share.); and shareholder return (total shareholder return, economic value added).” A different method of an organization’s performance is nonfinancial or qualitative methods. These can also be referred to as non-intangible measures. Awino, Muturia and Oeba, (2012) cite organizational performance as a concern across many disciplines. Systems of performance measurement are therefore a focus of considerable attention in practitioner and academic communities.

It's necessary that the performance Measurement systems an organization uses are suitable and relevant for its strategies and environment. Organizations should manage their system of measurement to deliver relevant information to issues currently important (Kennerly & Neely, 2003). Namada *et al* (2012, p.114) were of the opinion that “the complexities of managing organizations today require that managers analyze different dimensions of performance as these are useful tools through which managerial purposes are achieved”. Every organizations performance goal is to increase effectiveness and efficiency in delivery of goods and services to their customers. Venkatraman and Ramanujam, (1987) argue that performance is often presented as a multidimensional concept. Two types of measures of company performance can be distinguished as financial or objective measurement and non-financial or subjective measurements.

1.1.3 Strategic Planning and Organizational Performance

Numerous studies have been carried out on the relationship between strategic planning and organization performance. According to Arasa and Obonyo (2012, p.201) “organizations that carry out strategic planning efficiently have been known to exhibit a more superior performance compared to those that don't”. Arasa and Obonyo (2012, p.201) further argue that, “Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. By defining a company's purpose and goals, strategic planning provides direction to the organization and enhances coordination and control of organization activities”. The process of strategic planning shapes a company's strategy choice, reveals and clarifies future opportunities and threats and provides a framework for decision making throughout a company.

Alaka *et al.*, (2011) on their study on the “Impact of Strategic Planning on the Performance of Insurance Companies in Nigeria” argue that strategic planning enhances customer patronage and changes direction of the company to develop situation analyses of opportunities and threats and provides better awareness of company’s potential based on its strength and weakness. According to David (1997), Strategic management allows an organization to be more proactive than reactive in shaping its own future; it enables organizations to be the initiators and influencers instead of just responding to events hence having control over their destiny.

Organizations that use concepts of strategic management exhibit a substantial increase in sales, higher profits, and productivity in comparison to those without logical planning undertakings. Firms that record high performance have a tendency to do organized planning in preparation for the fluctuations of the future in the external environments in which they operate and their internal environments. Effective planning and implementation has a positive contribution to the financial performance of organizations (Veskaisri, Chan, and Pollard, 2007).

1.1.4 Global Dimension of Higher Education

Global Higher Education indicates varying trends influenced by different factors such as globalization and Information Technology. According Altbach, Reisberg and Rumbley (2009), the world has seen an increase in student diversity hence the attractiveness of many programs that are professionally geared towards business and Information Communication Technology (ICT) fields, there is a notable rise in higher education Quality Assurance (QA) in order to meet the need for internationally recognized standards worldwide.

There has also been a remarkable rapid growth of higher educational establishments, most of these establishments are for profit or quasi profit and signify a sector that is deemed to be among the fastest growing worldwide. Beall (2012), further highlight that in the previous decade there has been a great explosion in the number of institutions operating across the globe as well as programs offered. Changes in the sector also include global mass demand for education, an increase in student mobility, as well as emergence of different advanced education models, plus partnerships in education for instance off-shore degree provision.

1.1.5 Higher Education Sector in Kenya

The Higher Education Sector in Kenya is a mixture of Public and Private Institutions and is one of the fastest growing sub sectors in the Kenyan university education. An increasing thirst for higher education continues to increase with many students who are unable to be absorbed in the Universities locally both public and private looking for admission into alternative higher learning institutions abroad. According to the “Commission for University Education” CUE (2015), the local demand for university education has reached a point where it’s more than the supply.

This is because there is an increasing number KCSE (Kenya Certificate of Secondary Education) students sitting for examinations who score (C+ above) and qualify to join universities but are not able to be accommodated by the public universities due to capacity (Caleb et al, 2011). Kenya currently has twenty two Public Universities that are chartered, nine Universities referred to as Constituent Colleges, seventeen Private Chartered Universities, including five Private Universities Constituent Colleges and another five institutions with letters of Interim Authority (CUE, 2015).

The growth of advanced education in Kenya can be traced back to 1961 when the Royal College, Nairobi was elevated to university status and named the University of East Africa it therefore become the first Kenyan university. Mutula, (2002). In 1998, Module II Degree Programs were introduced in public universities due to idle capacity. According to Abagi, Nzomo and Otieno (2005) there was a necessity to find a solution to financial deficiencies in public institutions of higher learning and provide opportunities to a large number of Kenyan citizens who did not seem to have a chance of joining universities to further their studies (Government of Kenya 1988) Kamunge Report.

The Module II programs made it possible for students who were Self Sponsored (SSS) to continue with their studies even though they were not housed at the student hostels within the public universities. Universities that were privately owned soon started cropping up to help bridge this gap that Public universities could not. This ever increasing demand for university education prompted the government of Kenya to inaugurate the Commission for Higher Education (CHE) in the year 1985.

This was done through an Act of Parliament or The Universities Act Cap 210B, the mandate of CHE was to be in charge of regulating the quality and growth of Kenyan higher education sector. Through an Act of Parliament referred to as the (Universities Act, No. 42 of 2012). CHE has since changed to Commission for University Education (CUE) (CUE, 2015). The Private Universities depend largely on student fees generated through tuition as a major source of revenue. This high dependence on tuition fees together with minimal sources of alternative income make the private institutions expensive and out of reach to most Kenyans.

There has been a rise in student admission within private universities. This enhanced expansion in the private university sector, growth of status, and formal acknowledgement and appreciation from as far as 1980s resulted to the public having a bit of anxiety regarding private universities. Privately owned higher educational institutions in Kenya rapidly increased in number from only 3 to 17 in about 20 years. Chacha (2004) with the number expected to increase with devolution of services to the Counties.

1.1.6 KCA University (KCAU)

Formally referred to as Kenya College of Accountancy, KCAU officially become a private university through a Kenya gazette notice No. 6895. Beginning July 26th 2007, Courses offered at the university include: degrees, diplomas, certificates, postgraduate and undergraduate levels. The University is governed by the Universities Act Cap 210b as a legal framework. Act (Cap 164) Perpetual Succession, Cap 167 Trustees Act together with the Trustees Deed.

KCA University was awarded a charter 3rd March, 2013. The University was started by (ICPAK) as a College of Accountancy in 1989. According to ICAPK, the main aim of establishing the college that has since graduated into a university was basically to add value to financial management and accountancy training within the country, A study carried out by Chart Foulks Lynch CIPFA indicated that Kenya needed extra skilled and competent accountants totalling to four hundred per year was also another factor that informed establishment of the college. Currently KCAU has four branches across the country.

KCA University recently entered into a Partnership with Maarifa Education and ECP (Emerging Capital Partners), this partnership is expected to increase performance of the University in the next ten years ICPAK (2015). According to Gachiri (2015), “ICPAK and Maarifa Education, ECP’s investment vehicle in education, are expected to form a company called KCA Education since the university’s status does not allow it to have shareholders. ICPAK will own a 25 per cent stake in the new company while ECP, through Maarifa Education will own the remaining 75 per cent stake .The funds will go to the university to fix its cash flow problems”

1.2 Research Problem

Organizations are more than ever incorporating the strategic planning practice in anticipation that it will result to an increase in performance. This study Set out to investigate the relationship concerning strategic planning and organization performance with an emphasis to strategic planning processes, strategy formulation, strategy implementation, control systems and evaluation, organization’s corporate purpose, environmental scanning, strategic issues identification, strategy choice, and effects including identification of weaknesses in the process. A notable function of strategic planning is to provide solutions to major problems facing organizations and to effectively deal with shifting internal and external business environments (Bryson 1988). Monitoring the effectiveness of the strategic planning process should be a key managerial task however many organizations have not embraced the exercise (Arasa & Obonyo 2012).

According to Altbach, Reisberg and Rumbley (2009), a global rise in universities that are privately owned has been seen in the previous years. This has been caused by minimal funding to public universities and massive demand for post-secondary education forcing higher education systems and institutions to be responsible for generating larger percentages of their own revenue. (Altbach, *et al.*, 2009, p. xiii), further argue that these global changes have led to “overcrowded lecture halls; outdated library holdings, less support for faculty research, deterioration of buildings, loss of secure faculty positions, and faculty brain drain calling for a change and investigation of strategy and performance of private advanced education universally so as to comply to standards internationally.

KCA University the institution that forms the context of this investigation was started in 1989 as a college by (ICPAK). The University has seen tremendous growth since its inception and currently the University has five branches and is expected to open more branches with the help of investment from Maarifa Education. According to Ngumi Patrick (n.d), the ICPAK Chief Executive Officer (CEO), “this investment will help KCAU make substantial improvements to its programs, campuses, and service offerings so as to compete more effectively within the growing Kenyan higher-education market.” Maarifa's investment will also address near-term capital requirements and provide KCAU with expansion capital to enable it invest in core infrastructure.

ICPAK will own a 25 per cent stake in the new company while ECP, through Maarifa Education will own the remaining 75 per cent stake. The funds will go to the university to fix its cash flow problems”. The Private Kenyan higher education sector has been plagued by a myriad of problems such as: issues on quality of courses offered, slow pace in embracing utilization of knowledge and technological innovations, poor leadership and

governance, and a slow pace of implementing reforms and change (Kinyanjui 2007). Private institutions overly depend on tuition fees due lack of alternative sources of income, Chacha (2004). Strategic Plans therefore simply remain blue prints on paper with less impact on their realization calling for a critical examination on the importance of strategic planning in KCA University. There is a plethora of research that has been conducted globally and locally regarding the relationship between strategic planning and organization performance.

Jenster and SØilen (2012) conducted an investigation on “the relationship between Strategic Planning and Company Performances in Chinese companies using the miles and snow models for aggressive strategies”. Alev and Tugba (2010) of University of San Francisco and Istanbul Commerce University carried out a study on” the Impact of Strategic Planning on Financial Performance of Companies in Turkey”, while Owalabi & Makinde (2012) conducted an investigation on “the effects of strategic planning on corporate performance in university education with a focus on Babcock University in Nigeria”.

Abdulahi *et al.*, (2015) of Simad University Somalia have recently carried out an investigation on “the relationship between strategic management and organizational performance in Mogadishu Somali”a while Nashwa and Laila (2013) were also able to conduct an empirical study on “the impact of strategic planning on Egyptian Non-Profit organization using the Balanced Scorecard as an assessment tool”.

Locally various studies have been carried out to investigate the effect of strategic planning on organizational performance with a focus on different elements of performance. Arasa and Obonyo (2012) carried out a research on “the relationship between strategic planning and firm’s performance”. Juma and Kinyanjui (2014) carried out an investigation on “the effect of strategic plans implementation on performance in Kenya’s public universities with a focus on the University of Nairobi”.

Awino, Mutoria and Oeba (2012) conducted a study on “strategic planning, planning outcomes and organizational performance in commercial banks in Kenya”. Arasa (2008) carried out a research on “strategic planning, employee participation and firm performance in Kenya’s insurance industry”. Ong’ayo (2012) carried out research on “employee perception of the influence of strategic planning on organization performance at the ministry of foreign affairs Kenya”.

The main purpose of this paper was therefore to revisit this area of research and provide new empirical evidence on the relationship between strategic planning and performance with specific reference to KCA University. This study sought to find out answers to the following question: What is the effect of strategic planning on the performance of KCA University?

1.3 Research Objective

The objective of this study was to establish the effect of strategic planning on the performance of KCA University.

1.4 Value of the Study

This study is beneficial in a number of ways. It assist's and provides additional literature to academicians and scholars interested in issues pertaining to strategic planning, and its relationship to an organization's performance in higher education especially in the developing countries. It also supports the Private Universities in Kenya in formulation of policies, standards, guidance and procedures for tackling strategic planning that positively relates to a company's or organization's Performance in the business operations. This study also serves as a useful resource for the government in understanding the need and usefulness of adopting appropriate strategic planning that ensures improved organization performance.

This Study is beneficial to players in the Global Higher Education sector more so private institutions as it provides an insight on how well strategy can be used in influencing performance of privately owned institutions to enable them be at par with Government owned and funded institutions. This study also sheds more light on how strategy can be used to solve some of the challenges facing Private Higher Educational Institutions globally such as financing and issues of quality through Strategic Planning with desired performance focusing on specific benchmarks for success.

The Study is beneficial to KCA University Managers and Staff since it allows them understand and appreciate the various aspects of Strategic Planning as well as its overall impact on an organizations performance. The study also provides a framework for KCAU staff to seek ways of supporting and facilitating Strategic Planning in solving day to organizational problems and performance issues as well effectively implementing strategic plans and decisions. This study provides stakeholders specifically those in the higher education sector more so private institutions with an in-depth understanding of Strategic Planning in organizations including ways of adopting best practice for the sector hence contributing to overall sector performance and planning.

This investigation also offers additional benefits to academicians by providing more knowledge on already existing literature on Strategic Planning and matters concerning the same and its relationship to Performance in the Higher Education Sector specifically private institutions in Africa and other developing Countries. The study likewise is beneficial to individual researchers as it offers a framework to identify gaps in the investigation and be able to carry out further research focusing on the specific areas.

The Resource Based Theory (RBV) “predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance” (Raduan *et al.*, 2011, p. 73). This study established that the unique resources owned by KCA University such as affiliation to the Institute for Certified Public Accountants (ICPAK) and the Enrollment Management system a strategy that seeks to follow up on a student’s entire life at the University, has enabled the University achieve greater performance through increased student admission.

Most Certified Public Accountants (CPA's) and members of ICPAK join the University based on the relationship with ICAPK. The University extends a discount on tuition fees to ICPAK members and the CPA's. Through strategic planning, this has enabled the University achieve competitive advantage against other universities. This study also adds value to the Theory of Dynamic capabilities, Due to a rapidly changing business environment in the higher education sector in Kenya and globally, the university was able to change their strategy from being a college of accountancy to a business university, KCA has also been able to introduce new courses, innovate programs and branches across the country

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This Chapter gives a summary of information from existing literature on strategic planning and performance with an objective of gaining more insight on the topic of study. The chapter begins with reviews of various theories on the nature of strategic planning and performance followed by empirical studies both globally and locally conducted on strategic planning and performance.

2.2 Theoretical Foundation

Strategic Planning also referred to as Strategic Management, Pierce & Robinson (1991) refers to choices and activities resulting in the designing of blue prints towards achieving an organization's objectives. Resource Based Theory, Game Theory and Theory of Dynamic Capabilities formed the basis of this research. The Resource-Based View (RBV) stems from the principle that foundation of an organization's competitive advantage is rooted in its specific internal resources, in contrast to positioning in the outside environment. RBV predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Raduan *et al.*, 2009, p. 73). A "resource based approach to strategic management focuses on the costly to copy attributes of the firm as sources of economic rents and therefore as drivers of performance and competitive advantage" (Conner, 1991).

According to Hoopes *et al.*, (2003) “RBV states that a firm’s resources can sustain superior economic performance only if the resources are inimitable. Three general isolating mechanisms prevent the imitation of resources and capabilities: property rights, learning and development costs, and causal ambiguity”. Dynamic capabilities on the other hand describe the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments.

According to Teece *et al.*, (1997, p. 515), “the term ‘dynamic’ refers to capacity to renew competences so as to achieve congruence with the changing business environment where certain innovative responses are required when time-to-market and timing are critical, the rate of technological change is rapid, and the nature of future competition and markets difficult to determine”. The term ‘capabilities’ emphasizes internal and external organizational skills the needed for a fluctuating business environment (Teece *et al.*, 1997, p. 516).

Zott (2003) further describe dynamic capabilities as indirectly linked with company performance through changing the firm's bundle of resources, operational routines, and competencies, which in turn affect organizational performance. Game Theory however is an approach to analyzing rational decision making in any interactive or conflict situation. In a game agents attempt to maximize their payoff by choosing specific actions but the actual outcome also depends on what other players do (Lipsey & Chrystal, 2011).

2.3 Concept of Strategy

Bryson (1989, p. 77), highlight “strategy as a pattern of purposes, policies, programs, actions, decisions and resource allocations that define what an organization is, what it does and why it does it.” Akinola *et al.*, (2015) however, describe strategy as a well-organized blue print an organization uses to accomplish success. Aremu (2010) define strategy as a comprehensive plan a business develops that guides it towards competing in the market place including policies needed to implement the objectives so as to realize success. Strategy is designed to help an organization gain competitive advantage over its rivals Alaka *et al.*, (2011).

Strategy is a top management responsibility and overarches every area of a firm’s operations. A strategy is long term, future oriented visionary and driven by a desire for a competitive advantage. According Akinola *et al.*, (2015) an effective strategy must be technically workable, politically acceptable to key stakeholders, accord with the organization’s philosophy and core values, besides being ethical, moral and legal.

According to Arasa and Obonyo (2012, p. 204) “Strategy concerns an analysis of the firm’s environment, leading to what the firm, given its environment, should achieve. Environmental scanning and analysis allows the firm to be connected to its environment and guarantees the alignment between the firm and its environment”. Pearce and Robinson (2013) highlight that organizations normally have three types of strategies namely: Corporate Strategy, business Strategy and operational Strategy. Barney and Griffin, (1992), cite that organizations tend to adopt four types of strategies based on their senior management namely, Defenders, Analyzers, Prospectors and Reactors.

2.4 Strategic Planning Practices

Strategic Planning has been defined by different scholars in a number of ways. Gabriel, (2010) describes Strategic Planning as a management tool to help an organization to improve its performance by ensuring that its members are working towards the same goals and by continuously adjusting the direction of the organization to the changing environment on the basis of results obtained. David (2011) however, is of the view that the term Strategic Planning can also refer to strategy formulation, further highlighting that a strategic plan is an organization's blue print to compete successfully.

According to Olusunya *et al.*, (2012 p.231) however," a strategic plan results from tough managerial choices among numerous good alternatives, and it signals commitment to specific markets, policies, procedures, and operations in lieu of other", "less desirable" courses of action. Taiwo and Idunu (2007) describe Strategic planning as consisting of a number of fundamental procedures intended at creating or influencing situations in order to generate positive results to an organization.

Bryson (1989, p. 74) describe the Strategic Planning process as consisting of eight distinct and interconnected stages. "Which include development of an initial agreement concerning the strategic planning effort, identifying and clarifying the externally imposed formal and informal mandates placed on the organization, development and clarification of mission and values, external environmental assessment, internal environmental assessment, Strategic issue identification, Strategy development and finally description of the organization in the future".

Cothran and Clouse (2006) argue that an organization that engages in strategic planning will have an improved understanding of its current situation and potential future. As a result, the organization will become more efficient and more effective. Cothran and Clouse (2006) further argue that good planning: focuses on the organization's challenges and identifies opportunities to address those challenges; gives managers choices to address problems and opportunities; and forces thinking about the future.

Strategic planning has also been described as a forward-looking exercise that all managers should be involved with in (Owalabi & Makinde, 2012). Research indicates that 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 (David, 2011).

2.5 Performance Measurement

Salem (2003) describe Performance Management and Measurement” as referring to any integrated, systematic approach to improving organizational performance to achieve strategic aims and to promote an organization’s mission and values. Abdulahi *et al.*, (2015) on the other hand describe Organizational performance as an organization’s ability to acquire and utilize its scarce resources and valuables or expeditiously as possible in the pursuit of its operational goals. Kennerley and Neely (2003) argue that many organizations have redesigned their measurement systems to ensure that they reflect their current environment and strategies. The environment in which organizations compete is dynamic and rapidly changing, requiring constant modification of strategies

and operations to reflect these changing circumstances. According to Akinola *et al.*, (2015) and Carton (2004) the essence of performance is the creation of value. Therefore, value creation, as defined by the resource provider, is the essential overall performance criteria for any organization. A business organization could measure its performance using the financial and non-financial measures. The financial measures include profits, return on assets, return on investment and sales, while the non-financial measures focus on issues pertaining to customer`s satisfaction and customer`s referral rates, delivery time, waiting time and employee`s turnover.

Organizations use different Performance Measurement Systems (PMS) to assess their performance against set objectives. Every PMS consists of a number of individual performance measures/performance indicators (Glavan, 2011). Traditionally, the focus of performance measurement has been on financial measures only (Striteska & Spickova, 2012). However the most well-known approach to performance measurement is the Balanced Business Scorecard (BSC) developed in the early 1990`s by Robert Kaplan, and David Norton.

The BSC is a tool used for describing, implementing and managing strategy at all levels in the Organization. The general BSC model looks at organizations from four strategic perspectives: the financial, the customer, the internal processes, and the learning and growth, all of them need to be balanced (Glavan 2011, Striteska & Spickova, 2012). Other Performance measures as highlighted by (Striteska & Spickova 2012) include, European Foundation for Quality Management (EFQM) The performance measurement matrix (PMM). SMART Performance Pyramid and other performance measurements systems related to time, cost, quality and quantity (Glavan, 2011).

2.6 Empirical Studies and Research Gaps

The relationship between strategic planning and firm performance has been an area of investigation for many decades. However, the results have been inconclusive, with findings ranging from positive relationships to no relationships to negative relationships (Karabulut & Efendioglu, 2010). According to Boyd (1991) early research suggested a positive relationship between planning and performance, however later research was less reassuring, and more recent empirical evidence however indicates that on the average, companies that plan perform better than those that do not (Alaka et al., 2011).

Jenster and Klaus (2013) conducted a study on the relationship between Strategic Planning and Company Performances in Chinese companies. They attempted to investigate if there is a correlation between Company Performance and the Strategies adopted by these companies, using the Miles and Snow model for Aggressiveness Strategies. The study focused on Chinese Company with different environmental factors compared to the current study which is a local perspective.

The study by Jenster and Klaus was also conducted on the context of Private Corporation's deviating from the current study which focuses on the education sector. The education sector and corporations have totally different type of operations. Owalabi and Makinde (2012) on their study on the effects of strategic planning on corporate performance in University education with a focus on Babcock University Nigeria, Investigated how this has impacted on the management efficiency and effectiveness in measuring performance.

The findings of the study revealed that there is a significant positive correlation between strategic planning and corporate performance. This study serves as a good base for the current study as the context of investigation was also in the University sector, Babcock University in Nigeria and KCA University Kenya however totally different environmental conditions. Awino, Muturia and Oeba (2012) conducted a study on strategic planning, planning outcomes and firm performance with a focus on Commercial Banks in Kenya in which measures of strategic planning were seven dimensions namely: internal orientation, external orientation, functional integration, key personnel involvement in planning, use of planning techniques, creativity in planning, and focus on control.

The study found out that there was a positive relationship between strategic planning and firm performance. This study is significant in that it contributed to the body of knowledge by introducing the concept of multidimensional Strategic Planning. However it deviates from the current study in that it only concentrates on the financial or banking sector while the current study looks at a private university in Kenya namely KCA University.

Juma and Kinyanjui (2014) investigated the Effect of Strategic Plans Implementation on Performance in Kenya's Public Universities with a focus on the University of Nairobi, The findings of the study revealed that strategic alliances positively influenced performance in public universities in Kenya. Their study however only looked at the context of a public university and more research needs to be conducted on the context of a private university hence the current study.

The relationship between strategic planning and organization performance has been a subject of research for a number of years with earlier researchers indicating little or no relationship at all. However latest empirical research indicates a positive relationship between strategic planning and organization performance with most researchers recording that companies who practice strategic planning report better and higher performance than their counterparts who do not. This is a factor that seems to be uniform across the globe, Africa and locally.

A number of scholars have looked at the different aspects of performance with some focusing on the financial aspects and others on the organization as a whole including different aspects of planning such as multilevel strategic planning. Theories of strategic management such as the Resource View of the Firm and the Dynamic Capabilities further highlight how certain aspects of an organization can enable it achieve competitive advantage based on their internal resources and in rapidly changing environments. The subject of strategic planning is mostly about achieving competitive advantage; hence enabling organizations perform higher than competitors in the market. This requires adequate planning, setting of goals, mission and visions and having a game plan.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodologies that were used in carrying out the study. It involves an outline for collection, measurement and analysis of data including a framework for the researcher in answering the research question.

3.2 Research Design

This investigation was carried out through a case study of KCA University Kenya. Kothari, (2004, p.113), describe “A case study as a form of qualitative analysis that involves a careful and complete observation of a social unit, such as an institution. Kothari, (2004, p.113), further highlight that a case study “is a method of study which is in depth rather than breadth and deals with the processes that take place and their interrelationship hence, case study is essentially an intensive investigation of the particular unit under consideration”. Case studies are usually favored in research since the subjects tend to offer critical, extreme, or unusual cases. Case studies allows for flexibility and significance in understanding the framework of the topic of focus under investigation. Case studies provide a richness of understanding that can also be described as “thick description” (Cooper & Schindler, 2005, 2006).

According to (Kothari, 2004, p.113), “a case study is a form of qualitative analysis where careful and complete observation of an individual or a situation or an institution is done. Efforts are normally made to study each and every aspects of the concerning unit in minute details and then from the case data generalizations and inferences are made”. A case study involves careful and complete observation of a social unit and it’s a method of study that focuses on in-depth rather than breadth and places more emphasis on the full analysis of a limited number of event or conditions and interrelations. A case study is often used in explanatory or exploratory research (Saunders, Lewis & Thornhill, 2007). Mugenda and Mugenda (1999) argue that the best way to explain human behavior is using qualitative data. Other research studies that have used case study design include Ongone (2013), Akello (2014).

3.3 Data Collection

Both Primary and secondary data were used for this study. Primary data refers to the data collected specifically for the research being undertaken. While secondary data refers to the data that was originally collected for some other purpose. Secondary data can be obtained from other sources such as company records, documents online sources, and government records.

Primary data is normally considered more reliable and up to date (Saunders, Lewis & Thornhill (2007), Mugenda & Mugenda, 2008). The main instrument of data collection for this case study was through structured interview and in depth interview. Structured interviews uses a detailed interview guide similar to a questionnaire to guide the question order and questions generally use an open ended strategy.

When using in-depth interview, the respondent is given an opportunity to talk freely about events, behaviors, and beliefs in relation to the topic area and the quality of information collected depends on the interviewer's skills. This kind of interview encourages free and open responses to questions (Saunders, Lewis and Thornhill, 2007). Patton (2002) argues that in - depth interviews encourage capturing of respondents' perceptions in their own words. The primary focus in this research was top and Middle Management in KCA University Since this is where the strategic decisions are made and if it fails then lower management and entry level employees cannot make it work. Top and Middle Management also have more access to company information and most of the time participate in determining organization performance variables.

3.3 Data Analysis

According to Kombo and Tromp (2006, p. 117). "Data analysis is the process of examining what has been collected in a survey or experiment and making deductions and inferences" In this study both qualitative and quantitative methods were used. The data analysis was expected to establish the relationship between strategic planning and performance of KCA University. This constituted establishing the nature and effectiveness of strategic planning as well as factors that would influence implementation of strategic plans and ways in which strategic planning has contributed to the performance of the institution. . Both qualitative and quantitative analysis was conducted in this study .Qualitative method constituted content analysis which was used to extract key themes, concepts and augments.

Data analysis enables a researcher to be able to answer the research question and test various hypothesis provided for the data while at the same time developing on earlier discussed theories with a local perspective. Case studies have been known to be effective in investigating management problems as they provide an in-depth analysis of an organization and allows a researcher to get information that is not possible through other means.

When using a case study, it is important to select a suitable method of data collection that enables the researcher get the information required. Structured and in-depth interviews not only allows the respondents to answer the questions in a conducive environment but also allows the interviewer to be able to collect information that would not otherwise be possible through other means. To be able to get the right information for a case study, it is vital that both qualitative and quantitative data is used combined with statistical methods in order to ensure accuracy of the data and hence high ethical standards of the research project.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter gives an outline of the data analysis, results and a discussion of the same. The main objective of this study was to investigate the effect of strategic planning on the performance of KCA University in Kenya. The study was carried out through a case study design that targeted eleven management staff from various departments within the University. Primary data was collected using an interview guide aided by in-depth interview and the data analyzed using content analysis. The analysis of the data was based on the main objective of the study and findings presented in different sub areas as highlighted below.

4.2 Response Rate

Eleven Management staff from KCA University Kenya drawn from the main campus and other branches across the Country were targeted for the study. Out of the eleven Management Staff targeted, ten out of eleven responded leading to a response rate of 90%. As highlighted by Richardson (2005), a response rate of 50% and above is considered to be satisfactory in research while 70% and above is both desirable and also achievable.

4.3 Vision and Mission Statements

In setting the pace to investigate the effect of Strategic Planning on KCA University's Performance, the respondents we asked to indicate if the organization has a Vision and Mission Statement. All those interviewed were in agreement that KCA University Kenya has a Vision and Mission statement.

The University's Vision is "to be recognized as a premier university of Choice whose graduates competently and confidently serve the nation of Kenya, East African Region and the Global Community", while their mission statement "is to offer high quality market driven teaching, research and extension services in a safe and supportive academic environment".

4.4 How Strategy Formulation is conducted at KCA University Kenya

In this section the study set out to investigate how strategy formulation is carried out by KCA University Kenya. From the findings, some of the respondents indicated that strategy formulation was carried out by Management in consultation with different departments as per the University's Organizational Structure where different departments and branches are expected to formulate their own strategies and cascade the same to senior management for approval and adoption.

The departments come up with strategies based on their specific functions which are then discussed and cascaded as indicated. The University has campuses in Ruaraka which is the main campus, Town campus Nairobi, Western and Kitengela Campuses. Besides the Campuses KCAU also have departments such as Center for Entrepreneurship, and Institute for Capacity Development amongst others.

Academics within the University falls under different departments described as schools and faculties, these include: The faculty of Education and Arts, The School of Business and Public Management, The Faculty of Computing, School of Professional Programs as well as School of Graduate Studies and Research, Other functional and administrative departments within the University include the Finance, Human Resources, Informational Technology and ICT, Enrollment and Student Management, Examinations, Library, and Procurement.

The junior members of staff are usually expected to play the role of implementation rather than formulation and the University uses channel reports from different departments to guide in this exercise an activity referred to as bottom up approach by those in Management. The rest of those interviewed indicated that the University also carries out strategy formulation through consultative and comprehensive strategic meetings, retreats and planning forums attended by all management staff in which those in attendance have brainstorming sessions based on the reports received from various departments. During these sessions, strategy is discussed, agreed upon and implemented as per agreement from the chosen group. A strategy paper is thereafter also developed, deliberated on and executed over an agreed period of time. The strategy retreats are usually organized away from the campus.

4.5 How KCA University Conducts Evaluation of Strategies

Most of the respondents were in agreement that the University carried out evaluation on their Strategies on an annual and quarterly basis guided by different performance indicators which according to the respondents was based on financial performance of key revenue generating departments and customer satisfaction using data generated from student survey. Being a private University, key revenues are raised from student fees, investments as well as other innovative activities carried out by the University.

KCA has an Enrollment Department that drives student recruitment and admission activities as well as the Institute for Capacity Development that is also a revenue generating department, various departments have marketing personnel charged with driving student admissions hence revenue. The student surveys that also act as customer satisfaction surveys are normally conducted by the Quality Assurance (QA) department who are also charged with supervising the whole process of strategic planning at the University.

Evaluation of strategies is carried out through employee performance management using the balanced scorecard, and is normally carried out on an annual basis, spearheaded by the human resource department while the internal audit department, monitors mostly the financial performance and internal processes. A few respondents however were of the view that the Universities does not really carry out an evaluation of their strategies and if this is done then on a limited way that is not very clear to the employees or they don't really seem to understand that the activity being carried out is actually strategy evaluation.

4.6 Environmental Scanning (External Analysis) at KCA University

Interviewees were asked to highlight how the University conducts environmental scanning and external analysis. Most of the respondents indicated that the University has a department referred to as Quality Assurance and Control that is charged with this activity and they are at times aided by Consultants where necessary. The Quality Assurance and Control Department has developed specific research tools that are used on a regular basis to scan and evaluate the environment that is related to KCAU.

Marketing Research is conducted on a regular basis by the QA department who scans the Private Universities sector in Kenya and across the region, the data is analyzed and interpreted using statistical models by a team of statisticians within the department models and results of the same are then presented to management for implementation. Some of the interviewees also indicated that various departments and branches through their managers normally carry out an evaluation of their strengths, weaknesses, opportunities and threats (SWOT Analysis) and cascade the same to senior Management and the Quality Assurance Department. One of the respondents however highlighted that Environmental Scanning is also carried out through Marketing by participating in major EXPO's, and through local media houses. The Enrollment and Student Management Department also the major marketing arm KCAU spearheads and participates in these events and EXPO's across the region and locally.

4.7 Strategic Planning Practices and Performance of KCA University in Kenya

In this section, the study examined how different strategic planning practices have been implemented by KCA University and their effect on performance.

4.7.1 Designing Quality Service System in Strategic Planning

Those interviewed were in agreement that strategic planning has enabled KCA University achieve full satisfaction of customers through balanced delivery of services to the different categories of customers. The University has an automated system where students are able to pay fees, register for units, and other services through a student's portal, the portal also allows students to be able to access library materials from any part of the world using a log in provided by the IT department.

Lecturers are able to upload student's marks on the portal as well from any part of the world without being physically present at the university. Through the University's Enterprise Resource Planning System, in which all the Universities departments and branches across the Country are interlinked, major services take a very short time while performance of key areas of the University can be easily reported, with just a click of a mouse. Through the Quality Assurance Department, the University conducts regular student surveys that guides in implementing systems designed towards customer satisfaction.

A few of the respondents indicated that that designing quality service system in strategic planning has especially enhanced performance especially at the lecturer student level in which quality of service offered by the University's lecturers to students is closely monitored to ensure students are satisfied and well taken care of. One respondent also indicated that this has led to different management groups focusing on specific assignments as per areas of operation and expertise hence quality service. The respondents were also in agreement that the Quality Assurance Department that is also responsible for Strategic Planning and Performance Monitoring carries out different activities to ensure quality service is achieved.

4.7.2 Stakeholders Satisfaction

A big number of those interviewed agreed that to great extent Strategic planning has led to an increase in stakeholder satisfaction with the Quality Assurance (QA) Department playing a big role in ensuring this is achieved. The respondents indicated that students who are also major stakeholders of the University are issued with Questionnaires twice every semester to evaluate their level of satisfaction with the University services after which this is evaluated by the QA Department and recommendations implemented accordingly.

This kind of survey research is also administered to other stakeholders of the university at regular intervals. One of the respondents also indicted that Strategic Management has enabled staff members also have a full understanding of the logistical arrangement and operations of the University while another indicated that evaluating stakeholder satisfaction was mostly done during launching of new programs by KCAU

4.7.3 Operation Efficiency

Under this section the study was seeking to establish the effect of strategic planning on the University's operational efficiency. The respondents agreed that indeed there has been a tremendous increase in operation efficiency of the University. Through the Balanced Scorecard different functions of the University have clear targets and performance indicators that are evaluated within a specific period of time.

Members of staff also sign specific contracts using the Universities Balanced Scorecard (BC) that is cascading from senior management to all members of staff and at the end of the financial year all members of staff are appraised on their performance. This has therefore led to a an improvement in billing of students fees and service providers through the ERP, student fees and collection of other sources of revenue, resolution of student complaints and the students admission and registration process.

4.7.4 Clarifying Future Direction and Establishing Priorities

Majority of the respondents from this study indicated that through the process of strategic planning, the University had been able to come up with a comprehensive way of clarifying future direction and establishing priorities. This is mainly done through regular meetings at various levels of University Management and through University Council and Board of Trustee Discussions, and management retreats where the Chief Executive Officer (CEO) or Vice Chancellor (VC) clarifies the University's future direction. The same is then disseminated to other staff members. One of the respondents also indicated that the strategic planning process has enabled the University to better clarify their future direction and priorities by ensuring participation of all stakeholders in the process.

4.7.5 Assessing and Sustaining Organizational Competence and Impact

A large number of the interviewees were in concurrence that Strategic Planning has enabled the University to be able to assess' organizational competence and impact in different ways. A number of the respondents indicated that this is done through the balanced Score Card in which every department develops their scorecard and works towards meeting set targets. The Human Resources Department (HR) also administers performance contracts to staff members on an annual basis.

The University also has a structured student feedback mechanism which involves industrial visits of students in internship to evaluate their performance in the market place after training at the university. One of the respondents further highlighted that the University Management provides performance reports to the University Council which is in turn evaluated by the Council and feedback and guidance on areas that require improvement provided.

4.8 Involvement of different departments in Strategic Planning Process

Respondents were further asked to indicate to what extent their departments were involved in the strategic planning process. Majority of the respondents indicated that they were involved in the process with a few indicating that it was to a limited extent. From the study, it was evident that different department played different roles in the strategic planning process such as coming up with Human Resource Strategies and Performance appraisals, market surveys about the prevailing prices and cost of goods and services for different commodities and student soft skills acquisition with the IT department taking part in the key stages as it is the center of the university reporting structures.

Different departments within the University were also consulted on their expected achievements and performance targets that guided in coming up with strategies. During the Strategic Planning process at the University, all Top and Middle level Management as well as coordinators who also head certain key functions within the University system participated in a strategic planning and organizational alignment retreats.

4.9 Roles played in the strategic Planning Process

Interviewees were further asked to clarify their individual roles in the strategic planning process. Majority of the respondents indicated that they were individually involved in the strategic planning process playing different roles with very few indicating that they were not involved. Respondents were involved in discussions and deliberations on Key Performance Indicators (KPI) for the University and for various Departments, on streamlining the Information Technology and ERP systems to the Universities Strategic Goals, as well as on proposing their departmental goals and plans on both financial and non-financial goals and coming up with cost cutting strategies for the universities.

Individual respondents were also involved during the strategic planning retreats in which participants were grouped and assigned with planning and evaluating different aspects of the strategic plan. This was later presented to the team at the management retreat. Respondents also indicated that they were involved in providing their input and suggestions on the vision and mission and departmental level which was later incorporated at the top management and council level. The study also established that respondents were individually involved in the implementation process of strategic planning.

4.10 Events that precipitated the creation of the Current KCAU's Strategic Plan

In this section, the study was seeking to establish events that precipitated the creation of the current Universities Strategic Plan. Respondents indicated that the growth of the University in terms of different branches across the country, growth in student population, and increase in the number of courses offered, amongst other growth factors was a major catalyst towards the creation of the current strategic plan. On commencement of its services in 1989, when it was set up by ICPAK, the University enrolled 170 students, however the number has steadily increased through the years and currently the University's enrollment is estimated to be 15,000 students annually.

Competition in the Higher Education sector more so amongst private Universities was also a major factor since the University had to come up with a strategy on how to position itself in the market and be ahead of the competition. The Higher Education Sector in Kenya is very competitive. According to (CUE, 2015) Kenya currently has thirty Public Universities that are chartered, nine University Constituent Colleges, seventeen Private Universities that are chartered, including five Private Universities Constituent Colleges and another five institutions with letters of Interim Authority. From the study, it's also evident that changes in the business environment in which the university operates which is influenced by political, economic, sociological, technological environmental and Legislative factors (PESTEL), was a major factor to the University management to review their strategic plan.

Creation of the current strategic plan was also influenced by a review of the previous strategic plan and recommendations from strategic planning management retreats. Other respondents also indicated that the creation of the current strategic plan was guided by change of the organization from a college to a university. This decision was reached after a strategic management retreat held in 1997. Interviewees also indicated that creation of the current strategic plan was influenced by low numbers of student enrollment compared to high costs of operations and management that precipitated the University management to go back to the drawing board. This also was also informed through research that involved seeking views on inputs towards the university direction from various factors such as lecturers and the university administration.

4.11 Ways in which Strategic Planning has contributed to the overall success of KCAU

Majority of respondents were in agreement that Strategic Planning has contributed to the University's overall success however one respondent was of the view that the improvement is to a very small extent. Respondents indicated that strategic planning has greatly improved student retention and increased student enrollment. Through strategic planning, the University is able to set clear strategic goals in terms of student enrollment and revenue which is then cascaded to different departments for action. KCAU uses a concept referred to as "Enrollment Management" through which the University works towards providing to their students the greatest possible experience in university life, this encompasses teaching, educational facilities and extra-curricular activities. This has led to increased student retention, referrals from former students, as well as improved enrollments as these also add value marketing efforts.

The Student Affairs and Enrollment Department has been able to come up with a reward system for current student that provides incentives whenever a student who refers anyone to join the University for studies gets a discount on fees or incentive. Through the Universities Alumni department, former students are able to return to the University for Further Studies or refer potential students in their networks. Members of ICPAK and CPA's are also able to join the University for Studies with a discount extended by KCAU on tuition fees based on the Universities affiliation with ICPAK.

Through strategic planning the University has been able to open up different campuses across the country such as the KCA University Kitengela Campus in Kajiado County, Town Campus, as well as other satellite campuses such as the Meru Campus, The University also currently has online courses that students can access from any part of the Country offered through the distance learning department.

The number of courses offered has also increased tremendously and currently the university offers professional courses at undergraduate and post graduate level with effect from 26th July, 2007. Respondents also indicated that strategic planning has enabled the University have a guided focus on specific areas critical for its performance and allowed for a common approach and understanding across board to all affiliate organs of the University. Another key area that has greatly improved as highlighted by the interviewees is communication across the different departments within the University. The Plans, goals and appraisal tool using the Universities Balanced Scorecard has also improved employee performance.

4.12 Challenges encountered in the strategic planning process

Respondents were asked to indicate the various challenges encountered during the strategic planning process in which they indicated that one of the major challenges was lack of enough quorum or members to participate in the process and staff qualified in strategic management who understand the subject better to handle it. Some the participants were also seen to be non-compliant during the process with some resisting to change all together. The study also established that there wasn't enough resources to execute the plan and for financing all the departments involved.

Other challenges encountered in the process as highlighted by the interviewees included, divergent views from stakeholders, consolidation of the whole document, incorporating reporting channels and interlinked goals amongst departments, communication through various levels of management, and ownership of the plan by employees. According to one of the respondents, actual implementation of the plan has been difficult.

Respondents highlighted that some of the key reasons why these challenges arose was poor communication systems, changes in staff at top management level, diversity of the team driving the process and the dynamic nature of the Kenyan Higher Education Sector. Other reasons as cited by the interviewees included: poor enrollment and income generating avenues within the University not achieving set targets hence making it difficult for the university to set specific goals, high cost of compliance and human resource, employees forming change resistance groups, timelines not being strictly considered, unlimited financial resources to conduct the exercise and various departments not being able to have approval for budgets to conduct the exercise

4.13 Ways in which the various challenges were handled

Most of the respondents were of the agreement that the University handled some of these challenges through training members of staff on the need for this exercise, these trainings and seminars were conducted within and outside the University premises. The University also sought to handle these challenges through discussions with various departmental heads and the financial team especially regarding the challenge on financial constraints.

The study also established that the University ensured more and more members of staff were involved in the process and also sought ways of injecting more capital into the business as well as looking for other alternative loans also to curb financial constraints. Reviews on interdepartmental expenditures was carried out and consultants brought on board to give an external and neutral view to the process

4.14 Degree of consensus on the mission, vision, goals and objectives

Under this section, respondents were asked to indicate if they believe there was consensus on the mission, vision and objectives. Majority of the respondents were in agreement that in deed there was consensus to a great extent. The University Council, Top and Middle level Management, a large percentage of staff members and other stakeholders were involved in one way or another.

However a few respondents indicated that this has not been fully achieved and is still in progress. Some of the respondents however further highlighted that yes consensus was achieved on the mission and vision but the goals still remain unclear and the same ought to still be under observation and evaluation before maximum output can be achieved.

4.15 Changes in the activities of staff as a result of strategic planning

This section sought to establish if indeed activities of staff in various divisions have changed as a result of the strategic plan. The study established that indeed there was a tremendous change in activities of staff within the various organs of the University, with one of the respondents indicating that he had been able to align his departmental activities with the University's Strategic Plan. Another respondent indicated that for their department, focus had changed from mere administrative duties to business focus oriented duties, and from Human Resources (HR) generalist practices to HR Business partner practices with the department adopting the role of business partner in addition to administrative roles.

Other of the respondents also highlighted that the guided focus achieved through strategic planning had enabled them concentrate more energy in the key activities of their department as well as streamlining operations and having an effective communication channel within the department. Another respondent further highlighted that they have been able to change their previous plans to conform to the current requirements KCAU.

4.16 Significant costs that emerged in the process of strategic planning

Respondents were asked to indicate the most significant costs that emerged during the process and how they would have been avoided. Respondents indicated that financial costs increased tremendously due to funding different activities involved in the process, and other unforeseen financial implications such as logistics, staff involvement and facilitating service providers and consultants. Further financial costs were also incurred in training of members of staff.

The study also established that political costs were incurred in persuasion of staff members to embrace and support the process as well as bureaucratic in involving all the levels of Management. Respondents further highlighted the different costs that would have been avoided and in what ways with one of the respondents quoted that “with thorough overview we could have lived within the budget it was unfortunate”.

According to the findings, none of the costs would have been avoided but just reduced significantly. Another respondent was of the view that too many meetings that were costly to the University but did not necessarily reflect the opinion of all employees would have been avoided as well as well as bureaucratic costs would have been avoided through sensitization of all stakeholders.

4.17 Strengths and weaknesses in the strategic planning process

In this section interviewees were asked to indicate strengths and weaknesses in the planning process. Respondents highlighted that some of the significant strengths in the process was the diversity in expertise of the group that participated in the process, compatibility and usability of the plan as well as top management participation that enabled them cascade the same to their various departments.

Regarding weaknesses in the process, the study established that the major weaknesses in the process included short time allocated to the planning process leading to a rushed activity, a lack of an all-inclusive process, underestimations on budgets, clouding of targets and budget estimates, failing to involve all stakeholders in the development of the strategies from the start, and poor or no participation from employees.

4.18 Other strategies and processes adopted at KCAU to enhance performance

On Strategies and processes adopted by the University to enhance its performance, the study established from respondents that one of the processes was signing of performance contracts by all members of staff which is evaluated through performance appraisals conducted at the end of every year. Some of the respondents also indicated that the University participates in Benchmarking with other institutions of higher learning within the country and across the globe and the findings adopted within the planning process.

The study also established the existence of participation in peer consultations on key performance issues and regular research and surveys conducted through the QA department. Some of the respondents also highlighted that the University has a fully-fledged quality assurance department that regularly monitors their performance using various indicators. One of the respondents also indicated that the University has adopted an excellence in service delivery and product improvement framework with another highlighting the existence of staff development strategy as well. Another respondent however was of the view that there is a need for short term reviews of the extent to which the strategic plan has been implemented in order to enhance performance.

4.19 Recommendations for improving the next stage of planning

In this section, respondents were asked to provide recommendations they may have for improving the next stage of planning. From the study some of the respondents recommended that more staff members should be encouraged to participate in the process and the University ought to develop a clear cut way of communicating the strategies to all employees and stakeholders including their involvement in coming up with budgets for the process for the sake of compatibility and usability. Other interviewees highlighted that team work, qualitative and quantitative approach would be the best way to handle the next stage planning. Another respondent indicated that the strategic plan ought to be for a shorter period of not more than 5 years to allow for evaluation of its practicability.

Another respondent was of the view that in order to improve the next stage of planning, KCAU needs to conduct an actual audit of the past and current plans to determine the extent to which they have been achieved and implemented before coming up with new plans. While another respondent suggested enhancement of practical learning environment to compliment the theoretical environment already existing.

4.20 Ways of strengthening the relationship between strategic planning and performance

On recommendations to strengthen the relationship between performance and strategic planning, some of the respondents were of the view that management and members of staff should always constantly refer to the plan when carrying out their duties, all management decisions should be based on the plan as well as conducting budgeting activities through the plan.

Other respondents indicated using strategic planning as an appraisal working tool for employee performance evaluation and ensuring the plan is easily available for employees to access whenever they need to. Others were of the view that departmental heads be given more autonomy in managing their plans and budgets as well as more involvement of employees in planning as this this will enable the various departments be able to monitor how much they spend and allocate to the strategic planning process versus their performance.

One of the respondents suggested good staff relationship and identifying individual talents to improve their performance in the various duties they are assigned besides having the University get more output from the human resources talent management as one of the sure ways of increasing employee commitment to an organization hence effective productivity and performance. The study also established that having more improved and focused consultative meetings would go a long way in strengthening the relationship between strategic planning and performance, while also having a user friendly document that members of staff can easily refer to often was another way suggested for improving this relationship. Other suggestions included regular reviews of the strategic plan, brainstorming to collect various ideas, continuous improvement practices in quality assurance, proper training of employees, proper communication channels as well as enhancing a performance change management culture.

4.21 Discussion

The study established that the Vision of KCA University Kenya is to “Be recognized as a premier university of Choice whose graduates competently and confidently serve the nation of Kenya, East African Region and the Global Community” while their mission statement is “to offer high quality market driven teaching, research and extension services in a safe and supportive academic environment”. The study also established that the Quality Assurance Department of KCAU is charged with Strategic Planning and reviewing of the Universities performance. The department oversees the whole process, coordinates the strategy review and development over the years. This is in line with Porter (1985) who highlighted that despite the criticism leveled against strategic planning it is still very useful to organizations and only needs to be improved.

The Strategic Planning process at the University involves amongst other process, comprehensive meetings, retreats and data collection from various stakeholders. The process is carried out by Management and at times consultants are brought in to add value. This is in line with Christensen (1997) who argues that when management clearly outlines the driving forces faced by the company, it becomes much easier to recognize and unite behind a clear strategic course of action. The findings also indicated that the University uses Balanced Scorecard (BSC) to manage their performance. Kumari (2011, p.73, 74) describes BSC as “a conceptual framework for translating an organization's vision into a set of performance indicators distributed among four perspectives: Financial, Customer, Internal Business Processes, and Learning and Growth”.

Kumari (2011, p.73, 74) further argues that “BSC is a very important strategic management tool which helps an organization to not only measure performance but also decide/manage the strategies which are needed to be adopted or modified so that the long-term goals are achieved”. “Its proper implementation can ensure the development of competencies within an organization hence competitive advantage”.

The study also revealed that top and middle level management were involved in the process of strategic planning however some of the employees felt their participation was not optimum leading to resistance to change from certain groups of employees or the plan not being understood well. This study established that for the process of Strategic planning to be effective more staff members and a wider group of stakeholders ought to be involved in the process. This concurs with (Ramanujam & Venkatraman, 1987) who indicated that involving stakeholders in strategic planning attracts supports for the activity and aids in avoiding conflict.

Ramanujam & Venkatraman, (1987) further highlighted that an organization ought to be in a position to benefit from the expertise and creativity from a broader perspective of stakeholders as this leads to sustainable outcomes. When employees participate in the strategic planning process from the onset, they feel that they own the process and therefore it’s easier for them to implement and clearly understand certain decision made by the organization. The study established that Environmental Scanning and External analysis at the University is conducted through the Quality Assurance and Control department at times aided by consultants. This is also done in consultation with departmental heads who conduct PESTEL (Political, Economic, Socio-cultural, and Technological) Analysis of the University as well as a SWOT Analysis.

Alongside this, the University participates in marketing events, media campaigns and various EXPO's organized by CUE on an annual basis as well as those organized by stakeholders across the region. This allows them to collect data and scan the environment effectively. The QA department also uses questionnaires to collect primary data from stakeholders and different avenues. Babatunde & Adebisi (2008) highlight that one of the methods of environmental scanning is through primary data collection approach, using research instruments such as questionnaire, personal interview, and personal observation. The two authors further argue that, for this exercise to be effective organizations should establish a unit within the business or establishment which will be responsible for scanning a wide range of environmental factors and make forecast about specific variables through qualitative and quantitative methods.

According to Xue and Schubert (2011), organizations conducting effective environmental scanning activities would be more likely to cope with threats and grasp opportunities, and hence obtain sustainable competitive advantages and better performance. KCA University's distinct Vision "to be recognized as a premier business University of choice whose graduates competently and confidently serve the nation of Kenya, the east African region, and the global community" was particularly guided by its analysis of the Kenyan Higher Education sector. This is in line with (Bryson, 1988, p.74) who described Strategic Planning as "a disciplined effort to produce fundamental decisions and actions shaping the nature and direction of an organization's (or other entity's) activities within legal bounds." These decisions typically concern the organization's mandates, mission and product or service level and mix, cost, financing, management or organizational design".

Bryson (1989, p.73) also argue that “strategic planning assists in providing direction so organizational members to know where the organization is heading to and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends”. The process also reveals and clarifies future opportunities and threats and provides a framework for decision making. The study revealed that the University has adopted performance measurement systems such as the Balanced Scorecard that has led to an increase in performance and operational efficiency.

This agrees with Porter (1996) who argues that Strategic Planning has various advantages that usually lead to an increase in an organizations performance, and Well-designed strategic plans provide an operational framework that allows an organization to enjoy distinct competitive advantages, hence improved performance. The study also established that the University has adopted different methods to support the strategic Planning process which include, regular communication, consultations with members of staff and stakeholders, and use of consultants and strategic planning experts. Communication is done through unique and key strategy messages that consist of core business values, culture, points of pride and strategic direction.

This is in line with Berry (1994) whose definition of strategic planning refers to the same as a management process that encompasses four basic elements that include; having a clear statement of the organization’s mission; identifying the organization’s external constituencies or stakeholders, and the outlining of the firms strategic goals and objectives in a 3-5 year plan; and the development of strategies for achieving the same.

This also supports (Arasa and Obonyo, 2012, p. 202) who further explain that strategic planning process consists of five components that include; “defining firm’s corporate direction, appraisal of business environment, identification and analysis of firm’s strategic issues, strategy choice and development of implementation, evaluation & control systems”. The University reviews Strategies on an annual and quarterly basis guided by different performance indicators which are based on financial performance of key revenue generating departments and customer satisfaction using data generated from student survey since students and other stakeholders are the main customers of the University.

Review of Strategies at KCAU is also done through system changes, capacity building and talent management. When it comes to capacity building and talent management, the University particularly uses the balanced scorecard administered to employees through the HR department. This is in agreement with Kotter (1996) who argues that strategic planning is a useful means of transforming an institution. The strategic planning process has also been noted to guide and outline an organization’s strategy choice through an organized, logical and balanced approach. According to Dusenbury (2000), the process discloses and spells out future prospects including threats and delivers an outline for making decisions within an organization including looking ahead with a focus on the goals that are desired.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the study as analyzed in chapter four. It also includes conclusions and recommendations.

5.2 Summary

The study found that KCAU's Vision is to "Be recognized as a Premier Business University of Choice whose graduates competently and confidently serve the nation of Kenya, East African Region and the Global Community", while its Mission is "To offer high quality market driven teaching, research and extension services in a safe and supportive academic environment". The study also established that the Quality Assurance and Control Department of the University is charged with the responsibility for Strategic Planning, Evaluation and review of the University's performance at the end of a Strategic period. According to this study, the QA Department is charged with the responsibility of reviewing the organizations Vision, Mission and supervision of strategy development assisted by external consultants where necessary.

According to this investigation, KCAU uses the BSC as a Strategic Management tool to measure their performance. The BSC is administered to employees through the Human Resource department and cascades from the Vice Chancellor to other employees. The QA department conducts regular surveys in monitoring various aspects of the process and outcome reports shared with stakeholders with a goal of generating adjustments where necessary to keep the implementation process on track. The study also established that the University carries out customer satisfaction surveys twice every semester, these are issued to students through the QA department to determine the needs of their students who are their major customers and their level of satisfaction with the services offered by the University.

The study further established that the University carries out the process of Environmental Scanning/External Analysis of the Political, Economic and Social factors within KCAU and the Higher Education Sector in Kenya. All these factors are managed by the University through the QA department. The study also found out that Consultants are at times involved in the process and that different functions through their heads of departments carry out a SWOT and PESTEL analysis and the same is escalated to top Management and QA department for Analysis and implementation of recommendations.

Some of these environmental factors that led to the low student enrollment was noted to include stiff competition amongst private Universities in Kenya, as well as changing from college to University. KCAU's plan is implemented internally through annual plans executed by the various functions and branches. The University adopts a Prospector and Analyzer Strategies by introducing new programs and courses both at undergraduate and post graduate level and opening new branches.

Between 2012 and 2015 the University opened the Kitengela Campus in Kajiado County and Meru Campus amongst others. From the study, it was established that to get everybody involved in the process, the University uses consultations with different departments and stakeholders, consensus building as well as consistent communication. Facilitators and consultants are likewise used by the University to support the process. Communication is done through development of key strategy messages that inspire staff and other stakeholder's on re-integration of core business values, philosophies, and commitments including points of pride and building commitment to the same.

KCAU communicates the strategies to ensure success and relationship with the University's broader goals and strategic shifts. KCAU also regularly builds the capacity of staff teams taking part in the process through seminars, management and strategic planning retreats, allocates funds through a budget to the specific department charged with supervising the process in line with specific organizational plans and priorities, as well as strengthening management structures that in turn improves accountability and decision making and rooting out malpractices through efficient systems.

When it comes to evaluation and control of strategies, the study established that KCAU does this through efficient systems that encourage efficient internal communication, the university has also invested in structures that encourages innovation amongst members of staff. Through Innovations, the University had been able to introduce new programs and restructure certain departments amongst other notable activities. Certain departments within the University set up such as Centre for Entrepreneurships and Institute for Capacity Development are run on innovation from staff which has to be consistent with the University's major goals, objectives and the overall Vision.

Evaluation is also done through structural and system changes where necessary, staff capacity building is carried out through seminars and other activities. Evaluation is also carried out by managing costs and overheads. Being a University and a learning center, KCAU also promotes knowledge development for members of staff through certain agreements through the Human Resources and Finance department. The Internal audit monitors financial performance and ensures the KCAU's internal systems are efficient.

5.3 Conclusion

KCA University's Strategic Plan reaffirms KCAU's commitment to be "a premier business University of Choice whose graduates competently and confidently serve the nation of Kenya East African Region and the global Community". KCAU's Strategies set direction, guides the action of staff and partners such ICAPK just to mention a few. The strategies also articulate clear organizations priorities and creates a clear framework for the work of the University to be accountable to their students, and partners such as ICPAK, Maarifa Education, ECP (Emerging Capital Partners), and other stakeholders KCAU works with to deliver quality Higher Education as a Premier Business University of Choice.

Shaping the future strategy of KCAU involves borrowing from local and global perspectives in business education and research with a focus on local perspectives and expertise to ensure relevance and alignment. Making reference to the Commission for University Education Kenya (CUE), Kenya's national priorities for higher education in order to build stronger working relationships with partners and building on the strengths of their predecessor the Kenya College of Accountancy.

The University is committed to being a Premier Business University of choice while delivering quality higher education that supports businesses locally and across the region. This commitment that focuses on a specific area and market segment has enabled the University position itself strategically and influenced their performance. KCAU's strategies strengthen their commitment to churn out graduates that are competent in business related courses and in the job market despite the stiff competition within private universities in Kenya. To affirm their strategy and vision, the University offers professional courses, undergraduate and graduate courses in areas of business, information technology and education.

The University's current high level of performance since its inception as a college in 1989 can be highly attributed to strategic planning. KCAU has adopted a number of strategy's to enhance its performance. The empirical findings and analysis conducted on KCAU indicate that strategic planning contributes directly to organizational performance.

This correlation is evident in the different strategic planning steps and effectiveness of the process measured through investigation of management perception of the effectiveness of strategic planning. This was noted in the formality of strategic planning at KCAU as well as employee, stakeholder and management participation in the process. Another approach of measuring the effectiveness of strategic planning on organizational performance which included financial and non-financial methods established a significant relationship between strategic planning and implementation. The formality of strategic planning therefore has been shown to be the most impactful on an organizations performance.

This study also concludes that there is a significant difference between the results obtained and approaches used in measuring the effectiveness of strategic planning and organization performance, this confirms the fact that the correct approach to be applied in measuring the relationship between strategic planning and organization performance must be done carefully and with caution. The comparative analysis conducted in this investigation with the purpose of establishing the relationship between strategic planning and performance in KCA University and the Higher Education sector in Kenya are fundamental drivers to organizational performance to the best of the author's knowledge.

The case of KCAU is a good analysis, an informative case and an example on the relationship between strategic planning and organization performance. A significant close relationship between strategic planning and organizational performance was established in the planning tools used in the case of KCAU. This is supported by the high usage of strategic planning tools, the level of engagement with stakeholders, management, University Council and Trustees, and employee participation which in turn results to ownership of the strategies by employees and stakeholders, strategic planning effectiveness, accountability and ultimate implementation of the organization's performance.

The significance of the theoretical literature resonates with an attempt to investigate the significance of strategic planning to organizational performance and also for an analysis of this relationship to be conducted on KCA University. With valuable conclusion regarding strategic planning and organizational performance, this study also supports existing literature by investigating different scopes of strategic planning simultaneously with its effectiveness.

Considering this study is based on empirical literature and in-depth interviews, it provides additional significant information on the relevance of strategic planning to the Higher Education Sector, private Universities and the Business world in developing countries. Practical effects will involve the coming up with different scopes of the strategic planning process in ways that enhancements strategic organization performance and provides relevant and useful suggestions to organizational management through focusing more energies on effective and efficient strategic planning practice.

According to this study conducted on KCAU there is evidence of a strong relationship between formalized strategic planning and organizational performance. However there is need for regular organizational progress reviews, consistent improvement on the knowledge and skills for the staff and all those involved in the strategic planning process. This ought to involve designing an appropriate and understandable set of strategic planning techniques that staff can easily refer to and regular reviews on the same as an important ingredient of the performance of an organization.

Top and Middle Management of organizations should ensure they sensitize and increase knowledge amongst all levels of management through capacity building and other activities on the importance of strategic planning and how this can directly affect organizational performance either in a negative or positive way. They also ought to be able to properly understand the different roles they play in the their organization's strategic management process and in ensuring they create an organization and an amicable environment that allows employees at all levels to participate in the strategic planning process irrespective of their positions in the company.

This study can also be an important example on identifying and overcoming certain obstacles to effective implementation of strategy including determining some of the very critical issues on organizational effectiveness and activities needed for proper and optimum implementation of strategic planning. Various challenges to the strategic planning process ought to be kept in mind, relating the lesson on strategic planning and implementation to the company's overall strategic goals and understanding of the same by staff, partners and other stakeholders.

Some of these challenges include, capacity of employees and the skills required to adjust to new strategies, organizational culture, management and governance, communication, poor management of the implementation process, and lack of proper information systems for control activities. To KCAU, Strategic Planning is perceived as a means to support performance and accountability and to contribute to the University's impact at national, regional and global levels including a means to realizing its fit for purpose in the market.

5.4 Recommendations

The study recommends involvement of all stakeholders and employees in the strategic planning process to enable them understand and for the employees to own and easily participate in the implementation process, The study also recommends the following: proper communication of strategies to employees and other stakeholders, making the strategic plan available to employees especially top management to refer to, proper training and capacity building of employees during, before and after the strategic planning process especially those charged with spearheading the process, regular reviews of the strategies and communicating of findings to management.

The University should also ensure allocation of more time to the strategic planning process. Management should also increase budgetary allocation to the process in consultation with heads of department and finance and try as much as possible to stick to the specific budget. While the respondents agree that the University has been able to implement some of their strategies, there is a need for a review of the extent to which these strategies have been implemented and to what level goals and objectives have been achieved before new ones are implemented.

The study recommends that the university develop a critical investigation of their performance in line with the balanced scorecard and milestones set out in their strategic plan in order to determine reason why the same have not been achieved and find solutions. Findings of the strategy evaluations be clearly communicated to employees and stakeholders so that everybody is on the same page.

5.5 Limitations of the Study

A lot of findings arose from this study, this may have been due to other factors related to predictor variables or the different strategic planning elements influence on performance of an organization. More insight therefore needs to be conducted on how environmental dynamics, governance, organizational management dynamics, economic factors and other relevant moderators on strategic planning affect organizational performance.

Considering that this study was conducted on KCAU, Strategic Planning could be subject to certain contingencies such as organizational culture and environmental influence. Some of the interviews were not as scheduled and the researcher had to be flexible and extend the time for data collection in order to carry out in-depth interviews.

Another limitation is the fact that 10% of the interviewees targeted were non responsive and one of the key targeted interviewees had been transferred to a different department therefore not able to provide an up to date response and this had an impact on the study. Subjective judgments by the interviewees were also a major limitation since faulty judgments lead to misdirected efforts towards strategic planning. Another limitation regards the fact that since the organization is undergoing transition some of the interviewees were not very comfortable providing the required information.

5.6 Areas suggested for further research

From this study it is evident that Strategic Planning has a significant effect on the performance of the University, through Strategic planning KCAU have been able to position themselves in the market place as a University offering courses and solutions for businesses in the region, having begun as an accountancy college. strategic planning has similarly enabled the organization to come up with strategic goals and as a result the University has grown into a number of branches across the region not to mention developing new programs in line with market demands amidst stiff competition within the Kenyan university education sub-sector, Africa and Globally. KCAU has likewise been able to come up with key innovations and income generating activities and departments since its inception as a college in 1989. Some of these include areas such as executive training, entrepreneurship center just to mention a few. Strategic Planning scholars therefore ought not to abandon this area of inquiry altogether but to study more into other factors.

Literature drawn from previous strategic planning studies bear the fact that organizations that plan effectively perform better than those that do not Arasa & Obonyo (2012). Strategic Planning is therefore justified if it's effective in the long run. Future areas of research ought to address the following areas: the study should cover all cadre of staff within KCAU and not be limited to Management staff only, more assessment should address stakeholders and partners such as ICPAK, ECP and Maarifa Education, KASNEB, and Students.

Future studies also ought to measure the long term influence of strategic planning on the university's performance in comparison with other Universities in Kenya of the same level and offering similar programs. Future studies could also focus on the relationship between strategic planning in private Universities across the region as well as a comparison between the private universities and public universities with a focus on strategic planning and performance.

Different institutions use different performance management tools alongside strategic planning to evaluate their performance in the market place. More studies therefore needs to be carried out with a focus on the different systems. Future studies could similarly look at how certain external factors have affected this process at KCAU in particular political and Economic factors such as admission of Government Sponsored students to private Universities, and Legislations requiring every County in Kenya to have a University. Since the University uses the BSC as their Performance Management Tool, future studies could furthermore focus more on the effect of the Balanced Scorecard on Performance of KCAU.

5.7 Implications of the study

These findings of this study were beneficial and had implications in various sectors such as the Global education sector, higher education sector in Kenya, private universities in Kenya, KCA University as well as academia. Private University Education Globally and more so in Kenya is highly dependent on tuition fees as a major source of income hence strategies and performance measurement revolve around this. Mok (2000, p. 150) argues that “Students are no longer students but rather clients or customers; admission to the university is about access instead of selection. Institutions of higher learning are therefore forced to adopt an entrepreneurial approach to ensuring they are competitive in the marketplace”. The sector is experiencing a move from running universities as colleges to more “managerial forms of governance.” Mok (2000, p. 150).

The implication of this study in the Global and local higher education sector is that it provides an insight on how Universities can tailor make their strategic plans to influence their desired performance, the study also highlights some of the challenges experienced by KCAU in the strategic planning process that higher education institutions can learn from such as budgeting and resistance from staff. This study provides key areas every institution of higher learning need not to ignore in their strategic planning process.

This study provides KCAU Management and staff on various areas of strategic planning they may need to put more emphasis on such as evaluation and communication of the same to staff. The study also sheds light on the various challenges faced by staff in the process, recommendations from staff and management, as well points on ensuring the strategic planning is successful the next time.

This study also further confirms to KCAU Management that the strategic planning process has had a positive influence on the Universities performance so far. The study also provides an insight on different ways KCAU can strengthen the relationship between strategic planning and performance and including managing the specific costs involved in this process. To academicians and individual researchers, this study provides further insight on the relationship between performance and strategic planning in organizations including areas for further research and gaps identified in the process.

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APPENDICES

Appendix I: Introduction Letter

Brenda Okach
P.O BOX 29427 – 00100
Nairobi
Reg No: D61/80671/2012
Tel No: 0721875541

The Vice Chancellor
KCA University
P.O Box 56808 – 00200
NAIROBI

Through*

The Dean School of Graduate Studies (SGS)
KCA University
P.O Box 56808 – 00200
NAIROBI

Dear Sir/Madam,

Re: Introduction letter

I am a postgraduate student at the University of Nairobi pursuing a course in Master of Business Administration, specializing in Strategic Management. In partial fulfillment of the course, I am conducting a case study on Strategic Planning and Organizational Performance; A case study of KCA University.

For the purpose of completing my research, I wish to collect data through the attached Interview guide. I will be collecting primary data through in-depth interview from middle and senior level Management (*interview guide attached*). Any information gathered during this study shall be treated as confidential and shall be used solely for my research project. A copy of the final research report shall be availed to you.

Yours Sincerely,



Brenda Okach
D61/80671/2012

Appendix 2: Introduction letter continued



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 12/7/2016

TO WHOM IT MAY CONCERN

The bearer of this letter Brenda Dikach Odhiambo

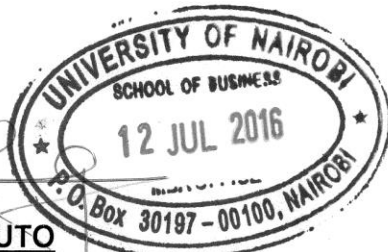
Registration No. D.61/80671/2012

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.



PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

Appendix 3: Interview Guide

The purpose of this interview guide is to assess the effect of strategic planning on the Performance of KCA University.

1. What is your position at KCA University?
2. Does KCA University have a Vision and Mission Statement?
3. How is Strategy Formulation conducted at KCA University?
4. Does KCA University undertake regular evaluation of your strategies?
5. How is the process of environmental scanning/external analysis conducted at KCA University?
6. How are the following strategic planning practices done at KCA University aided in enhancing performance:
 - a. Designing quality service system in strategic planning.
 - b. Stakeholder's satisfaction.
 - c. Operating efficiency.
 - d. Clarifying Future Direction and Establishing Priorities.
 - e. Assessing and sustaining organizational competence and impact.
7. How and to what extent was your division involved in the process?
8. What role did you play in the strategic planning process?
9. From your perspective, what events precipitated the creation of the current plan?
10. Has strategic planning contributed to the overall success of KCA University and in what ways?
11. What challenges were encountered throughout the process?
12. How did these challenges arise?
13. How were these challenges handled?
14. Do you believe that a reasonable degree of consensus on the mission, vision, goals and objectives was achieved?
15. How have your activities and the activities of staff in your division changed as a result of the plan?
16. What were the most significant costs (political, bureaucratic, and financial) that emerged in the process?
17. Of these costs, which could have been avoided and how?

18. Identify strengths and weakness in the planning process.
19. What other strategies and processes are adopted at KCA University to enhance its performance?
20. What recommendations do you have for improving the next strategic planning effort?
21. Recommend the various ways to strengthen the relationship between strategic planning and performance in your organization.

Thank you