STRATEGIC PLANNING PROCESS, STRATEGY IMPLEMENTATION, ORGANIZATIONAL CHARACTERISTICS AND PERFORMANCE OF ACCREDITED UNIVERSITIES IN KENYA

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DECLARATION

I, the undersigned, declare that this thesis report is my original work and has not been submitted to any other college, institute or university other than the University of Nairobi for academic credit

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DEDICATION

I dedicate this thesis to my mum and friend. Mama your unconditional love and energy has propelled me so far in life and continues to do so every day. You have always stood by me and been part of the best pillars of my life every single step of the way. In a special way, I wish to salute Dave, my young brother and a close party to this research undertaking as a research assistant. Only my good God can reward you for your sacrifices and support

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TABLE OF CONTENT

APPENDICES

LIST OF FIGURES

LIST OF TABLES

ABBREVIATIONS AND ACRONYMS

BSC	**:**	Balanced Score Card
CUE	**:**	Commission of University Education
MoET	**:**	Ministry of Education and Technology
MoEST	**:**	Ministry of Education, Science and Technology
NACOSTI	**:**	National Commission for Science, Technology and Innovation
SBSC	**:**	Sustainable Balanced Score Card
UNESCO	**:**	United Nations Educational Scientific and Cultural Organization

ABSTRACT

The study sought to investigate if the strategic planning process has significant influence on the performance of accredited universities in Kenya. Beyond the strategic plan document, the intensity and formality with which the process of strategic planning is carried out, its extensiveness and inclusiveness, is a concern for organizations in the twenty first century. Possible mediating effect of strategy implementation and possible moderating effect of unique organization characteristics on this relationship was tested. Five specific objectives and corresponding hypothesis were formulated and tested. The study is anchored on institutional theory while contingency theory was picked as a supporting theory. Founded on positivist philosophical orientation, it adopted descriptive cross sectional survey design. Population of interest was all accredited universities in Kenya as at November 2016. Primary data were collected on strategic planning process and strategy implementation using structured questionnaire administered to Registrar Development and Planning/ officer acting in this capacity as per university structure. Secondary data were collected for university characteristics and performance as at 2016, from university strategic reports, the CUE (2016) report and performance ranking by MoET and global ranking. The instrument was reliable with values of between 0.539 and 0.937 on Cronbach alpha. A response rate of 61.5% was realized. Diagnostic tests on normality, linearity, multicolinearity and homoscedasticity confirmed suitability of the data set for further empirical analysis. The relationship between study variables were tested at a 95%, confidence level. The findings indicate a statistically significant direct relationship between strategic planning process and growth and with ranking. Testing for direct relationship between university characteristics and growth and with ranking; both are statistically significant. On test for moderation; between strategic planning process and growth; age, size, and ownership are statistically significant moderators: while on ranking of universities, they are not statistically significant moderators. On the test for mediation, strategy implementation is a statistically significant mediator between strategic planning process and performance. The study recommends that, in addition to the production of a strategic plan document, the rigor with which it is done in terms of formality and intensity is very critical to their growth and ranking performance with strategy implementation significantly mediating this relationship. The two performance indicators have different factors influencing them and this is a contribution to theory, that the fit between institutional variable and the cooperation within have a bearing on improved performance. The study encountered some limitation such as cross sectional design where change in strategic planning process over time was not captured and the study was for accredited universities only. Based on these limitations, the study recommends future studies to consider use of longitudinal research design to evaluate if the strategic planning process varies over time in the university and to can extend to other industries so as to test the consistency with current findings.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

A primary research objective in strategic management is explaining and predicting organizational performance (Ketchen & Thomas, 1996). The quest to understand and control performance is an important way of distinguishing strategic management from other organization sciences (Meyer, 1991; Wu, 2009). The particular interest of strategy researchers is performance implications of major decisions that are made in anticipation of, or in response to, environmental conditions (Ketchen & Thomas, 1996; Arasa, 2008; Gould & Power, 2015).

Strategic planning process is commonly used by organizations to respond to and manage change and the process is evolving in its response (Bryson, 2004). Though strategic planning has been adopted by many organizations over the years, it has not yielded similar outcomes in terms of positively impacting the performance of organizations. Could the how of planning as enshrined in the strategic planning process; in formality, intensity and the availability of the document have a possible effect on performance of organizations? Strategy implementation is the operationalization and institutionalization of a clearly articulated plan to facilitate for change, (Nobble, 1999; Ouakouak, 2013) may have a possible effect on the strategic planning process and organizational performance relationship. Every organization has unique characteristics which define and differentiate it from other organizations in the same industry. These unique characteristics may have a bearing on performance and on the relationship between strategic planning process and organization performance

The interface of strategic planning process, strategy implementation, organizational characteristics and organizational performance is anchored on Institutional theory (Dumaine, 1989; North, 1990) which postulates that the institutional environment can strongly form a basis upon which structures or organization level characteristics are created within the organization. Institutionalization is both a process and a property variable (Freeman, 1994). It is a process since it is continuous and not a one off activity and property because it is based on what the organization already possess. The postulation of institutional theory is complemented by contingency theory (Lawrence & Lorsh, 1967; Carlisle, 1976), which is an approach of studying organization behavior. Contingent factors influence the design and function of organizations and organization outcome are the consequence of a mix of two or more contingent factors. The internal aspects of an organization need to be aligned in order for organization to be successful, effect changes and improve performance.

Kenya Vision 2030 places education at the center of its human and economic development strategies with higher education enlisting Kenya as an internationally competitive nation (Ministry of Education, 2012). The constant increase in demand for and access to higher education for training professionals to facilitate this economic growth, in an increasingly competitive global environment, has led to a need for sustainable competitive advantage that addresses all stakeholder needs at the universities. These institutions of higher learning are under the same governing body Commission for University education (CUE, 2015) and in the same industry. They are by statutory law expected to have a strategic plan to guide their operations. This withstanding, their performance in the growth of the enrollment levels, programs on offer and the transition rate continues to differ with the global ranking performance seemingly not following any pattern in line with size, age, financing or ownership.

Strategic planning process, depending with the extensiveness and inclusiveness of the process, is one avenue that universities can use to address rising demand for improved performance with strategy implementation which consists of all decisions and activities required to turn strategic plan into reality having possible effect on the relationship between planning process and performance. Kenya has a total of 70 accredited universities (CUE, 2016) comprising of public universities, private universities, constituent colleges of public and private universities and institutions with letters of interim authority. Some are old, others new and young, some are large others are small and these unique characteristics may have a possible effect on the relationship between strategic planning process and performance of these universities.

1.1.1 Strategic Planning Process

The strategic planning process can be defined as developing and maintaining a fit between company goals, company capabilities and accommodating the emerging opportunities that keep changing over time (Hohnen, 2007). The process will define company vision and mission; specify objectives as well as design product and service portfolio while coordinating functional strategies (Grant, 2003). According to Barry (1997) strategic planning process involves methods through which company leadership develops a vision to guide the future of an organization and determine priorities, procedure and operations that are necessary to enable the organization achieve set vision. Morfaw (2009) explains that, planning process helps organizations examine their experiences, put to test assumptions made and collect information about current and possible future state of the environment the organization operates.

Documenting the strategic planning process and availing the document to all stakeholders is a critical component of the planning process (David, 2015). Planning

process focuses on intensity and formality of the plan to enhance inclusiveness and continuity, providing direction for the improvement of business activities and formulate business strategy which, when implemented increase performance (Poister, 2010). Planning intensity is the amount of effort put in the process of planning, which is operationalized by amount of information generated plus the intensity of analyzing and evaluating it (Chavunduka et al., 2015). For Ranasinghe (2010) planning intensity is an operationalized measure of the emphasis laid in the seven variables of the strategic planning process which are mission, objectives, internal and external environment analysis, strategic alternatives and monitoring (Hopkins, 1977). Formality of the plan is extent to which objectives are stated explicitly and strategies expressed in written documents (Aosa, 1992; Boyne, 2001; Arasa, 2008; Odundo, 2012). Burnside (2002) two approaches used to operationalize formality are; assesses measuring the extensiveness of planning process or measures perceived importance.

A strategic plan includes measurable goal which are realistic and attainable, it covers several years and requires a business to examine the environment it is operating in, helping the organization focus on critical issues and challenges it faces (Ward & Peppard, 2002). Strategic plan is used as a management tool for ensuring organization members are working towards same goal and are accurately adjusting to environmental changes. It has been hypothesized that organizations that consciously plan, influence market forces positively to lead to a competitive advantage, enhancing effectiveness and consequently improving performance (Schrieffer, 1995).

Mintzberg (1978) critiques strategic planning on the basis that organizations cannot plan for a future that is unknown and uncertain while formalization inhibits flexibility, spontaneity, intuition and learning. Upon the recasting of strategy during the period of retrenchment, organizations were encouraged to have right planning process, that is

flexible, realizing strategic plan is an organic living document, which needs to be flexible to accommodate change (Boyne & William, 2003) hence it is not just having a strategic plan but going through the strategic planning process that counts.

1.1.2 Strategy Implementation

Strategy implementation has received varying views and definitions by different scholars as a process and/or a task involved in actualization of strategy. The concept of strategy implementation refers to the sum total of activities and choices required for the execution of a strategic plan (Wheelen & Hunger, 2006). It is a systematic process composed of a logical set of connected activities (Cater & Pucko, 2010) through operationalization and institutionalization of the formulated strategy to enable organizational strategy work. Strategy implementation is the communication, interpretation, adoption and enactment of strategic plans (Nobble, 1999; Andrew et al., 2011) in activities and choices required for the execution of the strategic plan.

Strategy implementation address the question of who, where, when and how to reach the desired goals and objectives by translating chosen strategy into organizational actions (Brenes et al., 2008). It envisions how organizations are able to develop and consolidate structures, systems of control and an organization culture that moves towards set strategy, yielding a competitive advantage and improved performance. Organizational structures allocate distinct value, explain what each employee should do and how the work done by different employees yields efficiency, customer satisfaction and competitive advantage (Hrebiniak, 2008). Managers' use control systems for feedback and motivational incentive to employees as well as performance while shared beliefs, norms, values and attitudes by an organization members is culture which if balanced facilitate implementation.

Strategy implementation develops organizations capable of successfully carrying out strategy, allocate needed resources to strategy essential activities, develop policies in line with set strategy, are constantly seeking to improve through their programs, fairly reward accomplishments and have strategic leadership in place (Steiner et al., 1989). The business world today is more complex and possesses the challenge of not only gaining a competitive advantage but having it sustainable, effective and efficient over the years (David, 2015).

David (2013) says that implementation involves managing forces during action stage, requires special motivation and skills while coordinating many individuals. A study by Allio (2005) revealed that without consistent and aligned implementation across functional disciplines; even the best planned strategy becomes ineffective since the planning phase receives significant attention and resources (Noble, 1999) while implementation is neglected. Cater and Pucko (2013) observe that recasting of strategy has called for paying of proper attention to implementation of chosen strategy which has been a major challenge. Most managers know how to develop strategy but not much about executing strategy, leading to no change in performance even after resources are spent in formulation (Alexander, 1985; Gluck et al., 1980; Waweru, 2011). Reviewed literature indicates that the ability of organization to translate documented strategy into action and results is still a challenge.

1.1.3 Organizational Characteristics

Organizational characteristics are features and attribute that can be associated to a specific organization which include but are not limited to; size, ownership structure, financial resources, product and service lines, and the age of the organization (Wang, 2009). They are attributes which are unique and drawn from the internal side of an

organization (Penrose, 1959). Wiklund and Shepherd (2005) in their study find that organizations that align their organizational attributes with the environment characteristics outperform those that don't.

Zheka (2005) and Salancik and Pfeffer (1980) find that ownership structure has an impact on the corporate governance, corporate power and investor perceptions. Recent research has found an association between organizational size and inertia, defined as slow adaptation to change or resistance to fundamental changes in conducting business (Hendricks, 2001; Schonhr, 2008; Cater & Pucko, 2013). According to Miller and Chen (1994) inertia can be caused by constraints on action associated with organizational age and size. According to liability of senescence (Baum, 1989; Hannan, 1998) older organizations are highly inertial and tend to become increasingly ill-suited to cope with changing competitive environment because of established structures and rigid strategic plans.

Size is one of the most acknowledged determinants of a financial performance (Beard & Dess, 1981) with larger organizations more likely to have output levels close to their industry minimum efficient scale thus less likely to be vulnerable than smaller ones that produce at lower scale (Audretsch & Mahmood, 1994; Silviano; 2008). Min and Galle (2001) assert that adoption of an innovation; especially technological innovation within organization might be positively related to the organizational size to which Schonhrr (2008) concurs. This implies that the larger the organization, the greater the benefit from implementation of an innovation due to increased chances that the innovation investment will be recovered contrary to small ones who perceive innovation as a heavy burden having no competitive advantage (Rastislar, 2016).

According to McGahan (1999), thirty six percent of industry variance in profitability could be attributed to unique organization characteristics and actions. Organizations plan and implement various strategies in order to create a competitive advantage and outperform competitors by creating more value depending on the stock of resources they have and distinctive capability to use the resources (Besanto et al., 2003). Characteristics like age which comes with experience and the size and or ownership structure of an organization, which may translate into how much resource base an organization has accumulated, might have an effect on the process of planning that a firm can engage in, while how extensively and intensively the planning process will be, necessitates testing for causality and reverse causality.

1.1.4 Organizational Performance

Organizational performance is a multidimensional construct and a function of diverse array of factors (Venkatraman & Ramanujam, 1996; Machuki, 2011) which is a concern for both practioners and researchers. Wu (2009) defines organizational performance as how well the organization is managed and the value it delivers to its stakeholders, which is achieved when it achieves its expected objectives with greater efficiency and effectiveness than competitors (Daft, 2000; Letting, 2011). Performance assures that organization contributes to its mission and remains responsive to stakeholder needs (Baysinger & Hoskisson, 1990; Kinuu, 2014).

Ricardo and Wade (2001) say organization performance is the ability of the organization to achieve its goals and objective while Cascio (2006) says it's the degree of achievement of the mission at work place that builds up an employee's job. Stannack (1996) says that researchers use the term performance to express the range of measurement of transactional efficiency plus input and output efficiency.

Heffernan and Flood (2000) argue that performance does not only mean defining problem but also solution to problem. Bryson (2011) says organizational performance is a key concern and central focus of every organization regardless of its industry, whether for profit or not, public or private, large or small. It has become a recurrent empirical research theme, with scholars and practitioners tirelessly endeavoring to establish its predictor variables and measurements (Grant, 2003). Nelly (2004) postulate that performance refers simultaneously to the actions, the result and the success compared to a benchmark. According to Venktraman and Ramanujan (1986) the importance of organizational performance can be argued theoretically, as the center of strategic management being a time test for strategy; empirically, most strategy research employ performance to scrutinize diverse process and content issues; while managerial importance is evident in prescriptions offered to improve performance. Important to note is that different industries use different measures to evaluate performance in line with their core objectives.

In last four decades, change in measurement perspectives has continued to evolve away from pure financial (Sullivan, Abela & Hutchinson, 2008) to more comprehensive business characteristics (Kaplan, 1983) that capture skill and competencies. There are no performance measures universally appropriate and multiple measures must be used (Gleason & Barnum, 1982) and Miller et al., (1988) add that the use of multiple measures compensate for weakness in each. To measure performance both objective and subjective measures should be included in the measuring instrument (Postma & Zwart, 2001). Richard (2009) observes that organization performance focuses on the different stakeholder needs and the market circumstances that are heterogeneous making the construct highly multidimensional.

The growing importance of satisfying stakeholder requirement has seen the development of the sustainable balanced score card (Figge et al., 2002/2012; Hubbard, 2009) which has six perspectives; financial, customer, learning and growth, internal business, social equity and environmental focus. Sustainable balanced score card is in line with the emerging stakeholder needs and it is customized with equivalent measures to fit each industry mission to its stakeholders.

Though different viewpoints exist, performance measurement is important in ensuring that organization remains on track in achieving their strategic goals and objectives. For O'Regan et al (2008) performance measures must be related to activities originally from organization strategic planning efforts that set strategic direction, compare expected and actual outcomes and take corrective action necessary.

1.1.5 Performance of Universities

Universities across the globe are ranked every year in line with their output in research and publications and the impact that these have on academia with the performance varying from one university to the next. Different measurement index are used by different ranking groups and cites with a convergence on some specific index across them. Global university ranking creates world university competition and market capable of being arranged in a single league table for comparison. This leads to intra and international competitive pressure in the industry (Wende & Marginson, 2007) for leading researchers and talent. Global ranking are by Shanghai Jiao Tong University first issued in 2003, followed by Times higher education supplement first published in 2004. Global rank (2003) uses research data output, institutional reputation, internationalization, research citation per lecturer, lecturer student ration, resource allocation per student and library holdings both in hard and soft copies.

The World's most Global (2006) considers not only comprehensive research intensive university model, that focuses on scientific research and english speaking but also the quality of teaching and transparent ranking, that is free of self-interest and is methodologically coherent (Teicher, 2004; Marginson,2007). There is a global linkage especially in research and cross boarder education facilitating autonomous evolution and effectiveness with research intensive universities enjoying the most. Strategic planning has been adopted by majority of world universities as a means to improve performance with implementation posing the great challenge. Commitment to make chosen strategy work may be influenced by unique university characteristics.

At independence in 1963, Kenya, like most African countries, offered university education at no cost to the students and their guardians. Public coffers paid for cost of tuition and student living expenses, a move aimed at creating a highly trained manpower to replace the colonialists who were leaving the country (Sessional Paper 10). In 1980's, financial constrains were experienced due to poor economic performance, rapid population growth and structural adjustment program leading to competition for funding by government institutions leading to the need for parents to contribute partially to student tuition and living expenses. It also leads to the introduction of student loan programme (HELB) to assist students from needy backgrounds access university education. In continuous effort to meet all financial needs at university and generate income, universities resulted to the introduction of self-sponsored student programme (SSP) and Module II programme in which students meet full cost of their education and receive no government subsidy. The universities are a part of the not for profit making institutions and their financial position have still been struggling (CUE, 2016) hence other measures are used to evaluate performance.

The measurement of performance at universities in Kenya is based on growth in programs, student enrollment and graduation rate at the levels of undergraduate, master and doctoral. Another critical measure of university performance is web metric ranking which ranks universities local and international (CUE, 2016). For this study, weighted percentage increase (decrease) in growth variables and the ranking position were used as the operationalization of performance of accredited Kenyan universities.

1.1.6 Accredited Universities in Kenya

The Higher education service sector in Kenya falls under the Ministry of Education, Science and Technology (MoEST, 2013/2014). There has been a consistent increase in demand for higher education over the years and need for professional training to facilitate economic growth in an increasingly competitive and global environment (Ahmed et al., 2015). To maintain a competitive advantage, institutions of higher learning have to ensure delivery of quality programs, provision of sufficient and high caliber facilities and a holistic learning environment. Due to the critical role they play globally, issues relating to higher education should be considered strategically.

According to the University Act 2012; a university in Kenya is defined as one to which a charter has been granted under the Act through accreditation by the Commission for University Education (CUE) under part II of the Act hence able to offer credible programs. Accreditation means public acceptance and confirmation evidenced by award of a charter. Charter is awarded when a university meets and continues to meet the standards of academic excellence set by CUE. The enactment of the Act calls for reforms and compliance in focusing on the needs of stakeholders. The Act establishes the CUE in charge of regulating universities and ensuring they comply with standards.

Kenya university level institutions offer programs that lead to the conferment of bachelor's, master and doctoral degrees, and award diplomas and certificates also post graduate certification by the institution in accordance with the universities Act of 2012 (University Act, 2012). The developments in this sector has led to an increased competition and a need to comply with international standards of quality of teaching and programs, research output, number of graduates, research grants won and web metric ranking (UNESCO, 2013) with the commission reports indicating that the performance of Kenyan universities at a global level is still wanting (CUE, 2015).

Performance of universities in Kenya, locally and internationally, according to the web metric ranking released every year highly differs even though they all have strategic plans. The implementation of the plans may vary across the universities (CUE, 2015) possibly because of the unique characteristics that offer different capabilities to each university. Kenya government reforms (2003) require that all public institutions to which public universities are part of, prepare strategic plans. Private universities are charged with responsibility of maximizing returns which strategic planning facilitates. The rise of new stakeholders, globalization and the rapid pace at which new knowledge is created and utilized are among the recent developments which challenge universities. While universities have responded rather slowly in the past, to changing circumstances, there is now an urgent need for them to adjust rapidly to stakeholder needs (Oanda & Jowi, 2012). This study did investigate if the intensity, formality and documentation of the planning process have impact on performance and whether implementation and unique university characteristics have any effect on the relationship between strategic planning process and performance.

1.2 Research Problem

There has been research linking strategic planning process, strategy implementation, organizational characteristics and organizational performance with empirical research focusing on binary tests where each of the variables was individually tested against performance (Chavanduka, 2015; Ranasinghe, 2010; Njoroge, 2015; Zheka, 2005). On strategic planning and performance, studies indicate that strategic planning has a positive impact on organizational performance (Desai, 2000; Arasa & K'Obonyo, 2011; Karabulut & Efindiougu, 2010; Namada, 2013); other studies find negative relationship between planning and performance (Leontacles & Tezel, 1980; Robinson & Pearce, 1983) while Thune and Green (1992) indicate that planning and performance have a non-directional relationship. The mixed empirical findings and lack of consensus on the effect of strategic planning on performance indicate that there are other possible underlying factors that may influence this relationship necessitating further empirical investigations (Filatotchev et, al., 2016).

To address the above conceptual gap, the translation and operationalization of the strategic plan into action in the strategy implementation which is a key challenge to managers (Hrebiniak, 2006) hence may be one of the factors that influence the relationship between strategic planning process and performance is considered as a possible intervener. According to Rumelt, Schendel and Teece (1994), organizations in the same industry having varying performance levels can be attributed to the unique organization characteristics which can be possible moderator on the relationship between strategic planning process and performance.

The chartered universities in Kenya play a significant role in the socio-economic development of Kenya and the region, therefore, their performance is of critical

importance. They have to prepare graduates who continually steer the continental development hence rapid growth in the sector. McCormack et al., (2013) argues that performance of universities, in both growth and ranking matters. Faced with ever growing, complex myriad of forces inside and outside of the realm of academia, universities need to develop programs, train and graduate students in response to globalization. This is in an effort to reach acceptable international standards, taking advantage of opportunities offered by environment since global rating ranks Universities based on various output measures (UNESCO, 2013) and the intensity and formality of strategic planning process may facilitate this.

Though all universities, in line with the government policy directives (2003), develop strategic plans to guide their operation, their ranking locally and internationally in the web metric ranking, growth in programs, student enrollment and graduation rate (CUE, 2016) have continually differed with some ranking better than others as explaining why organizations in the same industry and markets differ in performance remains a fundamental question as did all the universities go through the planning process? How implementation of plans is carried out in each university and the influence of the unique university characteristics on its success is a critical issue for further research to facilitate understanding the varying performance.

Chavunduka et al., (2015) in a study of Zimbambwe mining development corporations, finds a positive relationship between all the strategic planning intensity factors and overall performance; Ranasinghe (2010) in his study of Sri Lanka corporate finds that some elements of planning intensity and formality of planning process, positively impacts performance. Armstrong (1982), Boyd (1991) and Arasa (2008) all focused on strategic planning and its impact on organizational financial performance finding a positive and/or moderate relationship. Mintzberg (1983) argues

that planning limits creativity and found a negative relationship between planning and performance. There is need for further empirical investigation in developing economies capturing industry and cultural differences to enhance consensus building while addressing the contextual gap. An extension of research into non-financial measures of performance, that mainly captures the non-profit driven needs of stakeholders, is critical to give a comprehensive view of strategic planning process impact on performance.

Strategy implementation has been conceptualized as an independent variable in studies by Shah (1996); Lehner (2004); Waweru (2011) and Njoroge (2015) and its effect on performance of private or public sector organizations independently tested. Studies that can combine both public and private sector organizations and also conceptualized strategy implementation as dependent on other variables will enable extension of knowledge as well as shed light on challenges faced in implementation.

This study is premised on the view that strategic planning process influence performance directly as well as indirectly. It evaluated if the four key variables: strategic planning process, strategy implementation, organizational characteristics and performance have any relationship and if the relationship is directional. An integrative perspective of testing the joint influence of different variables on performance was examined in line with March and Sutton (1987) and Jemison (1981) who argue that integration enhances continued progress, deeper understanding, theory building and extension of knowledge frontiers in the direct, moderating and mediating effects. Organization characteristics have been found to have a direct influence on performance (Zheka, 2005; Schonhr, 2008; Min & Galle, 2001). An extension of research into reverse causality in addition to causation testing and directional relationship testing addressed methodological gap.

Effect of strategic planning on performance have mainly been tested in large private organizations and focused on financial performance. Extension to public sector of developing economies focusing on non-financial performance extends knowledge frontiers where performance has repeatedly been conceptualized as a dependent variable (Rindora & Kotha, 2001; Chavan, 2007). The how of planning is a concern for organizations in the 21st century over and above having a documented strategic plan; What is the influence of strategy implementation and organizational characteristics on the relationship between strategic planning process and performance of accredited universities in Kenya?

1.3 Research Objectives

The overall objective of this study was to determine the influence of strategy implementation and organizational characteristics on the relationship between strategic planning process and performance of Accredited Universities in Kenya. This was guided by the specific objectives which were

i. To determine the effect of strategic planning process on performance
ii. To determine the effect of organizational characteristics on performance
iii. To determine the effect of organizational characteristics on the relationship between strategic planning process and performance
iv. To establish the influence of strategy implementation on the relationship between strategic planning process and performance
v. To establish the joint effect of strategic planning process, strategy implementation and Organizational characteristics

1.4 Value of Study

The results of this study provides an integrated framework which is evidence based linking strategic planning process, strategy implementation, organizational characteristics and performance which is value adding to theory building in theories that explain this relationship especially on the joint effect. It also forms basis for extended research since performance is critical concern in strategic management that continues to draw researchers and practioners. The unique performance measures that are used at universities that differ from other industry parameters are also an extension of knowledge in enhancing intra and inter industry comparisons.

The relationship between strategic planning process and performance has been studied in developed countries and in private sector which focused mainly on financial performance in for profit making organizations. Not much is known about the Accredited Universities in Kenya that combine both public and private entities and focusing on non-financial measures hence the study informs policy in the higher education sector in Kenya. The study informs MoEST policy statements which in turn affect policy formulations by CUE especially on effect of intervening and moderating effects of strategy implementation and unique university characteristics.

To practice of management at the Accredited Universities, the study sheds light on re-embracing, recasting and laying emphasis on planning process as well as incorporating strategy implementation through the models and unique organizational characteristics for better performance of Universities. Inclusiveness and extensiveness of the process as well as unique characteristics of one university from another are points of information on how best to improve the individual university performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on theoretical foundations that guided this study. Further it focuses on a pairwise review of variables as informed by empirical review of previous studies summarizing knowledge gaps in literature. The theoretical and empirical review is an effort to shed light on significant (or otherwise) relationship of variables. The last section is the researcher conceptualization of the current study as informed by theoretical and empirical literature and knowledge gaps. This forms the basis for formulating various hypotheses that were tested by the study.

2.2 Theoretical Foundation

This study conceptualization is guided by theories that view an organization as a system of interdependent activities embedded on and dependent on wider environment (Shafritz, 2012). Organizations that have established systems and structures are more concerned with their ability to fit into an industry and adopt industry norms. While as all organizations in an industry are governed by similar regulations and laws, how they apply them and make them part of daily operations differs and this impacts their performance differently. The anchoring theory is Institutional theory (North, 1990) while the supporting theory is the contingency theory (Lawrence & Lorsh, 1967). Institutional pressure will led organizations into a need for homogeneity and while they strive, environmental dictates will influence them differently and hence need for ingenious ways to address their respective challenges in a unique way.

Institutional theory views organizational management as social process where organizational environment strongly influences development of structures that facilitate change and enhance efficiency. Contingency theory on the other hand asserts that there is no one best way to manage all organizations, only a fit between different contingent factors led to better performance. Both theories, emphasis on organizational flexibility to allow for change and they argue that, a change in one area will necessitate a change in other areas. The theories approach the understanding of management practices as a product of social pressure in addition to economic pressure with pressure to conform to industry practices and adhere to set guidelines and regulations to increase legitimacy being critical (Meyer & Rowan, 1977).

2.2.1 Institutional Theory

Institutional theory (North, 1990) at its core is explaining aspects of social structures, how they are formed, shared, adapted and adopted over a period of time and by people operating in the same institution (Amenta, 2005). These structures then become the way that guides formal and informal rules governing social behavior (Johnson, 2002). The environment in which a firm operates will highly influence formation of these structures hence they need to be flexible, allowing change, enhancing efficiency and effectiveness as they are institutionalized. Accordingly when there is a high level of consensus and cooperation within the institutional environment, diffusion of innovation structures is steady and long-lasting

Drawing on the postulations of the theory, performance increases organization legitimacy because it shows how well the organization is fulfilling its roles in society. The theory suggests that institutionalized activities are a result of interrelated processes at the individual, intra organizational and inter organizational levels of

analysis that are viewed as resources of the firm (Olive, 1997). March and Olsen (1984, 1989, 1996) argue that individuals working in an organization behave as they do because of normative standards as opposed to individual desire for maximum utility. As one interacts with many institutions which are repositories for social values, over time they form a standard behavior. Meyer and Rogan (1991) argue that sometimes organizations will adopt some structural forms that do not necessarily improve efficiency in order to gain or maintain legitimacy in the institutional environment which in turn ensures organizational survival. However these formal structures of legitimacy can reduce efficiency and hinder organizations competitive position in the technical environment.

DiMaggio and Powell (1983, 1991) conclude that institutional pressure will led organizations into a need for homogeneity in their structures which is as a result of coercive, mimetic and normative pressure. Coercive pressure comes from other organizations that a firm depends on stipulated as laws; mimetic pressure is pressure to copy successful firms and it arises during times of high uncertainty while normative pressure is brought by new employees who are hired and once they join the firm they introduce practices from other the firms they are coming from, leading to homogeneity in attitudes and professional practices in an industry.

Since 2003, strategic planning is a requirement for public institutions (MoEST, 2013) however the formality and intensity of the planning process is a variable of an organization social structure that define how planning will be diffused, adopted and adapted over space and time. The implementation processes in every institution vary depending with the degree to which members conform to set guidelines in the operationalization and institutionalization of strategy. Institutional environment strongly influences achievement of formal structures and stipulates how flexible they

are. Organization characteristics which are unique to each organization form part of its internal environment and variables like age, ownership structure and size highly determine organizational flexibility. Organization performance is not always about the monetary return but more so the increased stakeholder satisfaction in line with organization set vision and mission (UNESCO, 2013).

2.2.2 Contingency Theory

Contingency theory (Lawrence & Lorsh, 1967) contends that there is no one best way to manage all organizations due to the differentiated needs that are unique to different customer groups hence organizations need to offer customized products and services. The design of the organization and its subsystems must fit between themselves to enable decision making capturing strategy, structure, size, environment, task and individuals (Fiedler, 1964: Vroom & Yetton, 1973). The uniqueness of the employees who offer the services in organizations also affects how an organization positions itself to attract and retain qualified personnel. As a theory, it study's organization behavior and gives explanations on how contingent factors influence the design and function of organizations. Its assumption is that no single structure can be applied in all organizations to yield effectiveness in all of them. Organization structure will require a fit between technology, environment, firm size and firm information systems which are subject of unique organizational characteristics.

Contingent perspective is where the influence of a given variable would not be universal but rather depend on the level of another intervening variable (Miller, 1988; Snow & Hrebiniak, 1980). Zsolt (2012) argues that contingency theory may be intra and extra organizational while Dobak (2006) says that different solutions are effective for an organization in varying circumstances and this is more appropriate than having

universal management principle for all organizations. The theory further advocates that different circumstances require different ways of dealing with them whether within the same organization or across different organizations. Contingency theory is a behavioral theory which argues that to be able to organize well, then a manager needs to take note of internal and external organization environment. Its main emphasis is that performance outcomes of a business are dependent on combination of factors whether internal or external that has a direct and indirect influence on it. Managerial solutions are therefore contingent on the factors impinging on the situation at hand. Tasks are not routine and there is a need to make decisions based on the circumstances of each unique situation. Organizations have to continually adapt to the different influences and demands in their internal and external environment since there is no one best way of running a university, the circumstances each is in are unique and need to be dealt with as such.

Strategic planning is supported by contingency theory which argues that organizations have to be differentiated and integrated for optimal performance. How inclusive and extensive the planning process is, how operationalization and institutionalization is done, which vary between organizations, is informed by this theory. Organizational outcome are the consequence of a fit between two or more internal or external contingent factors. In the conceptualization of this study, a fit between the strategic planning process, strategy implementation, and organizational characteristics may yield superior organizational performance. Whatever is working in one university may not necessarily work in another and each university and industry is supposed to analyze and respond to their circumstances in order to achieve desired objectives. The challenge with the theory is that it does not indicate explicitly how best to choose a fit between the contingent factors.

2.3 Strategic Planning Process and Organizational performance

Strategic planning concepts and performance implications are key areas of investigation in strategic management research (Chavunduka et al., 2015). The purpose of the process is the formulation and implementation of strategies that work, thus attaining the organizational short-term and long-term missions (Pearce & Robinson, 2011). Boyne et al., (2003) observes that planning is believed to lead to positive organizational outcome due to the clarity of objectives, provision of framework to allocate resources and communication to all staff. Formal and intensive strategic planning is a significant tool that can be used by decision makers to deliver superior performance expected by stakeholders (Chavunduka, 2015).

Ramanujan, Venkatraman and Camillus (1986) found that a key effect of formal planning is that it alters specific elements of the overall strategic decision process hence associated with adopting key steps in decision process. For Miller and Cardinal (1994), planning was found to strongly and positively relate to growth in studies in which industry effect were controlled, an informant source of performance data was used, planning was defined as not requiring written documentation and the quality of assessment strategy was high. A lot of emphasis by researchers, academia and executives has been placed on evaluation of the impact of planning on performance but despite the large number of studies, the findings have been inconclusive and present mixed results. Arasa (2008); Boyne (2001); Armstrong (1991); Wood and LaForge (1979) reporting a positive relationship while Robinson & Pearce (1983); Kudla, (1980) and Leontiades & Tezel (1980) found no relationship while Fumer and Rue (1974); Gibson and Cassar (2005) found a negative relationship and Boyd (1991) found a modest relationship between planning and performance with majority of the studies focus on private sector and financial performance.

Despite the intuitive appeal, critics of strategic planning contend that explicit strategies are dysfunctional as they channel attention and behavior to specific plans thereby driving out important innovations and creativity (Miller & Cardinal, 1994). Pearce, Freeman & Robinson (1987) argue that, lack of consistent definition, how constructs are measured, impact of corporate context and business size factors, are possible moderating factors. There has been a wide spread embracement of strategic planning and strategic planning processes by organizations in developing countries; however it is not clear whether it benefits organizations to achieve improved efficiency and effectiveness.

2.4 Strategic planning, Strategy Implementation and Organizational performance

Boyne (2001) argue that most researchers focus on formality and completeness of a strategic plan while only a minority cover intensity, comprehensiveness, flexibility, aspects of quality, commitment and implementation of the strategic plans. The effect of strategic planning process on organizational performance can be mediated by strategy Implementation. Kaplan and Norton (2005) and Pucko (2008) argue that 95% of employees in organization are unaware or do not understand the organization strategy hence cannot be very instrumental in implementation. This necessitates proper leadership that will involve all stakeholders both in setting the plan and implementing through capacity building. For implementation to be successful, emphasis is laid on structures, incentive compensation, control systems, staff and cultural adaptation and adoption to support implementation efforts. The McKinney's 7s model of strategy, structure, systems and processes, leadership style, staff, shared values and strategic performance with resources being an eighth variable is useful in helping organizations achieve successful implementation. .

Strategy implementation has received more attention after the mid-80s when strategic planning was recast and a gap in the ability of organizations to implement what was documented in the strategic plan was realized (Galbrah & Kazanjian, 1986). While it is true that poorly formulated strategy may not be implementable, it is important to note that properly formulated strategy may fail if it is not accurately implemented. Accurate implementation is dependent on the ability of an organization to operationalize and institutionalize its strategy into actionable activities.

Waterman et al., (1988) in their survey explain that 90% of strategies do not work because implementation failed and this has been researched in regard to the fit between strategy and structure (Hebriniak, 1984 building on the work of Chandler, 1962). Others study implementation as a variant of leadership processes on a conceptual level (Bourgeois & Brodwin, 1984) while Chakravarty and Doz (1992); and Floyd (2000) criticize the traditional distinction between formulation and implementation and view them as rather interwoven aspects of strategy process with formulation seamlessly flowing into implementation of the plan. This study conceptualizes strategy implementation as an intervening variable that has possible mediating effect. The effect of the independent variable on the dependent variable must be through the intervening variable that acts as a mediator between them.

2.5 Strategic Planning Process, strategy implementation, Organizational Characteristics and Performance

The ability of an organization to turn its documented plans into actions may be moderated by organization characteristics. Unique organizational characteristics can be a source of contextual obstacles to an organizations effort to improve performance (Pucko & Cater 2013). Managing change, especially of key people, incentives and

structures, is difficult but absolutely critical for successful strategy execution (Hrebiniak, 2008). Organization characteristics have been tested by different scholars for direct significant effect on organizational performance. Beard and Dess (1981) in their study found that organizational size is one of the most acknowledged determinants of a financial performance. Bigger organizations are presumed to be more efficient than smaller ones and having economies of scale. According to Amato and Wilder (1985) the market power and access to capital markets of large organizations may give them access to investment opportunities that aren't available to smaller ones. On the flip side, according to Tripsas and Gavetti (2000) size may also be a hindrance to introduction of new technology due to bureaucracy and operational rigidity.

Yasuda (2005) says organizational age measures how long an organization has been operating since it was established. Age relates to operational experience while possibilities of rapid growth or failure decrease as firms age. Younger firms are more dynamic in their operation experiences than older firms (Evans, 1987). Maturity brings stability in growth as organizations learn more precisely their market positioning, cost structures and efficiency levels. Organization ownership defines the agency relationships that exist in a particular organization and this influences organization performance. Fossen, Rothstein and Kroin (2006) in their meta-analysis find positive relationship between planning and size hence execution of strategy per the plan may be moderated by unique characteristics as older organizations with experience can formulate more elaborate plans which may also be a hindrance since they have formed opinions on what works and what does not. Operationalization of strategic plans puts it in measurable terms and ensures strategy becomes part of the daily efforts while institutionalization makes strategy part of structures and systems.

According to McGahan (1999), 36 percent of industry variance in profitability could be attributed to organizational characteristics and actions. Higgins (2005) views organization characteristics as having an influence on organization behavior and strategy choice hence are capable of not only influencing but also driving performance. There is a possibility that the unique organization characteristics have a bearing on the ability of an organization to go through the planning process necessitating for testing of causality and reverse causality.

2.6 Strategic Planning Process, Strategy Implementation Organizational Characteristics and Organizational performance

Strategic planning process and its impact on performance of organization's especially financial performance has been widely studied and no conclusive findings documented. Scholars have had varying results ranging from positive relationship, no relationship to negative relationship between strategic planning process and performance of organizations. It has been argued that the seriousness that managers accord strategic planning activities depends on managerial (strategic planning expertise and beliefs about the effect of planning on performance), environmental (stiff competition, complexity and dynamism in business environment) and organizational (size, age and structural complexity) factors of the specific firm (Kallman & Shapino, 1978; Cragg & King, 1988) as cited by Hopkins (1997).

A strategic plan is a document used to communicate with the organization members the organization goals, the actions needed to achieve those goals and all of the critical elements developed during the planning exercise (David, 2015). Strategic planning is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, why it does it and with a

focus on the future. Effective strategic planning process articulates not only where an organization is going and the actions needed to make progress but also how an organization will know if it is successful.

Boyne (2001) argue that most researchers focus on formality and completeness while only a minority cover intensity, comprehensiveness, flexibility, aspects of quality, commitment and implementation of the strategic plans. Strategic planning intensity and formality of planning positively impact performance (Chavunduka et al., 2015). The involvement and engagement of managers and attaining internal efficiency and a competitive advantage in a market place as in strategy implementation may be moderated by organizational characteristics as conceptualized in this study since the vastness of organization, its age or ownership structure will impact its capability and available resources to inject into the actualization of the plan.

Organizations that have strategic planning process and management practice in place outperform organizations that don't (Aosa, 1992; David 2015). According to Lehner (2004) executing a strategic plan requires considerably more time, more commitment and more resources than developing the plan itself, unfortunately most plans just end up gathering dust on the office shelf, while those that do proceed to implementation, often don't receive the necessary attention and resources to achieve desired outcome Performance measures should make strategy measurable, easier to communicate and to cascade, should be more meaningful than brain storming or benchmarking and should make measurement about transformation by embracing ecosystem, focus on strategy, not operations, expand customer reach and accelerate innovations.

Luu et al., (2008) argues that lack of performance measurement may cause serious difficulty for organization and disillusion among workers and managers especially if

there is no measurement data to establish meaningful and objective organizational comparison that will enhance effectiveness and efficiency in member efforts. Phua (2006) says that measures of performance play a vital role in translating organization corporate strategy into results and is dependent on the dynamics of the industry and organization specific characteristics. O' Regan et al (2008) asserts that there is need to embrace the paradigm shift from purely financial performance measures towards all inclusive measures that have financial, non-financial, recurrent and result measures to have a better inclusive performance measure.

The possible mediating and moderating effect of strategy implementation and organizational characteristics form the main knowledge gap in the current study. Their joint implication on organizational performance is of great concern with empirical studies in these areas taking configuration approach and most inquiry being bivariate, establishing simple causation and not the degree of causation.

2.7 Summary of Knowledge Gaps

The table below summarizes key empirical literature; focus and knowledge gaps which forms basis for problem statement and conceptual framework of current study. The studies picked are those that have conceptual, contextual and methodological gaps that the current study seeks to address

Table 2.1: Summary of Knowledge gaps

RESEACHER	FOCUS AND KNOWLEDGE GAP	HOW CURRENT STUDY ADDRESSES GAP
Ansoff et al., (1970)	A cross sectional survey on Strategic planning in large manufacturing firms in USA Conceptual and contextual gap	The study focused on financial performance and large manufacturing firms. Current study focus on non-financial performance and in a service industry. It incorporates possible moderating and intervening effect.

Table 2.1: Summary of Knowledge gaps Continued….		
Armstrong (1982)	A conceptual review of empirical research on The value of formal planning for strategic decisions. Methodological and contextual gap	The study was an empirical review while Current study will collect primary data and is in a developing economy. It will also incorporate possible moderating and mediating effect of organizational characteristics and strategy Implementation
Boyd (1991)	A meta-analytical review of 29 studies on Strategic planning and financial performance Methodological and conceptual gap	The study did a conceptual review of literature. Current study focus on non-financial performance using primary and secondary data. It incorporates possible moderating and intervening effect
Shah (1996)	A cross sectional survey on Critical factors for strategy implementation in Indian Industries Conceptual gap	The study conceptualized strategy implementation as independent variable while Current study conceptualizes implementation as an intervening variable and includes possible moderating effect of organizational characteristics.
Lehner (2004)	A cross sectional field survey on Strategy implementation tactics as response to organizational strategic and environmental imperatives in selected Australian firms Conceptual and contextual gap	The study conceptualized strategy implementation as an independent variable while current study conceptualizes it as an intervening variable and tests possible moderating effect of organizational characteristics in developing economy, education sector
Olaya (2005)	A cross sectional survey on The impact of employee empowerment in Kenya public universities Conceptual gap	The study focused on employee empowerment impacting performance. Current study will focus inclusiveness of members in strategic planning which links to participation in decision making

Table 2.1: Summary of Knowledge gaps Continued….		
Arasa (2008)	Strategic planning, employee participation organizational performance in Kenya insurance sector Contextual gap	The study was in the insurance industry. Current study focus on non-financial performance in the education sector. It incorporates possible moderating and intervening effect
Elbana (2008)	Planning practices and participation as determinants of strategic planning effectiveness in Arabic firms Conceptual gap	The study focused on direct effect only. Current study will focus on organizational characteristics as moderating variable and strategy Implementation as intervening variable as conceptual difference
Ranasinghe (2010)	Impact of formality and intensity of strategic planning on corporate performance Sri Lanka Conceptual gap	The study focused on the direct effect. Current study will focus on organizational characteristics as moderating variable and strategy Implementation as intervening variable as main knowledge gap
Kibaji (2010)	An expert opinion column analysis on Major challenges and need to rethink strategies on university education Conceptual gap	This was an expert opinion stating that management is major challenge facing universities current study will extend this to strategic planning process as possible way forward in an empirical study
Shin (2010)	A cross sectional survey on Impact of performance-based accountability on institutional performance in the US, Higher education Conceptual gap	Current study focuses on planning and implementation which assigns duty since accountability and governance policy have effect on performance of higher education as a conceptual gap
Odundo (2012)	Environmental context, implementation of strategic plans and performance of state corporations in Kenya Conceptual and contextual gap	Study focused on all state corporations. The conceptualization of current study has the moderating and mediating effect of implementation and organizational characteristics as the key knowledge gap

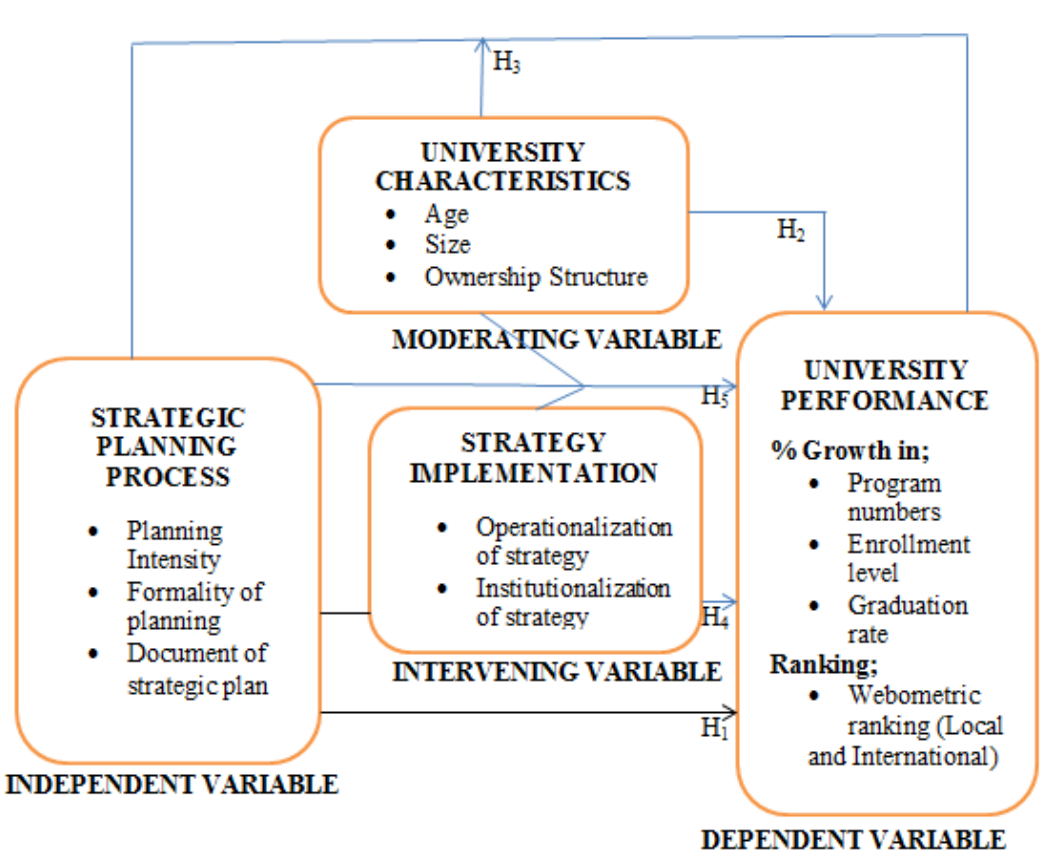
Table 2.1: Summary of Knowledge gaps Continued….		
Ibua (2014)	The influence of institutional factors and job related attitudes on the relationship between employee empowerment and performance of public universities in Kenya Conceptual gap	Institutional characteristics have an impact on empowerment and performance, current study conceptualizes them to have possible moderating effect between the process of planning and the actualization of plan in institutionalization and operationalization
Njoroge (2015)	Strategy implementation, performance contracting, external environment and performance of Kenya state corporations Conceptual gap	Implementation was conceptualized as independent variable and in current study implementation is an intervening variable, and possible moderation of organizational characteristics plus private organizations are included
Chavunduka et al.,(2015)	A case analysis of Strategic planning intensity and organizational performance: A case of Zimbambwe mining development corporation Conceptual and contextual gap	The study tested the direct effect only. Current study incorporates moderating and intervening effect of organizational characteristics and strategy implementation in both private and public organizations

Arising from the conceptual, contextual and methodological gaps, the study conceptualized that the variable of strategic planning process, strategy implementation and organization characteristics have possible effects on performance, that this effect can be tested in the context of Accredited universities in Kenya and that primary and secondary data will be collected to facilitate an empirical investigation of the variables.

2.8 Conceptual Framework

This study conceptualizes strategic planning process and performance as independent and dependent variables respectively. Strategy implementation and organization characteristics are conceptualized to have possible intervening and moderating influence on this relationship. According to Ranasinghe (2010), strategic planning process that is operationalized into formality, intensity and document of strategic plan, has a bearing on organization performance. Thompson (2008) proposed that universities use growth rate and local and international ranking as a measure of their performance. Based on this premise, the current study conceptualization is as depicted in the conceptual model below;

Figure 2.1: Conceptual Model



According to Chenhall (2017) a strategic plan is expected to be the blueprint for future growth and success of an organization however visioning the future and setting goals will not guarantee results with empirical studies showing that only 9% of organizations feel that they have the capacity to fully execute their strategy.

2.9 Conceptual Hypotheses

As depicted in the conceptual model (Figure 2.1), the conceptual hypotheses for the study were stated as:

H_1: Strategic Planning Process has statistically significant influence on the performance of Accredited Universities in Kenya

H_2: University Characteristics have a statistically significant direct influence on the performance of Accredited Universities in Kenya

H_3: University Characteristics have a statistically significant moderating effect on the relationship between strategic planning process and performance of Accredited Universities in Kenya

H_4: Strategy Implementation has a statistically significant mediating/intervening effect on the relationship between Strategic planning process and Performance of Accredited Universities in Kenya

H_5: The joint effect of Strategic Planning Process, Strategy Implementation and Organizational Characteristics on Performance of Accredited Universities in Kenya is greater than the individual effect of the variables on performance of Universities

The above hypotheses guided the researcher to examine the outcome of the relationship of concepts as informed by literature review. Each hypothesis was tested separately and the outcome obtained interpreted leading to a discussion, conclusion and recommendation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology for the study with the main highlights including research philosophy, research design and target population. It has extended to cover data collection methods, data collection instruments, reliability and validity of instrument, operationalization of research variables, criterion for testing hypothesis and a summary of data analysis techniques applied.

3.2 Research Philosophy

The ontological debate on what constitutes reality in terms of subjective reality in perception and opinions or/and objective reality made of observable phenomenon; guides the epistemology of how we get to obtain knowledge about this reality leading to the philosophical argument on positivism and phenomenology (Saunders et al., 2009). All academic research is grounded in a philosophical orientation (Amaratunga & Baldry, 2001; Easterby et al., 1991, 2008) with the distinct positions to a scientific inquiry having a paradigm that is the world view guiding the investigation (Gudha & Lincoln, 1994).

Philosophy is the thinking behind every research that relates how researcher thinks about development of knowledge (Babbie, 2010). It questions whether research starts from a theory and then researcher went out to the field to test it or did it starts with findings and a theory was formulated to explain the observed phenomena. The two extreme positions in respect to philosophical position are positivism and phenomenology. Positivism philosophy is where true knowledge is scientific,

describing interrelationship between real and observable phenomena. Phenomenology assumes that the world is socially constructed, subjective and science is driven by human interests where ideas develop through induction from data (Emory, 1985; Cooper & Schindler, 2003) with each having its own set of assumptions and a range of methodological implications. In practice however, the distinction between the two philosophies is not literal since any piece of research will not fit neatly into either extreme but will blend the two approaches even though it will have a greater leaning on either end.

This study is anchored in the positivist philosophical orientation as it is founded on theory. It is largely involved in theory testing, and it seeks to respond to research hypotheses and empirically establishing a link among study variables (Cooper & Schindler, 2004; 2006). The key idea of positivism is that the social world exists externally and its properties should be measured objectively rather than being inferred subjectively (Creswell, 2012) and that there is a similarity between social and natural phenomena where both can be studied in the same way. Reality is external and objective and knowledge is only of significance if it is based on observations of this external reality and positivistic quantitative methodology is applicable in social science research.

In positivism the researcher focuses on facts, look for causality and fundamental laws. The researcher also derives hypothesis and tests them using data collected from population or samples. It is quantitative research characterized by operational definitions, objectives, hypotheses testing, causality and replicability. It uses existing theory to develop hypotheses which are tested and confirmed in whole or in part or are refuted, thus informing and guiding further development of theory which is continually tested (Saunders et al., 2007; Rileys, 2000). Positivism seeks to explain

and predict causal relationship between variables and believes that the researcher is independent from what is being researched (Easterby, Smith, Thorpe & Lowe 2008).

Phenomenology on the other hand argues that Social scientists should gather facts and look for patterns as they should appreciate different constructions and meanings people place upon their experience (Laverty, 2003). It emphasizes direct observation of phenomena (Bernard, 1995) involving use of multiple methods to establish different views of a phenomena where small samples are investigated in depth over a period of time (Guba & Lincoln, 1994). Qualitative researchers argue that reality is socially constructed rather than objectively determined. Social and natural phenomena are different and cannot be studied in the same way. As a philosophical approach phenomenology is perceptual as it looks at qualities and phenomena that are subjective and focuses on the immediate experience starting from known to unknown (Nachmias & Nachmias, 2004; Saunders et al., 2007).

3.3 Research Design

This study adopted a descriptive cross sectional survey design where data were collected across a number of organizations at one point in time helping the researcher establish whether significant association exist among variables at such point in time (Cooper & Schindler, 2006; Nachmias & Nachmias, 2004; Bryman & Bell, 2003). Cross sectional survey was considered appropriate since the study sought to establish if statistically significant relationship between the conceptualized study variables existed at the time of enquiry leading to study conclusion and recommendations.

This design was relevant to the study because, the researcher sought to establish the relationship among the variables of study which are: strategic planning process,

strategy implementation, organizational characteristics and performance. This was meant to determine whether significant association exists among the variables or if there is causal-effects (Cooper & Schindler 2006). This was done in their natural environment without inference during data collection. Other researchers as Irungu, (2007); Newbert, (2008); Machuki and Aosa, (2011); Ongeti, (2014); successfully used the same design in theory testing studies, effectively connecting the empirical data to the objectives of study at specific point in time and drew conclusions.

3.4 Population of Study

The population of interest for this study was all accredited universities in Kenya which enabled comparison between public owned and private, new and old universities as well as large and small giving a dynamic view of the entire sector. The sector composes of institutions that were established before independence, during colonial times and others established as recently as 2014. The student population also varies from as low as below 1,500 to above 30,000.

At the time of study, there were 70 accredited universities; 30 chartered public universities; 18 private chartered universities, 3 and 5 constituent colleges of public and private universities respectively, 14 institutions with letters of interim authority and 1 registered private institution (CUE, 2016) as indicated on appendix V. All the accredited Universities were studied, hence a census survey.

3.5 Data Collection

The study collected primary and secondary data which were largely quantitative in nature. Primary data were collected using a five point likert scale, structured questionnaire that had different sections (A-C) along the different variables of study and study objectives. The questionnaire was developed using operational indicators of

the variables as found in literature. The questionnaire was administered through the 'drop and pick' method allowing a two weeks period for respondents to answer. The study's key target respondents were Registrar in charge of Development and Planning or any other officer acting in this capacity as dictated by the structure of the specific university, who are the members of management and are involved in strategic planning and implementation processes.

Secondary data were collected for university unique characteristics of age, size and ownership and on performance of universities on growth of student numbers, programs and graduation rate plus the local and international ranking as at 2016. The data was from university strategic reports, university trend records, the Commission for University Education (2016) report about universities in Kenya and performance ranking by MoET and the global webometric ranking. The secondary data were a critical component as it provided the authentic university performance status as captured and documented over the years.

3.5.1 Reliability Test

A measurement is reliable to the degree that is supplies constituent results after repeated trials (Cooper & Schindler, 2014; Sekeran & Bougie 2014; Zikmund et al., 2010). According to Sekeran and Bougie (2014) the reliability of a measure is established by testing for both consistency and stability. Consistency is internal reliability which is ability of all items on scale to measure same aspect while stability is external, indicating how a measure varies from one user to another (Drost, 2011).

Reliability of measurement was enhanced by writing clear instructions on the questionnaire and pre-testing questionnaire. Cronbach's alpha coefficient a popular reliability test in social sciences, (Kaliappen & Hillman, 2013) whose value ranges

from 0 to 1 was used. High coefficient implies that the items correlate highly among themselves and there is consistency among items in measuring the concept of interest (Cooper & Schindler, 2006). Different researchers have proposed different cut-off points with Sekeran (2003) suggesting a value of not less than 0.5 while Nunnally (1978) recommended value between 0.7 and 0.8 for variables with many items while Kaliappen & Hillman (2013) argue that a range of above 0.5 as acceptable for studies with variables that have less than five items and that is what this study adopted

3.5.2 Validity Test

Validity is the degree to which results obtained from the analysis of the data collected represent the phenomenon under study (Zickmund, 2010). It determines whether the research instrument truly measures what it is intended to measure with precision (Babour, 1998; Kaliappen & Hillaman, 2013; Cooper & Schindler, 2006). According to Cooper and Schindler (2014) there are different types of validity including convergent validity, face validity, criterion validity, content validity, and discriminant validity.

To enhance face validity, the research instrument was enhanced using expert opinion during various proposal examinations at the University of Nairobi. To enhance content validity; care was taken to only adopt measures from theory and appropriate indicators as informed by empirical review and to ensure it captures appropriate variable indicators. The study adopted and modified some questions used in other studies (Chavunduka, 2015; Orucho, 2014; Namada, 2013; Ranasinghe, 2010) to improve criterion validity. Convergent and discriminant validity were tested through factor analysis where factors loadings and Eigen values were used.

3.6 Operationalization of Study Variables

The variables in this study were operationalized to enable quantitative measurement. The independent variable is Strategic planning process, moderating variable is Organizational characteristics, intervening variable is Strategy Implementation and dependent variable is Performance of Accredited Universities in Kenya. The variables were operationalized in line with study objectives as illustrated in Table 3.1 below;

Table 3.1: Operationalization of Study Variables

Variable	**Operational Definition and Indicators**	**Measurement Scale**	**Supporting Literature**
Strategic Planning Process (**Independent Variable**)	• Planning Intensity Emphasis laid in the variables of the strategic planning process, focused energy and integration • Planning Formality (Process orientation) Written documents and explicitly stated objectives Extensiveness, rationality and comprehensiveness of planning process • Planning Document Existence of the document of strategic plan; Display of written mission and vision statement in all offices; Availability of the document to all stakeholders	Likert scale Questionnaire Section B	Hopkins and Hopkins, 1977 Aosa, 1992; Burnside, 2002; Arasa, 2008; Chavunduka, 2015 Ranasinghe, 2010 David, 2015
University Characteristics **(Moderating)**	• Organizational characteristics Age, Size, Ownership	Secondary data (Data sheet)	Wernerfelt, 1984; Anic et al., 2009
Strategy Implementation (**Intervening Variable)**	• Institutionalization of Strategy Strategy, skill, structure, systems, style, staff and shared values plus resources • Operationalization Action description, timelines, responsibilities member, defining outputs, performance indicators	Likert scale Questionnaire Section C	McKinsey 7s model (8's revised) Peter, Waterman and Phillips , 1982
University Performance (**Dependent Variable)**	• Growth in, student numbers, program numbers, graduation rates (%Increase/Decrease) • Web metric ranking (local and international)	Secondary data (Data sheet)	Kaplan & Norton, 1992, Figgee,2002; Hubbard, 2009 UNESCO, 2012

3.7 Data Analysis

Once collected, data were prepared, analyzed and reported. Data diagnostics including normality, multi-colinearity, linearity and homoscedasticity were performed before analysis to ensure data is fit for further analysis. Data preparation included questionnaire checking, sorting, editing, coding, transcription, data cleaning and finally data was analyzed to establish relationship among the variables. Data was analyzed using descriptive and inferential statistics. Descriptive statistics such as frequency distribution and measures of central tendency enabled researchers understanding of general demographic information. Inferential statistics tested the nature and magnitude of relationship between variables (Cooper & Schindler, 2014).

Correlation analysis was used to determine coefficient of correlation between variables and coefficient of determination for overall test of goodness of fit. Coefficient of Variations (CV) was used to establish the variations in responses. Pearson product moment correlation coefficient (R) was used to establish relationships between two variables. Correlation reveals the magnitude and direction of relationships with a positive R indicating positive relationship and negative R indicating negative relationship (Cooper & Schindler, 2006; Cohen, 1988).

The coefficient of determination (R^2) provides the proportion of variance in dependent variable accounted for by each and/or combined independent variables and each contribution indicated by respective beta coefficient. Simple regression was used to test relationship between two variables. Additionally, stepwise regression analysis that adds a set of candidate variables to the regression equation to determine how much the set of candidate variables adds to the prediction of the dependent variable over and above the contribution of previously included independent variables.

Simple regression analysis was used to establish the influence of strategic planning process on organizational performance while path analysis (Baron & Kenny, 1986 model) was used to establish the influence of strategy Implementation on the relationship between strategic planning process and performance. The possible moderating effect of organizational characteristics was tested using stepwise multiple regression analysis (Baron & Kenny, 1986) with the interaction term indicating the degree of moderation. Further, stepwise regression was used to establish how the joint influence of strategic planning process and strategy Implementation differs from independent effects of each of the variables on organizational performance (Sekeran & Bougie 2010; Cooper & Schindler, 2014).

Multiple linear regression analysis using stepwise regression analysis was used to come up with the model expressing the relationship between the dependent variable (Performance of Accredited Universities) and predictor variables (Strategic Planning process, Strategy Implementation and Organizational characteristics). Its resultant R^2 provides the proportion of variance in the dependent variable accounted for by the combination of predictor variables. The regression equation was in the form: $P=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$. Where, P= Performance of Accredited Universities β_0 is a constant, β_1, β_2, β_3 are coefficients, X_1=Strategic Planning Process, X_2= Organizational Characteristics, X_3=Strategy Implementation and ε is an error term.

F-test of significance at a confidence level of 0.05 was performed to determine if the independent variable significantly contributed to the prediction of dependent variable while overall significance used p-values $\leq$ 0.05, null hypothesis were rejected, otherwise fail to reject. Details of analysis and interpretation are presented in the table below;

Table 3.2: Analytical Models and Interpretation

Objective	Hypothesis	Analytical Model	Interpretation/Test statistics
To determine the influence of Strategic planning process and Performance of accredited universities in Kenya	**H_1:** Strategic Planning process has statistically significant influence on the performance of accredited Universities in Kenya	**Simple Regression Analysis: Strategic planning process predicts performance** P_1=f(Strategic planning process) $P_1=\beta_{01}+ \beta_{11}X_{11} + \beta_{12}X_{12}+ \beta_{13}X_{13}+\varepsilon$ X_{11}=Planning process intensity X_{12}=Planning process Formality X_{13}= Document of the plan $\beta_{01}, \beta_{11}, \beta_{12}\ \beta_{13}$=Coefficients	R(0<R<1)=The higher, the more significant R^2(0<R<1)=The higher, the better fit (degree of Y explained by X) F statistics, the higher the F, the more significance in the model β_0= Check the sign (+,-) T statistics, the higher the more significant P value < 0.05
To determine the effect of organization characteristics on performance of accredited universities	**H_2: Unique university characteristics have a significant direct effect on the performance of accredited universities**	**Simple Regression Analysis: University characteristics predicts performance** P_1=f(University characteristics) $P_1=\beta_{01}+ \beta_{11}X_{11} +\varepsilon$ $P_1=\beta_{01}+ \beta_{12}X_{12} +\varepsilon$ $P_1= + \beta_{13}X_{13}+\varepsilon$ X_{11}=Age; X_{12}= Size; X_{13}= Ownership structure $\beta_{01}, \beta_{11}, \beta_{12}\ \beta_{13}$=Coefficients	**Organizational characteristics have a significant direct effect on the performance** R(0<R<1)=The higher, the more significant R^2(0<R<1)=The higher, the better fit (degree of Y explained by X) F statistics, the higher the F, the more significance in the model β_0= Check the sign (+,-)
To determine the effect of organizational characteristics on the relationship between strategic planning process and Performance of accredited universities	**H_3:** University Characteristics have a significant moderating effect on the relationship between Strategic Planning process and Performance of accredited universities	**Stepwise Multiple regression (Baron & Kenny, 1986 model)** P=f(Strategic planning process, Organizational characteristics) $P= \beta_{20}+ \beta_{21}X_{21} + \beta_{22}X_{22}+ \beta_{23}XZ+\varepsilon$ P= Performance; β_{20}, β_{21}, β_{22}, β_{23} =Coefficients; X_{21}= strategic planning process; X_{22}= Organization Characteristics; XZ=Interaction term (strategic planning process * university characteristics)	**Organizational characteristics have a conditioning/ moderating effect on strategic planning process and performance** The coefficient β_{22}which measures interaction between strategic planning process and organizational characteristics measured moderator effect Each organizational characteristic was tested for moderating effect individually
To establish the influence of strategy implementation	**H_4:** Strategy Implementation has a statistically significant	**Path Analysis (Baron & Kenny, 1986 model)** I) P=f(S.P.P); $\beta_{01}+\beta_{11}X_{11}$	**Conduct a path analysis;** 1; Simple regression of planning process predicting performance 2; Simple regression of planning

on the relationship between Strategic planning process and performance of accredited universities in Kenya	mediating/intervening effect on the relationship between Strategic planning process and Performance of accredited universities	II) SI= f(S.P.P); $\beta_{01}+\beta_{11}X_{11}$ III) P=f(S.I) $\beta_{01}+\beta_{12}X_{12}$ IV) P=f(S.P.P+S.I) P_2=f(Strategic planning process, strategy implementation); $P_2=\beta_{01}+\beta_{11}X_{11}+\beta_{12}X_{12}+\varepsilon$ P_2=Performance; β_{01},β_{11},β_{12}, β_{13},β_{31},β_{32}=Coefficients; X_{11}=Strategic Planning Process; X_{12}=Strategy implementation	process predicting Implementation 3; Simple regression of implementation predicting performance **(If coefficient is 1 then full mediation; if zero no mediation; otherwise partial mediation)** 4; Multiple regression of process and implementation predicting performance
To establish the joint effect of strategic planning process, Strategy implementation and Organizational characteristics on the performance of accredited universities in Kenya	**H_5:** The joint effect of Strategic Planning process, Strategy implementation, Organizational Characteristics on Performance of accredited Universities in Kenya is greater than independent effect of the variables	**Stepwise Multiple regression** $P=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$. P= Performance of Universities β_0 is a constant, β_1, β_2, $\beta_3$are coefficients, X_1=Strategic Planning Process, X_2=Strategy Implementation X_3= Organizational Characteristics, and ε is an error term.	R(0<R<1)=The higher, the more significant R^2(0<R<1)=The higher, the better fit (degree of Y explained by X) F statistics, the higher the F, the more significance in the model β_0= Check the sign (+,-) T statistics, the higher the more significant P value < 0.05 **By adding each new variable to the model, the study did establish which ones have significant effect**

Source: Author (2017)

CHAPTER FOUR

DATA ANALYSIS

4.1 Introduction

The study sought to investigate if the relationship between strategic planning process and performance of accredited universities in Kenya is influenced by strategy implementation and organization characteristics. This objective was supported by six specific objectives and subsequently six hypotheses were formulated and tested using both primary and secondary data. Primary data was collected using a semi-structured questionnaire which was administered to the university registrar planning through the drop and pick latter method. Secondary data was collected using a secondary data collection sheet that was filled using documented information on the university strategic plan, CUE report and MoEST reports. This chapter presents data analysis.

4.2 Response Rate

The study target population was all the 70 accredited universities in Kenya as at 2016(CUE, 2016). At the time of data collection, two of the universities were not in active operation and another one had reverted back to a campus status leaving an effective population of 67 universities. Two universities (public and private) selected randomly, were exempt from the study since they were used to pretest the questionnaire for reliability and validity. Sixty five questionnaires were issued and forty were received dully filled, a 61.5% response rate. This response rate compares well with other social science research studies where a response rate of above 50% is acceptable (Saunders et al., 2007; Rileys, 2000).

4.3 Reliability and Validity Tests

According to Sekeran and Bougie (2014) the reliability of a measure is established by testing for both consistency and stability. Consistency is internal reliability which is ability of all items on likert scale section to measure same specific aspect while stability is external reliability indicating how a measure varies from one use to another (Drost, 2011). Validity is the degree to which results obtained from the analysis of the data collected represent the phenomenon under study (Zickmund, 2010). According to Cooper and Schindler (2014) there are different types of validity including Construct validity which has convergent validity and discriminant validity; face validity; content validity, and criterion validity.

4.3.1 Reliability Tests

Reliability of the research instrument was enhanced by writing clear instructions on the questionnaire, pre-testing the questionnaire and calculating cronbach alpha. Cronbach alpha (α), is a popular reliability test in social sciences, (Kaliappen & Hillman, 2013) whose value ranges from 0 to 1 with a high coefficient implying that the items correlate highly among themselves and there is consistency among items in measuring the concept of interest or a single latent variable on the questionnaire (Cronbach, 1951; Peterson, 1994; Cooper & Schindler, 2006).

A cutoff of 0.7 for variable with more than five items was used, and 0.5 for those with less than five items (Kaliappen & Hillman, 2013). The factor categories were set in line with the operationalization of the different variables as per the conceptual framework in order to ensure that each set of factors measures a specific aspect of the study variable. A Cronbach alpha value of 0 would denote no internal reliability while a value of 1 would indicate perfect internal reliability. Results of the test are;

Table 4.1: Reliability and Validity test on study variables

Variable	Number of Item	Cronbach alpha	Decision
Strategic Planning Process			
Planning Intensity	6	.861	Reliable
Planning Formality	12	.931	Reliable
Document of the plan	3	.539	Reliable
Strategy Implementation			
Institutionalization	9	.909	Reliable
Operationalization	11	.937	Reliable
Firm Characteristics			
Age, Size and ownership	3	.546	Reliable
Size and Ownership	2	.872	Reliable
Performance			
Growth	3	.880	Reliable
Ranking	2	.874	Reliable

Source: Research Data 2017

4.3.2 Validity Tests

Face validity, which is subjective investigation that all measures are included, was enhanced by expert opinion from senior teaching staff members in Strategic management who helped evaluate the instrument. Content validity, which ensures that the instrument adequately covers the study, was enhanced by use of indicators adopted from reviewed literature both theoretical and empirical plus a pilot study carried out in for institutions, one from each of the four categories given by CUE to check for consistency and any weaknesses in the design and development of the questionnaire. This helped in increasing the degree of precision on what the questions targeted and also the adjustment of measurement tool. The study adopted and modified some questions used in other studies (Chavunduka, 2015; Orucho, 2014; Namada, 2013; Ranasinghe, 2010) to improve criterion validity.

Construct validity assesses how accurately theories have been translated in to measurable constructs through operationalization of study variables to reflect the theoretical assumptions that underpin the study conceptual framework. Convergent and discriminant validity, which are indicators of construct validity, were tested through factor analysis where factors loadings and Eigen values were used and the results of the same are shown in Appendix V that checks for accuracy and meaningfulness of the instrument. All factors were considered uni-dimensional hence reliable and valid construct indicators for the study.

4.4 Diagnostic Tests

The study uses regression analysis; simple and multiple (Stepwise and Hierarchical); hence it was critical to test for the assumptions of the regression analysis before subjecting the data to any further tests. The assumptions include; normality, linearity, independence by multicollinearity and homogeneity of variance.

4.4.1 Normality Test

It is important in all research to have a normally distributed data set where all errors are normally distributed. This is important for t-tests to be valid and for the coefficients estimation which requires that the errors be identically and independently distributed. Many statistical tools assume normal distribution properties in their calculations hence understanding how normal data is, will impact how data will be further handled. In this study, normality is shown by the Shapiro-Wilk test so that the significance value should be above .05 hence we fail to reject the null hypothesis and concluded that data is normally distributed. If below .05 then we reject null hypothesis and conclude that the data is significantly different from a normal distribution hence not normally distributed. The skewness and kurtosis z-value should

be between -1.96 and + 1.96 while the absolute values of skewness and kurtosis should be less than three times the standard error values for data to be considered neither skewed nor kurtotic.

Table 4.2: Summary of Normality tests

	Shapiro-Wilk		
	Statistics	Df	Sig
Strategic Planning Process	0.969	40	0.054
Strategy Implementation	0.972	40	0.062
University Characteristics	0.889	40	0.148
Performance	0.922	40	0.063

	Descriptive		
		Statistic	Std Error
Strategic Planning Process	Skewness	-.496	0.374
	Kurtosis	.054	0.733
Strategy Implementation	Skewness	-.132	0.374
	Kurtosis	-.480	0.733
University Characteristics	Skewness	-1.036	0.374
	Kurtosis	.830	0.733
Performance	Skewness	.346	0.374
	Kurtosis	1.861	0.733

Source: Research Data (2017)

From the above table, the p-values on the Shapiro-wilk test are above.05 hence denoting normality (Shapiro-Wilk, 1965). The values of skewness and kurtosis are in the range of -1.96 and +1.96 and the absolute values are less than three times the standard error value hence the data is neither skewed nor kurtotic.

4.4.2 Linearity

The relationship between predictor and outcome variables should be linear, ($Y=\beta_0+\beta_1X$) that is, there is a constant slope of the relationship between independent variable and dependent variable values and dependent variable (Darlington, 1968). This is necessary because correlation, regression and other linear models assume linearity. If the relationship is not linear, it will lead to Type I and Type II errors which over or under estimates true relationships (Osborne & Waters, 2002). This is tested using the Anova test, where if on the Anova table output window, the significance value of deviation from linearity should be more than 0.05. As shown in the table 4.3 all the values for deviation from linearity are above 0.05 hence linear relationship exists between independent and dependent variables.

Table 4.3: Linearity test

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Performance Composite * SPP Composite	Between Groups	(Combined)	8.912	32	.278	1.609	.266
		Linearity	1.286	1	1.286	7.427	.030
		Deviation from Linearity	7.626	31	.246	1.421	.331
	Within Groups		1.212	7	.173		
	Total		10.123	39			
			Sum of Squares	Df	Mean Square	F	Sig.
Performance Composite * SI Composite	Between Groups	(Combined)	9.922	36	.276	4.106	.135
		Linearity	1.454	1	1.454	21.655	.019
		Deviation from Linearity	8.468	35	.242	3.604	.159
	Within Groups		.201	3	.067		
	Total		10.123	39			

			Sum of Squares	Df	Mean Square	F	Sig.
Performance Composite * FC Composite	Between Groups	(Combined)	1.523	10	.152	.514	.866
		Linearity	.025	1	.025	.885	.023
		Deviation from Linearity	1.498	9	.166	.561	.817
	Within Groups		8.600	29	.297		
	Total		10.123	39			

Source: Research Data (2017)

4.4.3 Multi-collinearity Test

Multi-collinearity is a phenomenon in which one predictor variable in a multiple regression equation can be linearly predicted from other predictors with a substantial degree of accuracy affecting the predictive ability of the specific predictor (Kleinbaum, 2007). Independence is where errors associated with one observation are not correlated with the errors of any other observation. If the predictor variables are not independent, then there is multicollinearity since two or more predictor variables in a regression model are highly correlated hence providing redundant information about the response (Kleinbaum, 2007). High multicollinearity leads to increased standard error of estimates of the beta values, decreased reliability and misleading results (Hair et al., 2013).

To detect multi-collinearity, the variance inflation factor (VIF) for each of the predictor variables is calculated and if the value of VIF is greater than or equal to 10, then there is multi-collinearity problem (Jensen & Ramirez, 2013). VIF values of between 5 and 10 will result in complications constructing regression results (Hair et al., 2011). The VIF quantifies the severity of multi-collinearity in an ordinary least square regression analysis. As an index, it measures the degree of increased variance

in the estimated regression coefficient caused by collinearity. The reciprocal of the VIF is the tolerance which should be above 0.1 since if equal to or below 0.1 mark, then there is collinearity. This study VIF values range are all below 10 while the tolerance values range are all above 0.1 hence no multicollinearity problem

Table 4.4: Test for Multi-collinearity

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	SPP Composite	.253	3.952
	SI Composite	.252	3.971
	FC Composite	.990	1.010

a. Dependent Variable: Performance Composite

Source: Research Data (2017)

4.4.4 Homogeneity of Variance (Homoscendasticity)

Homogeneity of variance describes a situation in which the error term is the same across all values of the independent variables (Montgomery, 1997). An error term is the noise or random disturbance in the relationship between the independent variable and the dependent variable (Kaiser, 1974). Heteroscedasticity is a violation of homogeneity that is present when the size of the error term differs across values of independent variables. An assumption of parametric tests is that the within group standard deviations are the same exhibiting homoscedasticity (Montgomery, 1997). If it exhibits heteroscedasticity, then there is a probability of obtaining a false positive result of an alpha level that is greater than anticipated level (McDonald, 2014). This study uses Bartlett's test for homoscedasticity

Table 4.5: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.578
Bartlett's Test of Sphericity	Approx. Chi-Square	56.712
	Df	6
	Sig.	.000

Communalities		
	Initial	Extraction
SPP Composite	1.000	.851
SI Composite	1.000	.869
FC Composite	1.000	.514
Performance Composite	1.000	.781

Extraction Method: Principal Component Analysis.

Source: Research Data (2017)

The results in table 4.5 above shows the KMO measures for this study are all above 0.5 which is recommended by Kaiser (1974) hence the data set passes the test for homogeneity of variance and can be subjected to further parametric tests.

4.5 Demographic Profiles of Respondents

The demographic profile of the respondents for this study covered duration that the respondent has worked in the university, duration that the respondent has worked in the current position and the previous position the respondent was occupying before current appointment. These demographic data was aimed at establishing whether the respondent had adequate information about strategic planning process, university characteristics and strategy implementation of their respective university.

The target respondents were from the planning and development division headed by a Deputy Vice Chancellor (DVC) at University and a Deputy Principal in constituent colleges and institutions with letters of interim authority. The choice of this respondent was informed by the need for a member who sits in the university

management committee as well as one who is a direct custodian of the university strategic plan. The registrar planning and development division and or the quality assurance officer of the university or an officer in an equivalent capacity was picked from the division as the specific respondent.

4.5.1 Respondent's Work Experience

The duration the respondent has served at the university was used as an indicator of respondent's level of institutional knowledge which is gained over time. The longer an individual has served, the more the institutional knowledge acquired. It was also used as an indicator of the respondent's presence at the university during the implementation of a strategic plan cycle from short term to medium term to long term.

Table 4.6: Summary of Respondent work experience

Duration worked at university		
	Frequency	Percentage
Less than 1 year	2	5
1-5 Years	20	50
6-10 Years	11	27.5
11-15 Years	3	7.5
Above 15 Years	4	10
Total	40	100
Duration worked at current position		
Less than 1 year	10	25
1-3 Years	17	42.5
4-6 Years	9	22.5
7-9 Years	2	5
Above 9 Years	2	5
Total	40	100
Role before current position		
Different role at current university	25	62.5
Different role at different university	8	20
Other roles outside university	7	17.5
Total	40	100

Source: Research Data (2017)

85% of the respondents have worked for between one and fifteen years at the university hence can be considered to have been present for an entire strategic plan cycle and implementation. 65% of respondents have worked in the current position for between one and six years while 82.5% were working in the university prior to their current appointment. The figures indicate that the respondents had requisite experience at the university and were suitable to respond to the research instrument.

4.6 Manifestation of Study Variables

Manifestation of variables depicts how the studied institutions exhibited the variables. The extent to which the variables manifested was determined using one sample test at test-value 3 which is mean of the 5point likert scale. The output of one sample t-test shows a t-value which indicates the degree of variation of the mean from midpoint. The higher the t-value the more significant the variation of mean from the midpoint tested at the 95% confidence level with p-value statistically significant at $p \leq 0.05$, otherwise it is not statistically significant. The mean is an average of all responses received from all respondents while the coefficient of variation is a ratio of the standard deviation and the group mean expressed as a percentage to show degree of variation between responses. The study sought to establish if strategic planning process, strategy implementation, organization characteristics and performance have any relationship and if the relationship is directional. A five point likert scale was used to measure variables.

4.6.1 Manifestation of Strategic Planning Process

Strategic planning process was conceptualized as the independent variable in this study. It has been operationalized into strategic planning intensity, strategic planning formality and the documentation of strategic plan. The mean is an average of the

responses received on a specific item of the variable. The coefficient of variation is the ratio between standard deviation and mean which shows the extent of variability or measure of spread relative to the mean.

Table 4.7: Planning Intensity

Descriptive Statistics

Statement	N	Min	Max	Mean	t-values	CV%	Sig
University systematically measures actual performance versus set goals and objectives	40	2.00	5.00	3.6750	4.281	27.13	.000
Extent to which university performs market research to access needs	40	2.00	5.00	3.3000	2.082	27.62	.044
Extent to which university does competitor analysis in the industry	40	2.00	5.00	3.1500	1.098	27.42	.279
University continuously carries out an environmental analysis to ensure it remains relevant and it adopts to change	40	2.00	5.00	3.5000	3.291	27.45	.002
Extent to which university anticipates surprises, threats and crisis in the strategic plans	40	2.00	5.00	3.2750	2.054	25.86	.047
Extent to which university is flexible and adapts unanticipated change	40	2.00	5.00	3.5750	4.162	24.44	.000

Source: Research Data (2017)

Results on table 4.7 indicate that the parameter on the university systematically measuring actual performance against set goals and objectives has the highest mean and the highest t-value that is statistically significant at 95% confidence level. This indicates that most universities have a mechanism in place to ensure that the target

performance are systematically monitored and corrected if necessary consistently across all universities. The variable on the extent to which the university does a competitor analysis has the least mean and t-value that is not statistically significant. This indicates that most of the universities do minimal industry analysis and there is great variability among the efforts of industry analysis by individual universities with some doing the analysis while others do not.

To assess if the university has a strategic plan document in place and that it was accessible to all members; three items were checked which are, the university has a written mission statement which was displayed in all offices; the university has a written and printed booklet of the strategic plan clearly stipulating what the institution hopes to achieve in the short term, medium term and long term and this printed document was also strategically placed in the open and could easily be accessed by all stakeholders and interested members. The response indicated that all universities have a mission statement and a written document of their strategic plan. However in about 20% of private universities only the mission statement was publically displayed. The document of strategic plan was in custody of a university officer and would only be availed to an individual on a need basis. This shows that the involvement of stakeholders into planning process highly differs across universities as indicated by awareness of the existing plan. The existence of the document and its public display is done in all public universities as a requirement

Table 4.8: Planning Formality

Descriptive Statistics

Statement	N	Min	Max	Mean	t-value	CV%	Sig
All management and high level staff are aware of the university mission and understand it	40	3.00	5.00	4.250	10.184	18.26	.000
Extent in terms of time to which the VC and senior management are involved in strategic planning process	40	2.00	5.00	4.375	10.781	18.44	.000
Extent to which all senate members are involved in planning	40	2.00	5.00	3.800	5.551	23.99	.000
Extent to which all functions of teaching are involved in strategic planning process	40	1.00	5.00	3.400	2.340	31.80	.025
Extent to which all functions of nonteaching staff are involved in strategic planning process	40	2.00	5.00	3.075	.443	34.84	.660
When appropriate, the goals lists quality, time frame and cost targets that are observable and measurable	40	1.00	5.00	3.675	4.281	27.13	.000
Extent the university has achieved set goals	40	2.00	5.00	3.725	5.414	22.74	.000
Extent to which the university values a mechanism for integrating diverse functions and operations	40	2.00	5.00	3.525	3.920	24.03	.000
The university is able to evaluate strategic alternatives available in the industry in terms of long term viability	40	2.00	5.00	3.475	3.219	26.86	.003
Extent to which university strategy aims at achieving a fit between university and its external environment's critical focus areas	40	2.00	5.00	3.600	4.088	25.78	.000
Extent to which strategy aims at achieving efficiency in allocation of university resources to the areas of mandate	40	2.00	5.00	3.800	5.551	23.99	.000
Extent to which university management communicates their expectations down to departmental and sectional heads	40	2.00	5.00	4.000	7.464	21.18	.000

Source: Research Data (2017)

The statements on formality had relatively high mean values indicating that universities laid some considerable emphasis on them. All responses have a mean of above three and almost all are statistically significant at 95% level tending towards universities having formal strategic planning process. All management and high level staff being aware of university mission and understanding it and all senior management being involved in the planning process have the highest mean and t-value which are statistically significant. This indicates that the universities have made considerable effort in making the internal members aware of their core purpose and mandate and involves all senior management in planning for the future of the institution. The extent to which all functions of teaching and non-teaching staff are involved in the planning process had the least mean and the lowest t-value which was not statistically significant. This indicates that most universities have a challenge with participatory planning and the responses from the different institutions highly varied with some allowing participatory planning while others do not.

4.6.2 Manifestation of Strategy Implementation

Strategy implementation was conceptualized as an intervening variable in this study. It was operationalized along the dimensions of operationalization of the strategic plan into actions and institutionalization of strategy. Respondents were expected to rate the degree to which they agreed with the provided statements. The mean is an average of all responses received from all respondents while the coefficient of variation is a ratio of the standard deviation and the group mean expressed as a percentage to show degree of variation between responses. The t-value indicates the degree of variation of the value of the mean from the midpoint tested at 95% confidence level with p-value statistically significant at $p \leq 0.05$.

Table 4.9: Institutionalization of strategy

Descriptive Statistics

Statement	N	Min	Max	Mean	t-value	CV%	Sig
Extent to which the overall university structure is reviewed to accommodate strategy execution	40	2.00	5.00	3.875	7.306	19.55	.000
The university undergoes redesigning and remodeling whenever there are major changes in the strategy	40	2.00	5.00	3.675	4.281	27.13	.000
Extent to which university equips employees with relevant skills to enable them carry out strategic activities	40	2.00	5.00	3.450	2.966	27.81	.005
Extent to which university has installed operating systems that support strategy implementation	40	2.00	5.00	3.550	3.973	24.66	.000
University has programs to frequently update employee skills and capabilities necessary for strategy execution	40	2.00	5.00	3.425	2.888	27.17	.006
Hierarchies and reporting lines are adjusted to ensure that strategic activities are carried out efficiently and effectively	40	2.00	5.00	3.475	3.128	27.64	.003
The university strategic plan is developed using a participatory approach to ensure all people understand it	40	2.00	5.00	3.675	3.984	29.16	.000
The university top management exhibits leadership styles in strategy implementation that accommodate varying ideas from different sections	40	2.00	5.00	3.625	4.407	24.74	.000
The university continually encourages team building activities and collective responsibility	40	1.00	5.00	3.225	1.157	38.13	.254

Source: Research Data (2017)

Table 4.10: Operationalization of strategy

Descriptive Statistics

Statement	N	Min	Max	Mean	t-value	CV%	Sig
Extent to which university shares appropriate knowledge for strategy execution	40	2.00	5.00	3.425	3.185	24.64	.003
Strategy implementation is clearly cascaded to all levels in the universities	40	2.00	5.00	3.600	3.589	29.37	.001
Success in carrying out strategic activities is measured at all levels in the university	40	2.00	5.00	3.500	3.387	26.68	.002
The university departments and sections are given room to device viable ways for strategy implementation	40	2.00	5.00	3.475	3.318	26.06	.002
Individual members in the university are given room to device viable ways of achieving strategic objectives	40	1.00	5.00	3.175	1.045	33.37	.303
University departments and sections individually have key performance indicators that are well articulated for them to accomplish	40	2.00	5.00	3.600	4.088	25.78	.000
Achievement of key performance indicators are used as a means of performance improvement	40	2.00	5.00	3.500	2.739	32.99	.009
Sections and departments have clear timelines for executing strategy	40	2.00	5.00	3.625	3.838	28.41	.000
Overall performance is a summation of many key performance indicators achieved by university departments and sections	40	2.00	5.00	3.775	4.669	27.81	.000
The university rewards creativity and innovativeness during strategy implementation	40	1.00	5.00	3.025	0.154	33.88	0.878
There are written policies detailing expectations and emerging interventions during strategy implementation	40	2.00	5.00	3.650	4.215	26.72	.000

Source: Research Data (2017)

The result on table 4.9 show that the extent to which overall structure is reviewed to accommodate strategy execution has the highest mean as well as the highest t-value that is statistically significant at 95% confidence level. This indicates that university structures are flexible to accommodate strategy implementation efforts. University encouraging team building and collective responsibility has the least mean indicating that shared values and team purpose is not properly emphasized at the universities. Participatory planning and shared values have the highest variance indicating highest variability of how they are carried out in different universities.

Result on Table 4.10 show that the overall performance of the university is a summation of many key performance indicators achieved by university department and sections having the highest mean. This indicates that the overall plan is subdivided and each section and department is given a specific responsibility towards achievement of the whole. University rewarding creativity and innovations during implementation has the lowest mean indicating that most universities have set out procedures of implementation and the members are expected to strictly follow to the latter without necessary coming up with creative ways of doing their jobs. Key performance indicators being used as a means of performance improvement has the highest coefficient of variation indicating that different university rated the assessment and corrective actions taken in their universities very differently.

4.6.3 Manifestation of University Characteristics

University characteristics include age, size, and ownership structure which distinguish one university from another. The age of the university is the number years the institution has been in existence since it was established and this was got

from the CUE website (CUE, 2016). To enable comparisons, the universities age were categorized into five groups ranging from the youngest and most new that are below two years since they were established to the oldest universities that have been in operation for more than fifteen years.

Table 4.11: Age of Universities

Age As at November 2016		Units	Percentage
	Below 2 Years	3	7.5
	2 – 4.9 Years	8	20
	5- 9.9 Years	11	27.5
	10 – 14.9 Years	2	5
	Above 15 Years	16	40
Total		40	100

Source: Research Data (2017)

The results indicated that forty percent of universities were above 15 years since establishment with only 7.5% being younger than two years. This may indicate that majority of the universities already have established processes.

The university ownership structure was categorized as either public or private depending on whether the Kenya government financed part of university operations or not in the previous years. The public universities and their constituent colleges were considered public while private universities, their constituent colleges and Institutions with letters of interim authority were considered private.

Table 4.12: Ownership structure of the Universities

Owners/Financiers		Units	Percentage
	Public	24	60
	Private	16	40
Total		40	100

Source: Research Data (2017)

60% of the universities were public universities while 40% were private universities.

The size of the university was computed using the total number of students enrolled per academic year alongside the total number of employees in the university on permanent, contract and casual terms. The study assumption is that the university only increases the number of employees commensurate to the level of student enrollment in line with their core mandate of operation.

Table 4.13: Size of the Universities

SIZE		Total Enrollment per academic year	Total number of employees	Units	Percentage
	Very Small	Below 500	Below 200	7	17.5
	Small	501 – 1500	201 – 400	2	5
	Medium	1501 – 3000	401 – 600	6	15
	Large	3001 – 4500	601 – 800	15	37.5
	Very Large	Above 4500	Above 800	10	25
Total				40	100

Source: Research Data (2017)

The results indicate that 17.5% were considered very small, 57.5% were considered small, medium and large while 25% were considered very large.

4.6.4 University Performance

University performance was conceptualized as a dependent variable and operationalized into growth and ranking. Data on performance was collected using a secondary data sheet from university strategic plans, online ranking of universities websites (Web metric, 2017) and the Commission for University Education publication on state of universities in Kenya (CUE, 2016). Growth was measured by the percentage increase in number of programs, enrollment level, and graduation/completion rate over the last three years. This was collected for the Bachelor, Master and Doctoral levels. A weight was applied for the three growth parameters that were used with most weight on percentage increase in the student

enrollment since it is also the index used for financing and recruitment of personnel while percentage increase in the program numbers received the least weight. Ranking of universities was based on the web metric ranking locally and internationally for all universities based on the parameters of presence, impact, openness/transparency and excellence/scholarly ranking. The findings on growth and ranking are presented in table 4.14 and table 4.15

Table 4.14: Growth of Universities

Growth	Weight: Enrollment(0.5); Completion (0.3); Program (0.2)	Units	Percentage
%Increase	No Growth: Below 1% Increase	8	20
	Minimal Growth: 1-3% Increase	2	5
	Moderate Growth: 4-6% Increase	8	20
	High Growth: 7-9% Increase	10	25
	Very High Growth: Above 10% Increase	12	30
Total		40	100

Source: Research Data (2017)

The study established that 75% of the universities have had moderate to very high growth rate in the last three years with 20% of universities experiencing a growth rate of below 1% per year through the three year period.

Table 4.15: Ranking of Universities

Ranking		Local Ranking Position	Units	International Ranking Position	Units	Percentage
	Poor	81- 100	4	Above 12000	4	10
	Fair	61 - 80	2	9001-12000	1	5
	Good	41 - 60	7	6001 – 9000	5	17.5
	Very Good	21 - 40	19	3001 – 6000	8	47.5
	Excellent	Below 20	8	Below 3000	22	20
Total			40		40	100

Source: Research Data (2017)

The results in table 4.15 indicate that 67.5% of the universities ranked top forty in the Kenya ranking which ranked all tertiary institutions in Kenya and only 10% were ranked among the last twenty institutions. 87.5% of Kenyan universities ranked between good, very good and excellent in the international web metric ranking with only 10% ranking poor.

To relate the two performance indices, a cross tabulation was done between growth and local ranking and between growth and international ranking, the finding are;

Table 4.16: University Growth and Local ranking Cross Tabulation

Variables		Web ranking in Kenya					Total
		Poor;	Fair;	Good;	Very Good;	Excellent;	
Growth %Increase	No Growth	0	0	1	4	3	8
	Minimal Growth	0	0	0	1	1	2
	Moderate Growth	0	1	2	5	0	8
	High Growth	2	1	2	2	3	10
	Very High Growth	2	0	2	7	1	12
Total		4	2	7	19	8	40

Source: Research Data (2017)

Table 4.17: Growth and International ranking Cross Tabulation

Variables		Web ranking worldwide					Total
		Poor	Fair	Good	Very Good	Excellent	
Growth %Increase	No Growth	0	0	0	2	6	8
	Minimal Growth	0	0	0	0	2	2
	Moderate Growth	1	0	1	2	4	8
	High Growth	1	1	1	1	6	10
	Very High Growth	2	0	3	3	4	12
Total		4	1	5	8	22	40

Source: Research Data (2017)

The local and international ranking has slight variation in the category of excellent and good performance with more universities moving to the excellent internationally

4.7 Results of Tests of Hypotheses

This section presents the results of the conceptual hypotheses which were formulated along the study research objectives as depicted in the conceptual model (Figure 2.1). It presents findings on the conceptualized relationships among the variables under study as per the five objectives the corresponding hypotheses. The relationship between strategic planning process, strategy implementation, university characteristics and performance of accredited universities were tested using simple linear regression, path analysis and multiple regression (Stepwise and hierarchical) analysis. This was to ascertain if any relationship exists between the study variables, and what is the nature of the relationship if it exists. All the hypotheses were tested at a 95%, confidence level (α=.05).

The regression analysis findings were interpreted and presented where the value of R indicates the predictive power of the predictor variable on the dependent variable. The value of R should be above 0.3 for the predictor variable to be considered a good predictor for the specific dependent variable. The value of R^2 indicates the strength and direction of relationship that exists between predictor and dependent variable. If R^2 is a positive value, then there is a direct relationship between the variable and if it has a negative value, then the variables have an inverse relationship. On the strength of the relationship, a value of zero means there no relationship between the predictor and dependent variable, a value of below 0.3 indicates a weak relationship, value of between 0.3 and 0.5 indicates a moderate relationship, a value of between 0.5 and 0.7 indicates a strong relationship, a value of between 0.7 and 0.9 indicates a very strong relationship while a value of one indicates a perfect relationship between the variables.

The F-Value measures the statistical significance of the regression model in appropriately testing the predicted relationship between the predictor and the dependent variable. The higher the F-value the more, significant the model is in predicting the relationship between the variables. The significance level on the Anova F test indicated if the model appropriately predicted the tested relationship at 95% confidence level. The regression equations of each relationship were formulated using the standardized beta which has been adjusted for differences in the measurement scale of different variables.

4.7.1 Strategic planning process and Performance of accredited Universities in Kenya

The study sought to investigate if strategic planning process has any influence on performance of accredited universities in Kenya. The process of strategic planning was operationalized into the existence of a strategic plan document, the formality of the planning process and the intensity with which the planning process is done while performance of universities was operationalized into growth and ranking. The objective was tested using hypothesis H_1 stated as:

H_1: Strategic Planning Process has significant influence on the performance of Accredited Universities in Kenya

The factor categories of strategic planning process were regressed using simple linear regression analysis against both performance measures independently

Table 4.18: Strategic planning process and Growth

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.427[a]	.303	.228	1.16895	1.446

a. Predictors: (Constant), Document, Planning Intensity, Planning Formality
b. Dependent Variable: Growth Performance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.627	3	2.876	2.605	.047[b]
	Residual	49.192	36	1.366		
	Total	54.819	39			

a. Dependent Variable: Growth Performance
b. Predictors: (Constant), Document, Planning Intensity, Planning Formality

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.222	1.626		1.650	.003
	Planning Intensity	.989	.537	.467	1.843	.013
	Planning Formality	-1.577	.640	-.735	-2.465	.427
	Planning Document	.160	.474	.068	.338	.019

a. Dependent Variable: Growth Performance

Source: Research Data (2017)

Strategic planning process is a good predictor of growth of universities as indicated by a significant F-value at 95% confidence level and an R value of 0.427. Thirty percent of variation of growth at accredited universities in Kenya is explained by strategic planning process as indicated by R^2 and this is a moderate relationship. The degree of formality of the strategic planning process at the universities has an inverse relationship with the growth the institution as indicated by a negative beta coefficient for formality while intensity and existence of the document have a direct relationship as indicated by positive beta coefficients.

Table 4.19: Strategic planning process and Ranking

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.377[a]	.218	.140	1.38110	1.684

a. Predictors: (Constant), Document , Planning Intensity, Planning Formality
b. Dependent Variable: Ranking Performance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.158	3	2.719	1.995	.033[b]
	Residual	63.785	36	1.772		
	Total	71.944	39			

a. Dependent Variable: Ranking Performance
b. Predictors: (Constant), Document, Planning Intensity, Planning Formality

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.957	1.522		1.942	.019
	Planning Intensity	.677	.495	.362	1.368	.011
	Planning Formality	-.686	.585	-.364	-1.172	.025
	Planning Document	.319	.441	.154	.722	.222

a. Dependent Variable: Ranking Performance

Source: Research Data (2017)

Strategic planning process is a good predictor of ranking performance as indicated by an R value of 0.377. 22% of variation in ranking performance of accredited universities can be explained by variation in strategic planning process as indicated by R^2. The t-values are all significant at 95% confidence level indicating that the three operationalization of the strategic planning process are good predictors of ranking performance of universities. Planning intensity and the existence of the plan have a direct positive relationship with ranking performance while formality of the plan has an inverse relationship with ranking performance.

4.7.2 Organization characteristics and Performance of Universities

The second hypothesis sought to determine if unique university characteristics have any direct effect on performance of accredited universities. The performance of universities is categorized in to two; ranking and growth and each was tested against the three university characteristics and the results presented

H_2: University characteristics have a significant direct effect on the performance of Accredited Universities in Kenya

Table 4.20: University characteristics and Growth

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.875[a]	.766	.747	.74544	1.477

a. Predictors: (Constant), Age, Size, Ownership
b. Dependent Variable: Growth of Universities

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.595	3	21.865	39.348	.000[b]
	Residual	20.005	36	.556		
	Total	85.600	39			

a. Dependent Variable: Growth of University
b. Predictors: (Constant), Age, Size, Ownership

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.184	.865		-.213	.833
	Size	.940	.132	.886	7.100	.000
	Ownership	.076	.377	.057	.201	.042
	Age	.060	.093	.033	.648	.501

a. Dependent Variable: Growth of Universities

Source: Research Data (2017)

Unique university characteristics are good predictor of the growth of universities as indicated by high and statistically significant F-value and R value of 0.875. 76% of variation in growth is explained by variation in university characteristics as

indicated by the value of R^2 which is a very strong positive relationship. Size, ownership and age all have a positive relationship with growth as indicated by positive beta values. Size and ownership structure are statistically significant predictor of the growth of university by indicated by a high and statistically significant t-value. The negative coefficient for the constant indicates that, when all university characteristics are held constant, the variation in growth will be negative.

Table 4.21: University characteristics and Ranking

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.551[a]	.304	.246	1.01611	2.049

a. Predictors: (Constant), Size, Ownership, Age
b. Dependent Variable: Ranking

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.206	3	5.402	5.232	.014[b]
	Residual	37.169	36	1.032		
	Total	53.375	39			

a. Dependent Variable: Ranking
b. Predictors: (Constant), Size, Ownership, Age

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	6.432	1.179		5.455	.000
	Size	.655	.181	.781	3.626	.001
	Ownership	-1.062	.514	-.450	-2.065	.146
	Age	.273	.126	.225	2.157	.038

a. Dependent Variable: Ranking

Source: Research Data (2017)

The results on table 4.22 show an F-value that is statistically significant and an R-value of 0.551 indicating that, university characteristics are good predictor of ranking. 30% variation in ranking is attributed to variation in university characteristics as indicated by the value of R^2. The t-values for age and size are significant indicating that they are statistically significant predictors of ranking.

4.7.3 Strategic planning process, Organizational characteristics and Performance of Accredited Universities in Kenya

The third hypothesis sought to determine the possible moderating effect of unique university characteristics on the relationship between strategic planning process and performance of accredited universities. A moderator is a variable which affects the association between independent and dependent variable. According to Dawson (2013), in a regression model, moderator effect is captured by the effect of the independent variable on the dependent variable as a function of the third variable which is a moderator which on a graphical approach probes the interaction effect and displays an interactive relationship.

Hayes, Glynn and Huge (2012) state that an interaction effect describes a situation in which the effect of an independent variable on dependent variable is conditional upon the value of another third variable. An interaction term measures the extent to which the relationship between independent and dependent variable depends on other independent variables. If the coefficient β_3 is significant, then the two predictors have an interactive effect on the outcome variables. If it is not significant, then the predictors only have independent effect and not interaction effect on the dependent variable. The accredited universities in Kenya differ largely in age, ownership and size hence the study conceptualized that these may have a possible moderating effect and this was tested using H_3 stated as;

H_3: University Characteristics have a significant moderating effect on the relationship between Strategic Planning Process and performance of accredited universities

University characteristics were conceptualized as moderators on the relationship between strategic planning process as an independent variable and performance as dependent variable. To test for moderation three steps are followed; First step is to test the direct effect of the independent variable on the dependent variable which should be confirmed statistically significant ($Y=\beta_0+\beta_1X+\varepsilon$). Strategic planning process as an independent variable has a statistically significant influence on performance of accredited universities as discussed in hypothesis one. The second step is to test for the multiple relationship between independent variable, moderating variable, interaction term and dependent variable which should be statistically significant and in addition to model being significant, the interaction term should also be statistically significant at 95% confidence level ($Y=\beta_0+\beta_1X+\beta_1Z+\beta_3XZ+\varepsilon$).

A stepwise multiple regression analysis was used to test the relationship between strategic planning process, university characteristics, interaction term and performance of universities. Centering of variables was done where the scale of measurement was different, some likert and others absolute numbers, in an effort to remove the effect of different measures allowing them to be regressed in one model

Table 4.22: Strategic planning process, Age and Growth

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.564[a]	.419	.362	1.27296	1.733

a. Predictors: (Constant), SPP*AGE, Centered Age, Centered Planning
b. Dependent Variable: Growth of Universities

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.265	3	9.088	5.609	.003[b]
	Residual	58.335	36	1.620		
	Total	85.600	39			

a. Dependent Variable: Growth of Universities
b. Predictors: (Constant), SPP*AGE, Centered Age, Centered Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.679	.449		10.422	.000
	Centered Planning	.982	.850	.373	1.155	.256
	Centered Age	.399	.211	.226	2.364	.024
	SPP*AGE	.039	.408	.030	.341	.035

a. Dependent Variable: Growth of Universities

Source: Research Data (2017)

The regression model for testing moderation of age between strategic planning process and growth is significant as indicated by F-value that is statistically significant at 95% confidence level and R value of 0.564. 41% of variation in the growth of universities can be explained by strategic planning process, age and the interaction between planning and age. The interaction term has a significant t-value indicating that age is a moderator between strategic planning process and university growth performance.

Table 4.23: Strategic planning process, Age and Ranking

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.305[a]	.293	.117	1.15976	1.549

a. Predictors: (Constant), SPP*AGE, Centered Age, Centered Planning
b. Dependent Variable: Ranking

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.953	3	1.651	1.228	.114[b]
	Residual	48.422	36	1.345		
	Total	53.375	39			

a. Dependent Variable: Ranking
b. Predictors: (Constant), SPP*AGE, Centered Age, Centered Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.562	.409		8.710	.000
	Centered Planning	-.763	.774	-.367	-.986	.331
	Centered Age	-.007	.192	-.010	-.037	.971
	SPP*AGE	.446	.372	.525	1.199	.138

a. Dependent Variable: Ranking

Source: Research Data (2017)

The regression model is not statistically significant as indicated by the F-value that is not significant at 95% confidence level. The t-values for the strategic planning process, age and the interaction term between planning and age are all not statistically significant hence age is not a significant moderator between strategic planning process and ranking performance

Table 4.24: Strategic planning process, Size and Growth

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.653[a]	.427	.379	1.16764	1.826

a. Predictors: (Constant), SPP*SIZE, Centered Size, Centered Planning
b. Dependent Variable: Growth of Universities

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.518	3	12.173	8.928	.000[b]
	Residual	49.082	36	1.363		
	Total	85.600	39			

a. Dependent Variable: Growth of Universities
b. Predictors: (Constant), SPP*SIZE, Centered Size, Centered Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.324	.342		12.640	.000
	Centered Planning	1.354	.507	.134	.697	.040
	Centered Size	.974	.130	.548	2.883	.007
	SPP*SIZE	.737	.106	.683	1.586	.027

a. Dependent Variable: Growth of Universities

Source: Research Data (2017)

The results indicate that the regression model on strategic planning process, size and interaction term predicting growth of universities is statistically significant as indicated by an F-value that is significant and R-value of 0.653. 42% of the variation in university growth is explained by the predictor variables. Strategic planning process, size and interaction term are statistically significant predictors of university growth as indicated by t-values that are significant. The t-value for the interaction term is statistically significant at 95% confidence level implying that, size is a statistically significant moderator of the relationship between strategic planning process and growth of universities.

Table 4.25: Strategic planning process, Size and Ranking

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.167[a]	.028	-.053	1.20064	1.792

a. Predictors: (Constant), SPP*SIZE, Centered Size, Centered Planning
b. Dependent Variable: Ranking

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.480	3	.493	.342	.795[b]
	Residual	51.895	36	1.442		
	Total	53.375	39			

a. Dependent Variable: Ranking
b. Predictors: (Constant), SPP*SIZE, Centered Size, Centered Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.519	.352		10.005	.000
	Centered Planning	-.084	.522	-.040	-.161	.873
	Centered Size	.049	.133	.090	.364	.718
	SPP*SIZE	.045	.134	.111	.335	.739

a. Dependent Variable: Ranking

Source: Research Data (2017)

The study findings in Table 4.26 on strategic planning process, size and interaction term predicting university ranking performance is not statistically significant as indicated by the F-value that is not significant at 95% confidence level. The t-values for the strategic planning process, age and the interaction term are not statistically significant hence size is not a statistically significant moderator for university ranking performance

Table 4.26: Strategic planning process, Ownership and Growth

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.624[a]	.389	.338	1.20539	1.742

a. Predictors: (Constant), SPP*OWNERSHIP, Centered Ownership, Centered Planning
b. Dependent Variable: Growth of Universities

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.293	3	11.098	7.638	.000[b]
	Residual	52.307	36	1.453		
	Total	85.600	39			

a. Dependent Variable: Growth of Universities
b. Predictors: (Constant), SPP*OWNERSHIP, Centered Ownership, Centered Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	5.964	.672		8.869	.000
	Centered Planning	-1.319	1.251	-.502	-1.055	.299
	Centered Ownership	-10.152	2.763	-.680	-3.674	.001
	SPP*OWNERSHIP	3.676	4.023	.483	1.914	.037

a. Dependent Variable: Growth of Universities

Source: Research Data (2017)

The regression model on strategic planning process, ownership and interaction term predicting growth of universities is statistically significant as indicated by an F-value that is significant and R value of 0.624. 38% of the variation in university growth is explained by the predictor variables. Strategic planning process, ownership and interaction term are statistically significant predictors of university growth as indicated by t-values that are significant. The t-value for the interaction term is statistically significant at 95% confidence level implying that, ownership is a statistically significant moderator of the relationship between strategic planning process and growth of universities.

Table 4.27: Strategic planning process, Ownership and Ranking

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.179[a]	.032	-.049	1.19792	1.715

a. Predictors: (Constant), SPP*OWNERSHIP, Centered Ownership, Centered Planning
b. Dependent Variable: Ranking

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.715	3	.572	.398	.755[b]
	Residual	51.660	36	1.435		
	Total	53.375	39			

a. Dependent Variable: Ranking
b. Predictors: (Constant), SPP*OWNERSHIP, Centered Ownership, Centered Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.194	.668		4.779	.000
	Centered Planning	-.223	1.243	-.107	-.180	.859
	Centered Ownership	1.875	2.746	.159	.683	.499
	SPP*OWNERSHIP	.644	3.998	.107	.161	.873

a. Dependent Variable: Ranking

Source: Research Data (2017)

The study finding show that strategic planning process, ownership and interaction term as predictors of university ranking performance is not statistically significant as indicated by the F-value that is not significant and R value of below 0.3. The t-values for the strategic planning process, ownership and the interaction term are not statistically significant hence ownership structure of the university is not a statistically significant moderator for the relationship between strategic planning process and university ranking performance of accredited universities in Kenya.

4.7.4 Strategic planning process, Strategy implementation and Performance of accredited universities

The current study conceptualized that the relationship between strategic planning process and performance of accredited universities may be mediated by strategy implementation. This means that, the effect of strategic planning process on performance exists because strategic planning process leads to a change in the strategy implementation as mediator, which in turn affects performance. Strategy implementation is said to fully mediate this relationship if the effect of strategic planning process on performance fully disappears when controlling for implementation and to have Partial mediation occurs when effect of planning process on performance significantly reduces when controlling for strategy implementation. This was tested using hypothesis H_4 stated as;

H_4: Strategy Implementation has a significant mediating/intervening effect on the relationship between Strategic planning process and Performance of Accredited Universities in Kenya

To test for mediation four critical steps are followed. First test for relationship between independent and dependent variable, second test for relationship between independent and intervening variable; Third test for relationship between intervener and dependent variable and Finally test the combined effect

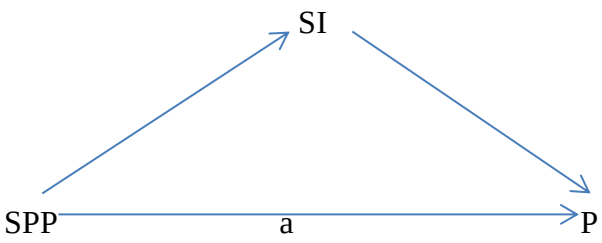


Figure 4.1: Mediation effect adopted from Baron and Kenny (1986)

The first step tests prediction of the dependent variable from the independent variable which must be significant for there to be a relationship to be mediated. Effect of strategic planning process on performance was tested and results are;

Table 4.28: Strategic planning process and University Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.356[a]	.297	.264	.48226	1.635

a. Predictors: (Constant), SPP Composite
b. Dependent Variable: Performance Composite

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.286	1	1.286	5.528	.024[b]
	Residual	8.838	38	.233		
	Total	10.123	39			

a. Dependent Variable: Performance Composite
b. Predictors: (Constant), SPP Composite

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.198	.509		8.247	.000
	SPP Composite	.311	.132	.376	2.351	.014

a. Dependent Variable: Performance Composite

Source: Research Data (2017)

The study results for strategic planning process as a predictor for universities performance is statistically significant as indicated by significant F-value and R-value of 0.356. The relationship between strategic planning process and university performance is however weak since strategic planning process only predicts 29% of variation in the university performance as indicated by the value of R^2. The first condition for the test for mediation has been met.

Second step is predicting the mediating variable from the independent variable which must be significant because if independent variable does not reliably affect the mediator, then the mediator cannot be responsible for the relationship observed between independent variable and dependent variable.

Table 4.29: Strategic planning process and Strategy Implementation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.864[a]	.746	.739	.29812	2.567

a. Predictors: (Constant), SI Composite
b. Dependent Variable: SPP Composite

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.911	1	9.911	111.520	.000[b]
	Residual	3.377	38	.089		
	Total	13.289	39			

a. Dependent Variable: SPP Composite
b. Predictors: (Constant), SI Composite

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.412	.231		6.105	.000
	SI Composite	.680	.064	.874	10.560	.000

a. Dependent Variable: SPP Composite

Source: Research Data (2017)

The study established that 74.6% of variation in strategy implementation is predicted by strategy planning process as indicated by value of R^2 and this is a very strong relationship. The regression model of strategic planning process predicting strategy implementation is statistically significant as indicated by the significant F- value and R value of 0.864. The second condition for the mediation test has been met.

The third step is to predicting the dependent variable from the mediating variable. The coefficient of this effect will assist in calculating the indirect effect of the intervening variable. The predicting effect of implementation on performance results are;

Table 4.30: Strategy Implementation and University Performance

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.379[a]	.344	.321	.47765	1.620

a. Predictors: (Constant), SI Composite
b. Dependent Variable: Performance Composite

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.454	1	1.454	6.372	.016[b]
	Residual	8.670	38	.228		
	Total	10.123	39			

a. Dependent Variable: Performance Composite
b. Predictors: (Constant), SI Composite

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.931	.371		10.604	.000
	SI Composite	.260	.103	.399	2.524	.018

a. Dependent Variable: Performance Composite

Source: Research Data (2017)

Results on table 4.29 indicate that strategy implementation predicting university performance is statistically significant at 95% confidence level as indicated by significant F-value and R of 0.379. The direct effect of the possible mediator strategy implementation on performance is positive and statistically significant with 34% of variation in performance explained by implementation hence the third condition for mediation is satisfied.

The final step is to simultaneously predict value of performance from both independent variable strategic planning process and intervening variable strategy implementation using stepwise multiple regression analysis and observe change in the predictive power of the regression models

Table 4.31: Strategic planning process, Strategy Implementation and University Performance

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.356[a]	.297	.264	.48226	
2	.683[b]	.447	.401	.48312	1.610

a. Predictors: (Constant), SPP Composite
b. Predictors: (Constant), SPP Composite, SI Composite
c. Dependent Variable: Performance Composite

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.286	1	1.286	3.186	.024[b]
	Residual	8.838	38	.233		
	Total	10.123	39			
2	Regression	1.487	2	.744	5.528	.033[c]
	Residual	8.636	37	.233		
	Total	10.123	39			

a. Dependent Variable: Performance Composite
b. Predictors: (Constant), SPP Composite
c. Predictors: (Constant), SPP Composite, SI Composite

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.198	.509		8.247	.000
	SPP Composite	.311	.132	.376	2.351	.014
2	(Constant)	4.072	.528		7.717	.000
	SPP Composite	.100	.263	.115	.380	.076
	SI Composite	.192	.207	.280	.930	.039

a. Dependent Variable: Performance Composite

Source: Research Data (2017)

Both regression model one and model two are significant as indicated by statistically significant F-values at 95% confidence level. Model 1 that test for the direct

prediction indicates that 29.7% of variation in university performance is explained by strategic planning process while model 2 indicates that introducing strategy implementation into the model raises the explained variation to 44.7%. The regression coefficient from model 1 to model 2 is substantially reduced at this final stage but it remains significant indicating partial mediation where part of the effect of strategic planning process on performance is partially mediated by strategy implementation and remaining part are either a direct effect or it is mediated by other variables that are not included in this model.

The size of the indirect effect of the mediator is calculated as the product of the direct effect of the independent variable on mediating variable and the direct effect of the mediator on the dependent variable (deLuque et al., 2008; Desai, 2010). In this study, direct effect of strategic planning process on strategy implementation multiplied by direct effect of strategy implementation on performance of universities gives the size of indirect mediation effect;

SPP/SI=R^2 of.746; SI/P=R^2 of .344R^2 hence (.746*.344=.256624*100).

The study results indicate that 25.66% variation in university performance is predicted by strategic planning process through strategy implementation as a partial mediator

4.7.5 Strategic planning process, Strategy Implementation, University characteristics and performance of accredited universities in Kenya

The conceptualization of this study was founded on the principal that all the predictor variables had a combined effect on the performance of universities and that the total effect was greater than individual effects of each of the variables on performance. A hierarchical multiple regressions was conducted to establish which of the predictor variables had an effect on the dependent variable and what is the nature of the effect both in direction and size.

H_5: The joint effect of Strategic Planning Process, Strategy implementation and Organizational Characteristics on Performance of Accredited Universities in Kenya is greater than the individual effect of the variables on performance of Universities

Testing for the possible joint effect using hierarchical multiple regression analysis, a set of predictor variables are added to the previous set into the regression model in stages. The effect of each additional set in the next stage is captured in a subsequent model which indicates the effect of the addition. The final model captures the joint effect and will show if the joint effect of the three set of predictor variables is greater than the individual effect of each predictor on the dependent variable. The analysis was of the eight factor categories of the predictor variable to establish which ones significantly contributed to the change in Growth and Ranking performance of universities. The eight factors are; three in the strategic planning process (Intensity, formality and documented plan), two in strategy implementation (Institutionalization and operationalization) and three from firm characteristics (Size, ownership and age). Effect on Growth and Ranking was tested individually as follows;

Table 4.32: Regression model for the three categories of factors on Growth of universities

Model Summary[d]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.445[a]	.298	.231	1.38125	
2	.450[b]	.302	.285	1.21699	
3	.894[c]	.799	.748	.74428	1.114

a. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document

b. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization

c. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization, Size, Ownership, Age

d. Dependent Variable: Growth of Universities

Source: Research Data (2017)

The first regression analysis was to establish if the predictor variables; strategic planning process, strategy implementation and organizational characteristics; explain significant variation in the dependent variable; Growth of universities. Results on table 4.33 show three models which are formed from the three categories of factors of independent, mediator and moderator variables at each stage of the hierarchical multiple regression analysis. The first model shows strategic planning process factor categories at stage one predicting growth, the second model from stage two, added the mediator variables of strategy implementation while the third model from stage three, adds the moderator variables of university characteristics to the set. The introduction of additional predictor factors to the model increased the predictive ability from 0.445 to 0.894 as indicated by the rise in the value of R from model 1 through to model 3

Table 4.33: ANOVA results for the joint effect on university Growth

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.918	3	5.639	2.956	.045[b]
	Residual	68.682	36	1.908		
	Total	85.600	39			
2	Regression	17.332	5	4.466	2.726	.050[c]
	Residual	68.268	34	2.008		
	Total	85.600	39			
3	Regression	68.427	8	8.553	15.441	.000[d]
	Residual	17.173	31	.554		
	Total	85.600	39			

a. Dependent Variable: Growth of universities
b. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document,
c. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization
d. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization, Size, Ownership, Age

Source: Research Data (2017)

The three regression models from the hierarchical analysis for joint effect were tested for significance. The results of the ANOVA on table 4.34 shows that model one, model two and model three are significant at 95% confidence level hence good predictors of growth of Kenyan universities. The F-value is highest for model three, followed by model one then two which are indicators of the predictive power of the model where the higher the F-value the better the predictive power of the set of variables. This implies that the joint effect of the three sets of predictor variables on the dependent variable is greater than the each of the sets individually.

Table 4.34: Strategic planning process, strategy implementation, university characteristics and Growth of universities

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.543	1.669		2.722	.017
	Planning Intensity	1.051	.526	.996	1.997	.035
	Planning Formality	-1.524	.325	-.714	-2.905	.383
	Planning Document	.238	.269	.136	.884	.006
2	(Constant)	4.710	1.753		2.686	.011
	Planning Intensity	1.089	.547	.914	1.991	.050
	Planning Formality	-1.550	.541	-.726	-2.863	.277
	Planning Document	.360	.388	.206	.927	.031
	Institutionalization	-.129	.713	-.064	-.181	.858
	Operationalization	.167	.692	.135	.196	.024
3	(Constant)	.244	1.220		.200	.043
	Planning Intensity	.598	.294	.582	2.036	.042
	Planning Formality	-.959	.301	-.609	-2.187	.375
	Planning Document	.198	.220	.113	.900	.036
	Institutionalization	-.099	.377	-.050	-.263	.794
	Operationalization	.115	.371	.108	.140	.038
	Size	1.875	.433	1.224	6.398	.000
	Ownership	.131	.385	.110	.181	.036
	Age	.018	.098	.006	.082	.048
a. Dependent Variable: Growth of Universities						

Source: Research Data (2017)

The results on table 4.35 show the coefficients of each of the predictor variables in the three regression models in stages. The significant predictors of university growth on model three, as indicated by statistically significant t-values at 95% confidence level are; planning intensity, planning document, operationalization, size ownership and age. The model derived using the standardized beta values is;

Growth = .244 + .582Planning Intensity + .113Planning Document + .108Operationalization + 1.224Size + .110Ownership + 006Age

Table 4.35: Regression model for the three categories of factors on university Ranking

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.258[a]	.167	.111	1.17634	
2	.309[b]	.195	.188	1.16179	
3	.652[c]	.425	.277	.79490	2.180

a. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document

b. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization

c. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization, Size, Ownership, Age

d. Dependent Variable: Ranking

Source: Research Data (2017)

To test for the joint effect of strategic planning process, strategy implementation and organizational characteristics on the ranking of universities a hierarchical multiple regression analysis was performed. The three factors were added each at a time in three steps into the model yielding the three models as in the table 4.36. The first model shows strategic planning process factor categories, the second model introduced the mediator variables of strategy implementation while the third adds the moderator variables of university characteristics. The introduction of additional predictor factors to the regression model increased the predictive power of the factors from 0.258 to 0.652 as indicated by the rise in the value of R from model 1 through to model 3

Table 4.36: ANOVA results for the joint effect of the variables on university ranking

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.559	3	1.186	.857	.042[b]
	Residual	49.816	36	1.384		
	Total	53.375	39			
2	Regression	25.083	5	2.017	1.716	.036[c]
	Residual	28.292	34	1.420		
	Total	53.375	39			
3	Regression	22.691	8	2.836	2.865	.017[d]
	Residual	30.684	31	.990		
	Total	53.375	39			

a. Dependent Variable: Ranking

b. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document

c. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization

d. Predictors: (Constant), Planning Intensity, Planning Formality, Planning Document, Institutionalization, Operationalization, Size Ownership, Age

Source: Research Data (2017)

The results of the hierarchical multiple regression analysis yielded three models as shown in table 4.37. Model three shows the result of the joint effect of strategic planning process, strategy implementation and university characteristics on Ranking. The significant F-value at 95% confidence level indicates that the variables are good predictors of ranking. Model 3 also has the highest F-value hence a relatively higher predictive power in comparison to model 1 and model 2.

Table 4.37: Strategic planning process, strategy implementation, university characteristics and Ranking

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.387	1.422		1.679	.102
	Planning Intensity	.666	.448	.398	1.486	.046
	Planning Formality	-.364	.447	-.216	-.814	.021
	Planning Document	.080	.229	.058	.352	.227
2	(Constant)	2.067	1.475		1.401	.170
	Planning Intensity	.591	.460	.353	1.285	.028
	Planning Formality	-.320	.455	-.190	-.703	.017
	Planning Document	-.110	.326	-.080	-.337	.238
	Institutionalization	.473	.600	.299	.788	.033
	Operationalization	-.145	.582	-.097	-.249	.805
3	(Constant)	5.658	1.631		3.468	.002
	Planning Intensity	.791	.393	.473	2.015	.023
	Planning Formality	-.666	.403	-.395	-1.653	.018
	Planning Document	-.110	.294	-.080	-.374	.211
	Institutionalization	.339	.504	.214	.672	.006
	Operationalization	.019	.496	.013	.039	.769
	Size	.907	.183	.844	3.869	.001
	Ownership	1.108	.514	.970	2.154	.139
	Age	-.265	.131	-.116	-2.020	.052
a. Dependent Variable: Ranking						

Source: Research Data (2017)

The results in table 4.38 show the coefficient for each of the predictors on the ranking of university at each stage of the hierarchical multiple regression analysis. Model three shows the results of the joint effect. The statistically significant predictors of university ranking as indicated by statistically significant t-values at 95% confidence level are; Planning intensity, Planning formality, institutionalization, size and age. The model of joint effect is as follows;

Ranking = 5.658 + .473Planning Intensity - .395Planning Formality + .214Institutionalization + .844Size - .116Age

Table 4.38: Summary of tests of hypotheses, results and conclusion

Hypotheses	**R^2**	**p-value**	**F statistics**	**Conclusion**
H_1a:There is a significant relationship between strategic planning process and growth of accredited universities in Kenya	.303	.047	2.605	Supported
H_1b:There is a significant relationship between strategic planning process and ranking of accredited universities in Kenya	.218	.033	1.995	Supported
H_1c:There is a significant relationship between strategic planning process and Performance of accredited universities in Kenya	.297	.024	5.528	Supported
H_2a:There is a significant relationship between university characteristics and growth of accredited universities in Kenya	.875	.000	39.348	Supported
H_2b: There is a significant relationship between university characteristics and ranking of accredited universities in Kenya	.304	.014	5.232	Supported
H_3a:The relationship between strategic planning process and growth performance of accredited universities is significantly moderated by university age	.419	.003	5.609	Supported
H_3b: The relationship between strategic planning process and ranking performance of accredited universities is significantly moderated by university age	.293	.114	1.228	Not Supported`
H_3c: The relationship between strategic planning process and growth performance of accredited universities is significantly moderated by university size	.427	.000	8.928	Supported`
H_3d: The relationship between strategic planning process and ranking performance of accredited universities is significantly moderated by university size	.028	.795	.342	Not Supported`

Hypotheses	R^2	p-value	F statistics	Conclusion
H_3e: The relationship between strategic planning process and growth performance of accredited universities is significantly moderated by university ownership structure	.389	.000	7.638	Supported
H_3f: The relationship between strategic planning process and ranking performance of accredited universities is significantly moderated by university ownership structure	.032	.755	.398	Not Supported
H_4:The relationship between strategic planning process and performance of accredited universities is significantly mediated by Strategy implementation	.447	.033	5.528	Supported
H_5a:The joint effect of strategic planning process, strategy implementation and university characteristics on growth of accredited universities is greater than their individual effect	.799	.000	15.441	Supported
H_5b:The joint effect of strategic planning process, strategy implementation and university characteristics on ranking of accredited universities is greater than their individual effect	.425	.017	2.865	Supported

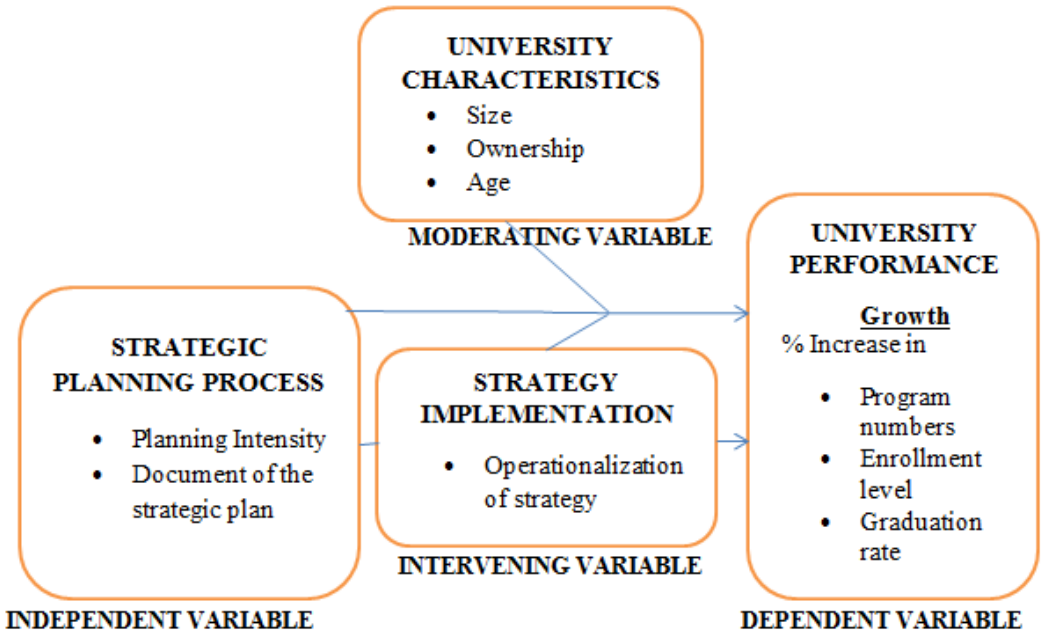
Source: Research Data (2017)

4.8 Empirical Model

The study conceptualization was guided by theory and empirical review of existing data. The study collected primary and secondary data and tested hypothesis. The findings indicate that Planning intensity, planning document, operationalization, size, ownership and age are statistically significant predictors of Growth while Planning intensity, planning formality, institutionalization, size and age are statistically significant predictors of Ranking. These results are presented on Figure 4.2a and Figure 4.2b of the study empirical model

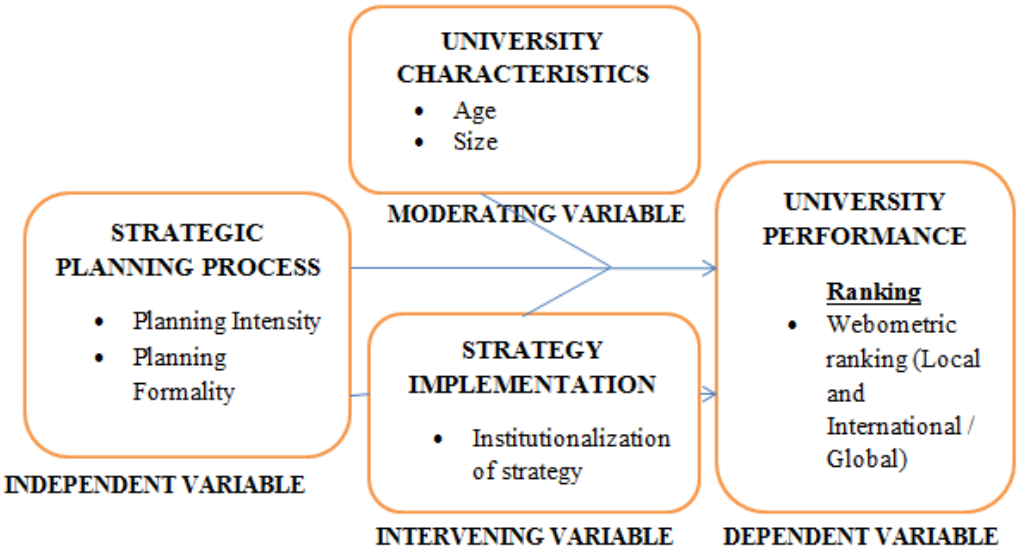
The analysis of data indicates that university growth and university ranking are two strategic ends that a university can choose to achieve. The significant factors for each of these two strategic moves differ where a university can achieve growth without necessarily pursuing ranking or vice versa. Some universities have very slow growth while their ranking performance is relatively above average indicating that they may be pursuing better ranking performance and not necessarily high levels of growth. A university may also choose to pursue both strategic moves simultaneously. Findings indicate that public universities have mainly pursued growth with older universities pursuing ranking while large universities are able to pursue growth and ranking simultaneously

Figure 4.2a: Empirical Model



Source: Research Finding (2017)

Figure 4.2b: Empirical Model



Source: Research Finding (2017)

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter presents a discussion of the study findings on chapter four in relation to existing theories and empirical literature. Though a requirement for public universities and adopted by most private universities as a performance enhancement tool, strategic planning has not yielded similar outcome across the industry. This is evidenced by the performance of these accredited universities in Kenya continuing to differ across different ranking sources both locally and internationally (Web metric ranking, 2016) plus they all have differing levels of growth. These necessitate a focus on the process of strategic planning to establish if how the process is carried out has an impact on the performance of accredited universities in Kenya. This study sought to establish the effect of strategic planning process on the performance of accredited universities and further establish if strategy implementation and university characteristics have mediating and moderating effect on this relationship.

5.2 Strategic planning process and performance of accredited Universities

Strategic planning process are steps that organizations go through to determine the direction of the organization in a vision on what the organization is going to do and for whom it is in a mission. In addition it has some way of measuring or guiding inform of a strategy to achieve a desired end. A planning process that is strategic in nature helps the common missions of higher education which contributes to social and economic development through developing human capital. This is done primarily through teaching which is building and creating knowledge plus through

research which is maintaining knowledge by intergenerational storage and transmission (Glennie, Harley & Butcher, 2012). Strategic planning process in this study was operationalized into planning intensity, planning formality and plan document which are considered critical aspects of an excellent strategic planning process in an organization (David, 2013). The performance of universities was operationalized into growth and ranking, a choice of operationalization informed by international measures of performance of tertiary learning institutions (UNESCO, 2016).

Study findings indicate that all the universities have strategic plan document that states their vision, mission, goals and objectives. The existence and display of the university strategic direction in the open, serves as a reminder to all organization members on where the university envisions itself in the future. In a majority of these institutions the strategic plan document is available to all stakeholders in an open office access for reference and use when need be while in a few institutions it is in the custody of the university planning division and is only availed upon demand. This encourages organization members to constantly refer to the strategic plan for direction and focus of their energies and resources.

The intensity with which officers at the university engage in the strategic planning process, the emphasis laid on the strategic variables, the energies invested in the process and the integration in the process of all or most members especially the critical stakeholders, all have a statistically significant positive effect on the performance of Accredited universities in Kenya. The formality of the strategic planning process in the written explicitly stated objectives, extensiveness in scope; rationality and comprehensiveness of the process all have a significant inverse

relationship to performance of accredited universities in Kenya. As the university lays strict guidelines to be followed as per the strategic plan in order to achieve set objectives, this limits creativity and innovation which will result in a negative effect on the performance.

Strategic planning process has a significant positive effect on performance of accredited universities and explains about twenty one percent of variation in ranking and thirty percent of variation in growth at 95% confidence level. This finding indicates that there is about seventy percent of variation in growth and ranking performance that is not accounted for by strategic planning process of accredited universities in Kenya. In effect there are other factors which affect the growth and ranking of universities in addition to strategic planning process. These findings relate to Thune and House (1970) who argue that it is more likely that formal planning is a characteristic of a well-managed organization than the single cause of successful organization performance as much as formal planning organizations outperform informal planners.

Johnson and Scholes (1999) in exploring corporate strategy, did study large enterprises in United States and find that the deliberate use of strategy has significant effect on performance of business providing long term direction and development for organizations and this concurs with this study where universities have a strategic plan as a road map for their effort to have in place a strategic direction and a path the university wishes to follow to attain its set objectives both in the short term and in the long term. Caeldries and Dierdonk (1988) did a study on the effects of strategic planning on eighty two Belgian firms. The findings are that, planning safeguards competitive position, allows better understanding of

environment especially competitors in socio-economic trends, intra organizational coordination and creating consensus, better communication flow with integrated behavior and motivation of members as they are allowed to participate in determining the future of the organization. These are potential benefits gained from utilization of strategic planning. At the universities, the more intense the strategic planning process especially in the participatory planning, the more it impact the performance positively as members feel part of the strategic moves envisioned.

Chavunduka et al., (2015) in their study of Zimbabwe mining firms, on the strategic planning process and its impact on financial performance, find that panning intensity and formality of planning process positively impact performance and this compares to current study that finds a positive relationship between planning intensity and growth of universities and an inverse relationship between formality and university performance. Ranasinghe (2010) in a study on the effect of strategic planning process on corporate performance of Sri Lanka firms find that formality and intensity of the planning process affect corporate performance, at the universities in Kenya, the findings differ since intensity positively affects performance while formality has an inverse relationship to performance.

Pearce II et. al., (1987) finds that the intensity with which banks engage in the strategic planning process has a direct and positive effect on the banks financial performance which concurs with the findings at the universities though the performance measures were non-financial. The intensity of planning is a credible signal for the importance which an organization members focuses their attention and energy in the learning process. Ugboro et al., (2015) in an empirical study of large manufacturing firms find a positive correlation between degree of formality and the

organization performance. This contradicts with the findings of the current study where the strategic planning process formality has an inverse effect on the performance of universities, that the more précises the strategic planning process, the more stiff the organization hence adverse effect on performance.

The study findings relate and confirm the postulations of the institutional theory in that, as the expectation for legitimacy, universities will engage in strategic planning process and have a document of the strategic plan. Though it is a call for legitimacy, strategic planning process alters the specific elements of the overall strategic decision process associated with adopting key steps. This is good for clarity and governance but can be limiting to creativity and innovation. The intensity and formality with which each university engages in the planning process is a function of normative force in the institutional theory as a continued desire to remain professional and credible in university operations.

5.3 Strategic planning process, Strategy implementation and Performance of accredited universities

Strategy implementation has a statistically significant mediating effect on the relationship between strategic planning process and performance of accredited universities. As the stipulations of the strategic plan are put into actionable tasks, given timelines, assigned to specific individuals and clear performance indicators attributed, then the impact of the strategic planning process on performance is enhanced. The mediation effect is partial (Baron & Kenny, 1986) since the predictive power of strategic planning process on performance substantially rises but does not completely disappear with the introduction of strategy implementation as a mediator.

According to Daft (2000), organization performance is the ability of an organization to attain its goals using human resource and financial resources, in the most efficient and effective manner. The strategic planning process yields a documented outline of what the organization envisions to achieve. The strategy implementation translates this into actionable activities with time lines, individuals responsible and resources required. Waweru (2011) state that implementation is the procedures of turning strategic plans into realistic action to achieve specific objectives and goals.

This study conceptualization is based on the premise that what is actionable, in strategy implementation, has a mediating effect on the direct effect of the strategic planning process on performance. Using the path analysis by Baron and Kenny (1986), strategy implementation is a significant mediator between strategic planning process and performance of universities where strategic planning process affects performance through strategy implementation and the effect is doubled when the mediator is introduced. The intervener effect is significant at 95% confidence level.

According to Wheelmen and Hunger (2007), strategy implementation stage provides answers to the three critical questions of who are the people to carry out the strategic plans, what must be done and how are they going to do it. This in essence determines who at the university will be charged with the responsibility of a particular task, what timelines are allocated to them and what outcome it should yield, further it indicates how plan become part of structure, systems and shared values at the university. Noble (1999, 2008) defines implementation as the communication, interpretation, adoption and enactment of strategic plans. Strategic plans are put into action through the development of programs, budgets and procedures hence planning and implementation are inseparable.

At a point when university members feel that their input counts as a result of inclusiveness in the planning process, their efforts in implementation for success will be felt. According to David (2013), strategy implementation involves managing forces during action which requires special motivation skills and coordination of many individuals. Muturi and Maroa (2015) state that the implementation stage seeks to create a fit between organization formulated goals and its ongoing activities and this fit is important in enhancing that an organization is able to achieve its set goals within the stipulated time. Lehner (2004) argue that strategy implementation and strategic planning are inseparable since one leads to the other seamlessly.

This study finding affirms the postulations of the contingency theory that superior performance in an organization is achieved when there is a fit between two or more contingent factors. At the university, enhanced performance indicated by increased predictive power and statistically significant relationship is achieved when the strategic planning process and strategy implementation efforts are aligned. Strategy implementation has a significant mediation effect between strategic planning process and performance significantly raising the predictive power of strategic planning process on performance.

5.4 Strategic planning process, University characteristics and Performance of accredited universities

The relationship between strategic planning process and performance of accredited universities was conceptualized to be moderated by university characteristics in this study. The critical unique characteristics at the university were considered as age which is the number of year since establishment, size in terms of staff numbers and annual total enrollment level and ownership structure which is either public or private based on government funding access. Both direct effect on performance and possible moderating effect of these characteristics were tested.

On the direct effect, the study findings indicate that as universities advance in age, majority improve in terms of growth while a minority though old have not had commensurate growth and that public universities have a relatively higher growth rate than private universities. The larger the university, the better the performance since as the university increases the number of staff in different specializations, the more it is able to enhance its research improving its ranking performance. In addition, university characteristics have statistically significant moderating effect on the relationship between strategic planning process and performance of universities. As universities increase in size and advance in age, they gain more experience and expertise and they have a resource base to commit to the strategic planning process making it more intense.

This is in line with the findings of Onyango (2012) that size which is measured as the number of employees in an organization has a significant positive influence on performance of the organization also Czinkota and Johnson (1983) who find that it is positively related to performance. Spanos et al., (2004) in a study of Greek

manufacturing firms finds that firm specific factors explain more than twice of the variation in firms as industry factors do. At the university, the size, age and ownership structure have significant direct and moderating effect on the individual institutions and though all of them are in the same industry, their performance highly differ. Cadogan, Diamantopoulos and Siguaw (2005) argue that as firms become older and more experienced, they tend to be more bureaucratic and inflexible posing challenge to dynamism but also have more capabilities in their operations due to experience. Similarly as universities age, their research experience builds and they have better established and grounded publications which impact ranking positively. However for some universities their age is not commensurate with their growth rate with some older universities having very low growth and some younger having higher growth and this may be attributed to creativity in younger and less bureaucratic universities enabling growth.

Higgins (2005) view firm characteristics as having an influence on organizational behavior and also on the choice of strategy hence are capable of not only influencing but also driving performance while Kinoti (2012) finds that age and industry type have a moderating effect on performance. Kipesha (2013) in a study of microfinance institutions in Tanzania finds that size and age have a significant impact on their performance in terms of efficiency, sustainability, profitability and revenue generation capacity. At the university, as they gains more experience they are able to become better at publication and improve ranking performance. The increase in size of the university has a positive impact on the growth and ranking of the universities in Kenya.

The findings however contradict those of Njeru (2013) who finds that size and age of an organization have no significant relationship to performance as Shinkle et. al., (2010) find a negative relationship between size and performance of organizations while Karabag and Berggren (2013) in a study of Turkey large manufacturing firms find that firm related factors did not significantly influence performance. Efendioglu and Karabulut (2010) find that firm level factors and performance of firms have a relationship that is not significant. This relates to study findings where some universities are old in terms of years since they were established but their growth is not commensurate to this age especially among private universities. With age comes exposure and experience and expectation of growth and increased performance but among the Accredited universities this is not across the board.

The study findings affirm the contingency theory which argues that there is no one best way to manage all organizations even if they are all in the same industry. Each will be managed differently contingent to its unique characteristics. In the Kenya, Universities that are same age since they were established have very different growth and ranking performance while some universities are performing better in growth and very poorly in ranking or vice versa indicating that the factors that work favourably for one university do not necessarily apply in another. The practice of strategic planning is across all universities as a way of legitimization in the industry in line with the postulations of institutional theory however the intensity and formality of the strategic planning process and its effect on performance differs across universities.

5.5 Strategic planning process, Strategy implementation, University characteristics and Performance of accredited universities

According to Richard (2009) organization performance is a multidimensional conceptualization that touches on stakeholders who are very diverse and market circumstances that are heterogeneous. Performance measurement and performance management is considered by many organizations as an important activity done to keep organizations on track in achieving its strategic goals and objectives. Yang et al., (2010) states that performance measurement may differ depending on the angles from which it is measured varying from project, organization, stakeholder or client perspective. Phua (2006) asserts that performance construct is dependent on the dynamics of the industry and organization specific factors. The performance of accredited universities was operationalized into growth and ranking in line with international standards for performance of tertiary institutions (UNESCO, 2016).

The joint effect of strategic planning process, strategy implementation and university characteristics on growth and ranking was tested. The findings indicate that planning intensity and plan document are significant independent variables, while operationalization of strategy is a significant mediator and age, size and ownership structure are significant moderator for growth. Planning intensity and planning formality are significant independent variable, Institutionalization of strategy is a significant mediator and age and size are significant moderators of ranking. The joint effect is greater than the individual effect of each of the predictor variables on university performance.

The study findings compare to Munjuri (2013) argues that performance is not derived from a single factor but from a combination of factors that complement and reinforce each other. Accordingly Kipesha (2013) observes that the performance of an organization is a function of many diverse internal and external characteristics in its operations. Performance of universities is a function of the strategic planning process, the strategy implementation and the unique university characteristics.

These finding is in line with the stipulations of contingency theory that states that the influence of a given variable may not be universal but rather it may depend on the level of another mediating variable (Venkatraman & Prescott, 1990). The introduction of mediator and moderator in to the regression model increased the predictive power of the model (R) as well as raised the degree of dependent variable variation explained by the predictor variables (R^2). Since each university will engage in the strategic planning process in its own unique way depending on its unique environment and its unique characteristics then, there is need for management to take keen interest in which best practices work in favor of the individual university and which ones do not and implement them accordingly

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter gives a summary of study findings, conclusion and recommendations of the study. It discusses the implications of the study findings on the anchoring theories, on policy development and on the practice of management. Lastly the chapter outlines the study limitations and gives suggestions for further research.

6.2 Summary

This study conceptualization was that strategic planning process has a possible effect on the performance of accredited universities in Kenya with possible moderating and mediating effect of university characteristics and strategy implementation. The intensity and formality of the strategic planning process at the accredited universities and how this impacts their performance was the primary objective for this study.

The intensity with which the universities engage in the strategic planning process has a positive and statistically significant effect on their growth. The efforts by the universities to ensure that all stakeholders have access to the university strategic plan document and are constantly aware of where the university envisions to move to, enlists their support in steering the university towards the set goals. The formality of strategic planning process which strictly guides and governs the university operations has adverse effect on their performance. This may be because the more formal the strategic planning process, the more rigid the university gets hence limiting creativity and innovation among university members on ways of engaging. The relationship between strategic planning process and performance at the universities is significantly and partially mediated by strategy implementation. Action description, clearly set

timelines for accomplishment of tasks, clear lines of responsibility for individuals and well spelt performance indicators have a statistically significant mediating effect on how strategic planning process impacts university performance as well as aligning the set strategy to organization structure, systems, shared values, skills, style, staff and the resources.

The age, size and ownership structure of the Accredited University have statistically significant moderating effect on the relationship between strategic planning process and their performance. The older a university is, the more it is formal in its planning process as it has intensified its planning process while the larger the university, the higher the chances it may have more resources to commit to the strategic planning process. Best practices over the years are adopted enhancing the performance of universities. Advancement in age and size will also make universities more rigid since they have developed processes which they believe must work hence not open to new ideas and the large bureaucracies are also unable to easily adjust to emerging changes since very rigid in their structure and systems.

6.3 Conclusion

Over the years, different organizations have adopted strategic planning as a management tool to enhance performance and this has not always yielded positive results. This study focus was on the intensity and formality with which universities engage in the strategic planning process over and above just having the strategic plan document. Engaging university stakeholders in the strategic planning process and focusing the energies of members on the seven key variables of the strategic planning process should be encouraged and enhanced since they have statistically significant influence on the performance of universities. In addition, universities

need to be sensitive while engaging in a strategic planning process that is formal, this is in an effort to ensure that formality is balanced with allowing room for creativity and avoid missing out on innovative approaches from members. When individual members in the university setup have clear mandate on what is expected of them in terms of tasks to be performed, they have clear timelines and precise indicators of when set goals have been achieved, this will directly impact how they are able to contribute to the university mission and work towards achievement of set objectives and goals. Equally as universities are able to align their structure, systems, staff and resources to the set strategy, then they are able to enhance their performance.

As the university advances in age, they acquire a reserve of knowledge on strategic planning process about what works for them and what does not as well as reserves of expertise. The larger the university, the larger the resource base and the capacity to have an intense and elaborate strategic planning process. The ownership structure of a university will determine the inclusiveness and extensiveness of the strategic planning process a university is able to engage in where public institutions may be more open since they are government owned while private ones may be more reserved on inclusion of different stakeholders in the strategic planning process. The formal structures which are developed as the university increases in size and advances in age positively impacts performance due to experience and adoption of best practices, it may have an impact on how well the university can adapt to change and its flexibility towards emerging issues hence a need to balance formality and flexibility

The role of universities in fostering the realization of Kenya Vision 2030 is very critical for training and retaining requisite personnel. Kenya government aims to increase the enrollment in schools to 95% as well as raise the transition rate to technical colleges and higher education to 80% (Republic of Kenya, 2011) as it improves the rate of joining university, for those transiting from secondary schools, from 4.6% to 20% by the year 2030.

6.4 Implication of the Study

The current study investigated the association between strategic planning process, strategy implementation, organizational characteristics and performance in the context of Accredited universities in Kenya. Direct, mediating and moderating effect were investigated. The results present contributions to theory, policy and practice.

6.4.1 Implication to Theory

This study is anchored on Institutional theory which postulates that modern organization depends on their environment which can strongly influence the development of formal organization structures. It acknowledges the importance of economic and social forces that shape the systems and structures of organizations (North, 1990; Dimaggio, 1983). According to Hoskinsson et. al., (2000), the appearance of change toward homogeneity is explained through isomorphic change theory which identifies three forces of change on organizations which are coercive, normative and mimetic.

Coercive isomorphism evolves from political influence and legitimacy often conveyed through policies, rules, procedures, regulations and accreditation process that are a requirement but outside the organization; The Accredited universities in

Kenya are expected to prepare a strategic plan as a government regulation as well as follow the stipulations of CUE that govern their operations and all universities have strategic plan. Normative isomorphism is associated with professional values which at the universities is the continued desire to have credible research and dissemination of findings that is captured by varied web ranking across universities. Mimetic isomorphism is about mimicking behavior of others as a result of organizational response to uncertainty. Universities in the same size cohort and similar ownership structure tend to exhibit relatively related approach to strategic planning process.

These forces dictate institutionalization and induce organizational conformity or homogeneity through pressure to appear legitimate. This study contributes to institutional theory as universities are all engaging in strategic planning as a statutory requirement however the emphasis in the formality and intensity in the strategic planning process and its impact on performance therein is minimal.

Contingency theory postulates that there is not a universal way to manage all organizations and the findings of this study indicate that, even though all universities have a strategic plan as a requirement, the manner in which the strategic planning process is executed varies leading to differing levels of growth and ranking performance. The study contributes to contingency theory as analysis of research findings indicates that the joint influence of strategic planning process, strategy implementation and university characteristics on performance of accredited universities is greater than their individual effect. This is in line with the main emphasis of the theory that is, the outcomes in business are dependent on factors internal or external hence an organization must understand its operating environment (Daft, 2000).

The theory supposes that under different circumstances, different solutions may prove efficient (Dobak, 2006) with a primary insight of the theory being that for varying circumstances, it is necessary to apply different structures instead of attempting to use single management principle for all organizations (Baranyi,2001). Galbraith (2002) and Kim (2010) concurs that factors such as structure, strategy, culture, policies, practices and technology are important contributors to organizational performance. The variation of university being large or small, being old or young or being a public university or private affects its performance.

6.4.2 Implication to Policy

The MoEST and the Kenya government at large needs up to date data in order to provide for the various needs in the university sector especially in planning, informing policy/sessional papers and for improvements geared towards national development. Universities as centers of excellence need continuous sensitization of all it members both teaching and non-teaching on the need to collaborate in academic research which is the only way that scientific evidence can be collected and analyzed to aid in continued progress. The world today is knowledge driven and dynamic hence a need for up to date information and this empirical study is one such avenue.

Strategic plans have been used as a management tool to enhance performance of organizations and Accredited universities in Kenya have adopted the practice. The intensity and formality with which the universities engage in the strategic planning process has a significant effect on their performance. It is important that the MoEST and the CUE in their policy formulation efforts continually encourage universities to have strategic planning process that is inclusive of most if not all stakeholders especially the teaching and non-teaching members of staff for when they are involved

in the planning process, they easily join in and own the implementation gearing the achievement. There is need to support universities especially in terms of policy on completion or graduation rate since as evidenced from the findings, there is a large discrepancy between the enrollment level and the completion rate. The ranking of Kenya universities at a global level is mainly average tending toward below average; this calls for policy on how to improve the quality of research and the dissemination of findings with an aim of improving the web ranking performance.

The current study has revealed that intensity of the strategic planning process and a documented strategic plan have a direct effect on the growth of universities in Kenya while operationalization of the plan has a significant intervening effect and age, size and ownership structure have significant moderating effect. On the ranking performance of universities, the intensity of the strategic planning process has a significant direct effect while institutionalization has a mediating effect and age plus size have significant moderating effect. Understanding the individual variable and their effect on the growth and ranking of universities will assist the policy makes in higher education in revising policies to enhance continued improvement in Kenyan university performance.

6.4.3 Implication to Managerial practice

University education is vital to Kenya's effort to increase social capital and promote social cohesion which is an important determinant of economic growth and development. To be globally competitive and address the challenges of the 21st century, universities need to align their programs to the market dictates, enhance quality and relevance and aim at facilitating realization of the social pillar of the Kenya vision 2030 (Kenya Vision 2030).

From 2009 the Kenyan government adopted a policy of accelerating the expansion of public universities through conversion of middle level colleges to universities leading to consistent rise over the years. As a statutory requirement the universities are expected to have strategic plans document stipulating their strategic direction. Departing from the extensive research on the impact of strategic planning on financial performance, this study sought to examine if the how of the strategic planning process has a bearing on the non-financial performance of Accredited universities. The critical concern was the differing performance at local and global levels even when governed by similar laws and regulations, Did all the universities go through the strategic planning process or not?

The growth of universities as impacted by their age, size and ownership structure is a focus point for university management. Some relatively old universities are still very small in size and this requires management to address the challenges they may be facing. Enrollment rates at the Kenya universities highly differ from the completion rate in the same institutions especially in the large universities which indicates possible challenges to the students between the beginnings of their program to its successful completion. Management needs to look into these challenges in the system or otherwise and address them which may be as a result of the formal structures and systems developed over the years.

The degree of formality of the strategic planning process at the university has an adverse effect on their performance because it leaders them rigid. There is need for management at the university to enhance a balance between the degree of formality and the need for flexibility to allow for innovative approaches. A few private universities have their strategic plan document in the custody of the respective

division and it is only availed on demand. For stakeholders to be on board about where the university envisions itself in future, it is important that management avails this document and receives feedback on areas of needed improvement where necessary.

For this study, universities were targeted because the role of higher education has been recognized as a very important link in National development (World Bank report, 2007). The universities centered their strategy on human capital, increased competition in the industry and the fact that their positions especially top management is competitively filled. This necessitates for stakeholder involvement and keenness in the operationalization and institutionalization of strategy to ensure it yields results.

6.5 Limitations of the study

Despite the significant relationship between strategic planning process, strategy implementation, organizational characteristics and performance, the research had a number of shortcomings that need to be considered when interpreting results. The methodological challenge around the reliability of the instrument was addressed by adopting established measurement scale that was used by previous scholars as documented in literature. The questionnaire was also tested for validity and reliability.

The use of cross-sectional research design for the study is another limitation since respondents gave their assessment of the given questionnaire statements only once and at a specific time. The choice of the design was informed by the fact that it offers an advantage in terms of cost, control and time plus other strategic planning process studies used it (O'Sullivan & Abela, 2007; Ranasinghe, 2010; Chavunduka et al., 2015). Hence whereas strategic planning process and organizational performance are

dynamic in nature, current study presents a cross-sectional view. If longitudinal research design was used to test the relationship between this study variable, it is possible that different results would have been obtained.

The third limitation is distinctive to most empirical approach study where a member of top management, who is best informed, is preferred respondent and they give self-reported data on which research outcome is grounded. Whereas these top management members are adequate and reliable source of data, Tan and Lischert (2005) assert that they are only one source of information, with other sources including sources external to organization viable for consideration. In addition the secondary data on university financial performance was highly generalized in all the reports reviewed and not given for each individual university hence not included in the analysis though it was part of the initial study conceptualization. The other operational indicators of growth performance were however considered sufficient for higher education sector where universities are part.

Lastly, the study was limited to accredited universities as listed by the CUE. Therefore, the findings of this study are best applicable to universities and may not be accurately generalized to other sectors. Industry specific studies enhance internal validity of the study but there is need for caution when generalizing findings to different industry context.

6.6 Suggestion for further research

This study finding contributes in understanding the effect of strategic planning process on the growth and rank performance and further it brings out some factors that influence the relationship of strategic planning process and performance. Arising

from the study findings, recommendations for extended research are made. The current study used cross sectional survey design collecting data at a point in time and determining the relationship of the variables at the time. A longitudinal study which will compare the execution of the strategic planning process over several years and the impact this has on the performance of the universities over the years will be an extension in knowledge because it is dynamic and could explain why and how best practices are adopted, others adapted to change while some have been discarded.

Further studies could seek to involve a wider array of stakeholders both within and outside the university to establish their assessment of how the strategic planning process and strategy implementation is carried out at the university as the views of other stakeholders may facilitate a more dynamic understanding of these processes and their influence on university performance which may answer the unexplained variation as this study joint effect explains only about fifty percent of the variation.

An extension of research into other industries with different performance measures to enhance comparison of findings will facilitate the possibility of generalizing the findings across industry. Current study focused on the education sector which has unique and non-financial performance measures. This would extend knowledge frontiers and enable comparison of results and finding critical variation.

The CUE report of 2016 indicated that universities in Kenya were not financially sustainable with a majority of them unable to meet their operational expenses as well as capital expenses. There is need for empirical investigation into the financial viability of the accredited universities in order to aid polices aimed at supporting these strategic institutions to continue offering higher education sustainably into the future.

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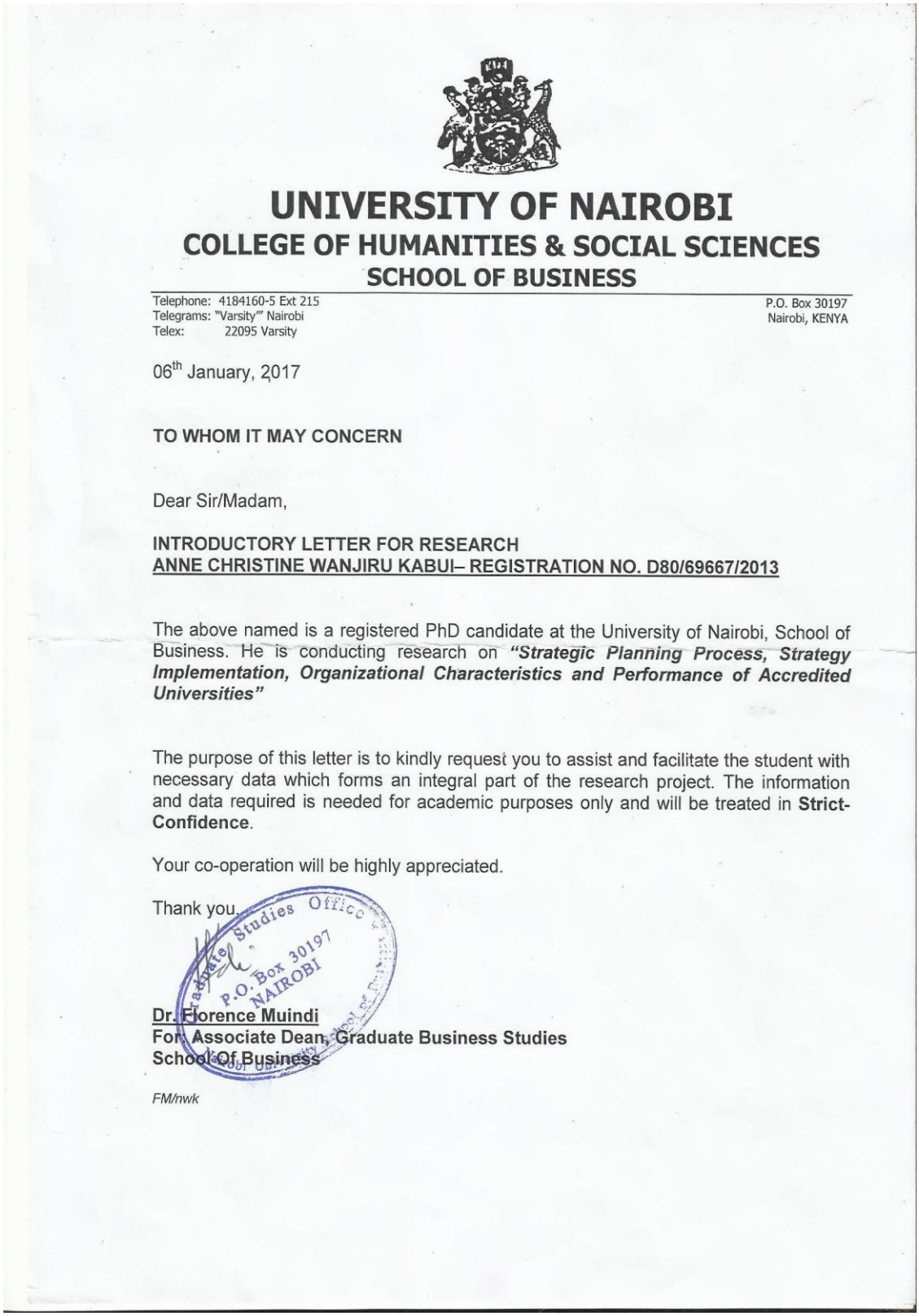
APPENDIX I: INTRODUCTION LETTER FROM UNIVERSITY OF NAIROBI



UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF BUSINESS

Telephone: 4184160-5 Ext 215
Telegrams: "Varsity" Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, KENYA

06th January, 2017

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
ANNE CHRISTINE WANJIRU KABUI– REGISTRATION NO. D80/69667/2013

The above named is a registered PhD candidate at the University of Nairobi, School of Business. He is conducting research on ***"Strategic Planning Process, Strategy Implementation, Organizational Characteristics and Performance of Accredited Universities"***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

Thank you.

Graduate Studies Office
P.O. Box 30197
NAIROBI

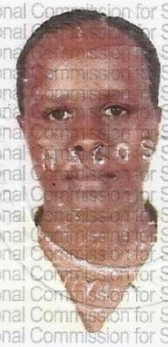
Dr. Florence Muindi
For: Associate Dean, Graduate Business Studies
School Of Business

FM/nwk

APPENDIX II: NACOSTI PERMIT

THIS IS TO CERTIFY THAT:
MISS. ANNE CHRISTINE WANJIRU KABUI
of THE UNIVERSITY OF NAIROBI,
41512-100 Nairobi,has been permitted
to conduct research in *All Counties*

Permit No : NACOSTI/P/17/32886/15560
Date Of Issue : 13th February,2017
Fee Recieved :Ksh 2000



on the topic: *STRATEGIC PLANNING PROCESS, STRATEGY IMPLEMENTATION, ORGANIZATION CHARACTERISTICS AND PERFORMANCE OF ACCREDITED UNIVERSITIES*

for the period ending:
10th February,2018

.....
Applicant's Signature

.....
Director General
National Commission for Science, Technology & Innovation

APPENDIX III: QUESTIONNAIRE

Dear Respondent,

This questionnaire is designed to collect data from accredited Universities in Kenya on **Strategic Planning Process, Strategy Implementation, Organization Characteristics and Organization Performance.** The data you provide will be used strictly for academic purposes and will be treated with strict confidence. Your participation in facilitating this study is highly appreciated. Please read the instructions at the beginning of every section and respond to the best of your knowledge.

SECTION A: GENERAL INFORMATION

1. Name of the University (Rubber Stamp)…..……..……..
2. Job title of the Respondent…….

Tick as appropriate

3. How long have you worked in University?

   Less than 1 year { } 1-5 years { } 6-10years { }

   11-15Years { } Above 15 years { }
4. How long have you worked in your current position

   Less than 1 year { } 1-3 years { } 4-6years { }

   7-9Years { } Above 9 years { }
5. Prior to appointment to current position, please indicate what your previous position

   I was doing a different role in current University (or its campuses) { ..}

   I was working for a different University { ...}

   Other (Please Elaborate)…….……
6. What is the number of employees of the University (Give a figure)

   Permanently employed: Academic staff: {……} Non-academic staff: {……}

   Employees on Contract: Academic staff: {……} Non-academic staff: {……}

   Casual employees: Academic staff: {……} Non-academic staff: {…… }
7. What is the university average student enrollment level in all programs per academic year

   Below 500 { } 501 – 1500 { } 1501 - 3000 { }

3001– 4500 { } Above 4500 { }

8. The university has a written mission statement that is displayed in all offices

   Yes { } No { }

9. The university has a written strategic plan Document

   Yes { } No { }

10. The written strategic plan document…..(Tick Where applicable)

    Is available in all offices and can be accessed by all { }

    Is kept in Custody of the university registrar and can only be accessed upon request { }

SECTION B: STRATEGIC PLANNING PROCESS

One aspect of this study is Strategic Planning Process which consists of Existence of the document of strategic plan, Planning Intensity and the Formality of the planning process. It is a process of using systematic criteria to formulate, control strategic alternative and formally documenting expectations concerning the process. Indicate level of emphasis using the key provided

KEY: 1=Not at all; **2**= Less extent; **3**= Moderate extent; **4**= Large extent; **5** = Very large extent

	Statement/ Question	**1**	**2**	**3**	**4**	**5**
i	All management and high level staff are aware of the University mission and they understand it					
ii	The University systematically measures actual performance versus set goals and objectives					
iii	To what extent do you perform market research to access current needs in university education					
iv	To what extent do you do analysis of competitors in the industry					
v	To what extent in terms of time is VC and senior management involved in strategic planning process?					
vi	The university continuously carries out and environmental analysis to ensure it remains relevant and it adopts to changes					
vii	To what extent are all Senate members involved in planning?					
viii	To what extent are all functions of teaching involved in strategic planning process? (Participatory planning)					
ix	To what extent are all functions of non-teaching involved in strategic planning process? (Participatory					

	planning)					
x	University has written long-term and short-term (1year) plans which are available for reference when there is need					
xi	When appropriate, the goals list quality, timeframe and cost targets that are observable and measurable					
xii	The University strategic plan is available to all members at the university and its affiliate campuses					
xiii	To what extent does your University anticipate surprise, threat and crisis in the strategic plan?					
xiv	To what extent are you flexible/ adapt unanticipated change?					
xv	To what extent have you achieved your set goals?					
xvi	To what extent does your university value a mechanism for integrating diverse functions and operations					
xvii	The university is able to evaluate strategic alternatives available in industry in terms of long term viability?					
xvii	To what extent does university strategy aim at achieving a fit between it and its environment's critical focus areas?					
xix	To what extent does strategy aim at achieving efficiency in allocation of University resources to the areas of mandate?					
xx	To what extent does University management communicate their expectations down to departmental/section heads?					

SECTION C: STRATEGY IMPLEMENTATION

Another aspect of this study is Strategy Implementation which consists of Institutionalization and Operationalization of strategy. Implementation is efforts made by an organization to ensure that the documented strategy is translated into actions to yield results. Please respond to the Questions/ Statements below using the key provided

KEY: 1=Not at all; **2**= Less extent; **3**= Moderate extent; **4**= Large extent; **5** = Very large extent

	Statement/ Question	**1**	**2**	**3**	**4**	**5**
I	To what extent is the overall university structure reviewed to accommodate strategy execution?					
ii	The university undergoes redesigning and remodeling whenever there are major changes in the strategy					
iii	To what extent does your University equip employees with relevant skills to enable them carry out strategic					

	activities?					
iv	To what extent has university installed operating systems that support strategy implementation?					
V	To what extent does your University share appropriate knowledge for strategy execution?					
vi	The university has programs to frequently update employee skills and capabilities necessary for strategy execution					
vii	Strategy implementation is clearly cascaded to all levels in the universities					
viii	Success in carrying out strategic activities is measured at all levels in the university					
ix	Hierarchies and reporting lines are adjusted to ensure that strategic activities are carried out efficiently and effectively					
X	The University strategic plan is developed using a participatory approach to ensure all understand it					
xi	The University departments and sections are given room to device viable ways of achieving strategic objectives					
xii	The University top management exhibits leadership styles in strategy implementation that accommodate varying ideas from different sections					
xiii	Individual members in the university are given room to experiment new ways for strategy implementation					
xiv	The University continually encourages team building activities and collective responsibility					
xv	The University departments and sections individually have key performance indicators that are well articulated for them to accomplish					
xvi	Achievement of key performance indicators are used as a means of performance improvement					
xvii	Section and departments have clear timeline for executing strategy					
xviii	Overall performance is a summation of many key performance indicators achieved by university departments and sections					
xix	The University rewards creativity and innovativeness during strategy implementation					
xx	There are written policies detailing expectation and resulting intervention during strategy implementation					

THE END

Thank you

APPENDIX IV: SECONDARY DATA COLLECTION SHEET

Year University established ……..……

Year University acquired a Charter…….….

University Category Public { } OR Private { }

University Statistics

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Total number of programs offered in the university • Bachelors programs • Master programs • Doctoral programs					
Number of students admitted • Bachelors programs • Master programs • Doctoral programs					
Total number of Graduates • Bachelors Graduates • Master Graduates • Doctoral Graduates					
% increase in Programs; Bachelors Master Doctoral					
% increase in Admissions; Bachelors Master Doctoral					
% increase in Graduates; Bachelors Master Doctoral					
The market rating of the university in the past					

years (Position attained) • Locally					
The market rating of the university in the last years (Position attained) • Internationally					
The Number of Academic staff at the university • Professors • Associate professors • Doctors • Assistant lecturers/Tutorial fellow • Graduate Assistants					
On global ranking of the university, Rating in the areas of: • Referencing per staff member per year • Research publications per year per lecturer • Research grants won per year • Openness of the web • Degree of impact of the publications featured					

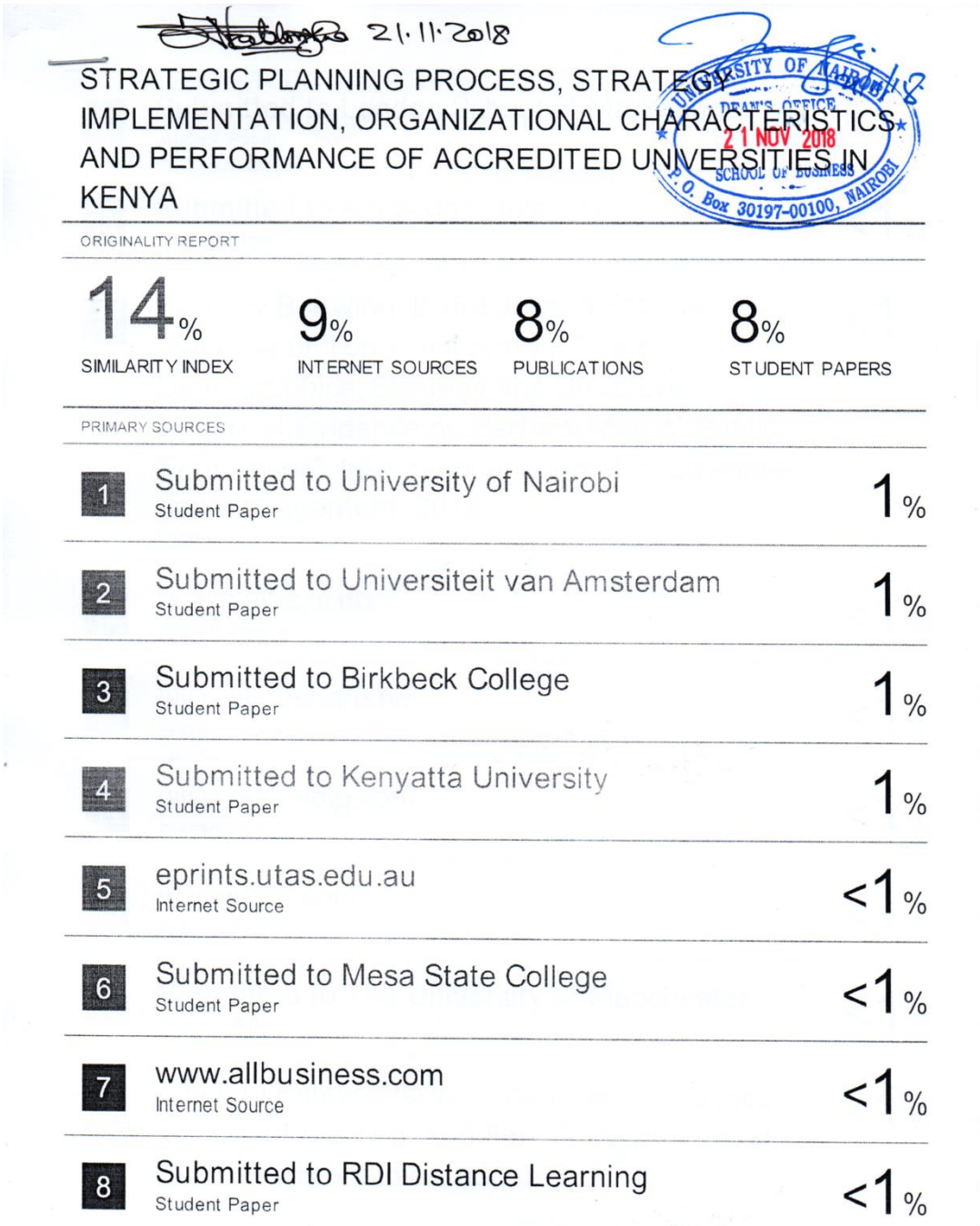
APPENDIX V: ACCREDITED UNIVERSITIES IN KENYA – OCTOBER 2016

	ACCREDITED UNIVERSITIES	YEAR OF ESTABLISHMENT	YEAR OF AWARD OF CHARTER
Public Chartered Universities			
1.	University of Nairobi (UoN)	1970	2013
2.	Moi University (MU)	1984	2013
3.	Kenyatta University (KU)	1985	2013
4.	Egerton University (EU)	1987	2013
5.	Jomo Kenyatta University of Agriculture and Technology (JKUAT)	1994	2013
6.	Maseno University (Maseno)	2001	2013
7.	Dedan Kimathi University of Technology	2007	2012
8.	Chuka University	2007	2013
9.	Technical University of Kenya	2007	2013
10.	Technical University of Mombasa	2007	2013
11.	Pwani University	2007	2013
12.	Kisii University	2007	2013
13.	Masinde Muliro University of Science and Technology (MMUST)	2007	2013
14.	Maasai Mara University	2008	2013
15.	South Eastern Kenya University	2008	2013
16.	Meru University of Science and Technology	2008	2013
17.	Multimedia University of Kenya	2008	2013
18.	Jaramogi Oginga Odinga University of Science and Technology	2009	2013
19.	Laikipia University	2009	2013
20.	University of Kabianga	2009	2013
21.	University of Eldoret	2010	2013
22.	Karatina University	2010	2013
23.	Kibabii University	2011	2015
24.	Kirinyaga University	2011	2016
25.	Machakos University	2011	2016
26.	Murang'a University of Technology	2011	2016
27.	Rongo University	2011	2016
28.	Taita Taveta University	2011	2016
29.	The Co-operative University of Kenya	2011	2016
30.	University of Embu	2011	2016
Public University Constituent Colleges			
31.	Garissa University College (MU)	2011	
32.	Kaimosi Friends University College (MMUST)	2015	
33.	Alupe University College (MU)	2015	
Private Chartered Universities			
34.	University of Eastern Africa, Baraton	1989	1991
35.	Catholic University of Eastern Africa (CUEA)	1989	1992
36.	Daystar University	1989	1994

	ACCREDITED UNIVERSITIES	YEAR OF ESTABLISHMENT	YEAR OF AWARD OF CHARTER
37.	Scott Christian University	1989	1997
38.	United States International University	1989	1999
39.	St. Paul's University	1989	2007
40.	Pan Africa Christian University	1989	2008
41.	Africa International University	1989	2011
42.	Kenya Highlands Evangelical University	1989	2011
43.	Africa Nazarene University	1993	2002
44.	Kenya Methodist University	1997	2006
45.	Strathmore University	2002	2008
46.	Kabarak University	2002	2008
47.	Great Lakes University of Kisumu	2006	2012
48.	KCA University	2007	2013
49.	Mount Kenya University	2008	2011
50.	Adventist University of Africa	2008	2013
51.	KAG - EAST University	1989	2016
Private University Constituent Colleges			
52.	Hekima University College (CUEA)	1993	
53.	Tangaza University College (CUEA)	1997	
54.	Marist International University College (CUEA)	2002	
55.	Regina Pacis University College (CUEA)	2010	
56.	Uzima University College (CUEA)	2012	
Institutions with Letter of Interim Authority (LIA)			
57.	Kiriri Women's University of Science and Technology	2002	
58.	Aga Khan University	2002	
59.	GRETSA University	2006	
60.	Presbyterian University of East Africa	2007	
61.	Inoorero University	2009	
62.	The East African University	2010	
63.	GENCO University	2011	
64.	Management University of Africa	2011	
65.	Riara University	2012	
66.	Pioneer International University	2012	
67.	UMMA University	2013	
68.	International Leadership University	1989, LIA (2014)	
69.	Zetech University	2014	
70.	Lukenya University	2015	

Source: CUE WEBSITE,(cue.org.ke: November,2016)

APPENDIX VI: ANTI-PLAGIARISM REPORT



21.11.2018

STRATEGIC PLANNING PROCESS, STRATEGY IMPLEMENTATION, ORGANIZATIONAL CHARACTERISTICS AND PERFORMANCE OF ACCREDITED UNIVERSITIES IN KENYA

UNIVERSITY OF NAIROBI DEAN'S OFFICE 21 NOV 2018 SCHOOL OF BUSINESS P.O. Box 30197-00100, NAIROBI

ORIGINALITY REPORT

14%	9%	8%	8%
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