

**STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF THE
INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA**

ELISHA WALELA WANYONYI

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DECLARATION

The research project is my original work and has not been submitted for a degree in any other university.

Signature: Date:

ELISHA WALELA WANYONYI

D61/81489/2015

The research project has been submitted for examination with my approval as university supervisor.

Signature: Date:

DR. JEREMIAH KAGWE

DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

DEDICATION

This research project is dedicated to my dear parents Mr. & Mrs. Wanyonyi who taught me that even the largest task can be accomplished if it is done one step at a time, and to my brothers and sister (Gideon, Morris, Stephen, Pauline) for cheering me on even when things got tough.

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LIST OF ABBREVIATIONS

ICPAK- Institute of Certified Public Accountants of Kenya

CPA- Certified Public Accountants

KASNEB - Kenya Accountants and Secretaries National Examination Board

RAB- Registration of Accountants Board

ACCA - Association of Certified Chartered Accountants

CRM- Customer Relationship Management

IFAC - International Federation of Accountants

PAFA- Pan African Federation of Accountants

CPD- Continuing Professional Development.

KRA- Kenya Revenue Authority

PESTLE - Political Environmental Social Technological Legal Economic Analysis

SWOT - Strength Weaknesses Opportunity Threats Analysis

ABSTRACT

The purpose of the study was to examine the strategic management practices adopted by the Institute of Certified Public Accountants of Kenya and ascertain how these practices have influenced the performance of the institute. This study was guided by the following specific objectives: to determine the strategic management practices of ICPAK and to examine the influence of strategic management practices on the performance of ICPAK. Case study was the research design that was adopted by the study and interview guide was used to collect the primary data. The researcher interviewed two members of the finance and strategy committee, two members of the public policy and governance committee and two members of the research and development committee of the institute. Content analysis was used by the researcher in data analysis to help in classifying data and evaluate how the concepts interrelate. The study established that the Institute has adopted strategic management practices in relation to environmental analysis, strategy formulation, execution and evaluation. The institute also has a written vision and mission which guide it in developing its corporate strategy. The study established that the strategic planning process of the institute is participatory, and it involves a lot of consultations with different key players in the institute. The study found out the implementation of the strategic plan was conducted by the senior management team based on the weekly, monthly, quarterly and annual reports from the heads of departments. Furthermore, the study established that adoption of the strategic management practices had a positive influence on the performance of the institute. The key organizational performance indicators that have been used for determining the performance level of the institute are the mandates assigned to it through the enabling Act. Findings from the study show that strategic planning at the institute begins from the top level, driven by the members of the council and senior management and who are similarly the main members of the public policy and governance committee. These formulate objectives and lay out key priorities basing on the available resources and the external conditions that have an impact on the organization. These objectives are translated into measurable goals that are assigned to various departments. Monitoring and performance control is done through periodic reports that are submitted to the finance and strategy committee for evaluation and recommendation for corrective action in case the performance does not meet the expectations. Substantial costs incurred in the formulation and implementation of the strategy are mainly due to research and dissemination of information to the stakeholders as well as to the public.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Strategic management practices have been found to have a significant impact on the performance of an organization. According to Nag, Hambrick and Chen (2007), the success and survival of an organization depend on how well it practices strategic management. Organizations exist to address certain needs in the society, the efficiency with which these organizations address these needs is what determines its performance. In order for organizations to exhibit good performance, to grow and to be assured of long-term survival, it is necessary that they become aware of their surroundings and adopt good strategic management practices that align with the requirements of these surroundings. Good strategic management practices would ensure that the organization uses minimal resources and constantly achieves its goals.

This study was premised on two theories: the knowledge-based view and the neo-institutional organization theory. The knowledge-based view relates the performance of an organization to its knowledge resources. According to this view, a good organizational performance is often a manifestation of superior knowledge as compared to its competition (Miller, 2002). The neo-institutional organization theory explains how the external environment impacts the performance of an organization. This theory contends that an organization never exists in isolation and its performance is often a manifestation of how well it interacts with the external environment (Meyer & Rowan, 1977).

Strategic management practices in professional bodies influence financial as well as non-financial performance. The Institute of Certified Public Accountants of Kenya is legally mandated with regulating the accounting practice in Kenya. The institute is tasked with promoting standards of professional competence and practice amongst its members;

promotion of research in accountancy and finance and related matters; promotion of international recognition; provision of advice to examination boards on matters relating to examination standards and practices and to advise the minister regarding issues of finance in all sectors of the economy (ICPAK, 2018). The organization is therefore required to come up with a number of strategic management practices that are aimed at ensuring that it performs according to the requirements as obligated.

1.1.1 Strategic Management Practices

Strategic management denotes a set of choices and activities which lead to the formulation of an implementation of plans aimed at realizing the objectives of the company (Morden, 2007). It comprises of actions and decisions made by the top management aimed at realizing the long-term performance of an organization. Strategic management is a continual practice that evaluates the environment in which the organization functions, its competitors both existing and potential competitors, and keeps on re-evaluating each strategy regularly in order to find out whether the strategy works or needs to be changed so as to adapt to new circumstances; changes in technology, increased competition, changing economic, political, financial and social environment (Morden, 2007). An essential theme of the strategic management standpoint is that for an organization to realize continued success, it needs to have a strategic game plan that is both intelligent and well-timed and should keep on revising the strategies to align with the variations in the environs and the situations in the surroundings, and implements its strategies skilfully (Mintzberg, 1993).

Strategic management practices involve the following processes: developing the vision and the mission; setting of the objectives; analysing opportunities and threats; analysis of the internal strengths and potential weaknesses of the organization; formulation of a strategy that achieves the organizational objectives; implementing and executing the strategy and finally monitoring of the strategy and making modifications as will be necessary (Chaneta, 2000).

The vision of an organization is what it desires to achieve in the future while the mission justifies the existence of the organization. It is from the vision and the mission statements that an organization defines its goals, values and purposes. Setting objectives involves converting an organization's mission into performance targets. These targets may either be financial or non-financial. Once the objectives have been set, the organization needs to determine the opportunities and threats available in the external surroundings as well as the strengths and weaknesses which it possesses internally to take advantage of these opportunities. Crafting of the strategy follows environmental analysis, this refers to coming up with a pattern of ways to achieve the set objectives. After strategy creation one moves to strategy implementation, which is finding ways to make the strategies work as planned. Implementation of strategy is the most time consuming and the most difficult part of strategic management practice. Once implementation is complete, the management needs to monitor and control performance and initiate corrective measures, introducing modifications as are necessary to align with environmental demands (Chaneta, 2000).

1.1.2 Organizational Performance

Organization performance refers to the examination of how optimally an organization puts into using its resources. The actual outputs are measured against the intended outputs to determine the level of efficiency that has been achieved in production (William, 1994). Performance is also defined as the outcome realized from all the strategies and activities of an organization (Sadegh, Alireza, & Behzad, 2013). An organization's performance is thus a measure of effectiveness, environmental awareness and responsibility, efficiency, waste reduction, compliance with laws and regulations etc.

Measuring performance is thus necessary for strategic management since the stakeholders need to know whether the organization is performing as intended. Focus on performance for most profit-making organizations is usually on profitability. In the instance of non-profit

making organizations, concentration is on how well the organization achieves its mission, how adaptive the organization is to the changing environment, the level of customer-focus that is exhibited, how sustainable the organization appears to be in the long-term, the level of entrepreneurship that is practiced and how much focus has been put on attaining the set outcomes. In this respect, performance measurement encompasses both qualitative and quantitative processes (Condrey, 1994).

Different firms would have different methods of assessing performance. This is because the strategic choices of a firm would influence how it measures its levels of success (Steers, 1975). In this research, the performance metrics that will be measured will be qualitative and will be based on the mandates of the institute, these will be: whether the members of the Institute exhibit ideals of professional competence and practice; whether there has been an increase in the activities of research in accountancy and finance and related matters; the extent to which it promotes international recognition; the extent to which it advances examination boards on matters relating to examination standards and practices and whether it advances the minister regarding issues of finance in all sectors of the economy.

1.1.3 Accountancy Profession in Kenya

In 1978, the Kenya parliament passed The Accountants Act, registered under Chapter 531 of the Laws of Kenya (ICPAK, 2018). The Act established three bodies responsible for regulating the accounting practice in the country. These bodies are: Institute of Certified Public Accountants of Kenya (ICPAK), Kenya Accountants and Secretaries National Examination Board (KASNEB) and Registration of Accountants Board (RAB). RAB was later disbanded in 2008 in a bid to streamline the regulatory structure. The accountancy profession is one of the most respected professions in Kenya because of the critical role it plays in financial management and in increasing the national income.

The accountancy profession involves offering the following services to the clients: audit and advisory, tax services, business advisory services, treasury management, business administration, budgeting, forensic audits, projects evaluation, payroll management, project fund management, business strategy monitoring, financial reporting and a host of other related services (Carnegie & Napier, 2010).

Regulators for the accounting profession in Kenya are twofold: The Institute of Certified Public Accountants of Kenya (ICPAK) and the Association of Certified Chartered Accountants (ACCA). The ICPAK is incorporated in Kenya while the ACCA is based in London. The ICPAK has mandated the Kenya Accountants and Secretaries National Examinations Board (KASNEB) to offer examination to its candidates, while ACCA directly offers examinations to its members (ICPAK, 2018).

1.1.4 Institute of Certified Public Accountants of Kenya

The Institute of Certified Public Accountants of Kenya (ICPAK) refers to a professional body of Certified Public Accountants in Kenya. The body was established through the Accountants Act (no 15 of 2008) and is a member of two international bodies, namely: The International Federation of Accountants (IFAC) and the Pan African Federation of Accountants (PAFA) (ICPAK, 2018).

The Institute is mandated with the following responsibilities: to constantly improve the quality of service offered by its members; to ensure a lot of research and publication is done in the subject of accountancy, finance or any other related fields; to ensure the institute is recognized globally; to advice KASNEB with regards to examination policy and standards and to ensure the minister is well advised on the issues pertaining to accountability in finance in all sectors of the economy (ICPAK, 2018).

Membership at the institute has been on a constant increase through the years, standing at about twenty-one thousand as at December 2017 (ICPAK, 2018). For one to join as a member, one needs to sit, and complete CPA examinations offered by KASNEB. There are three categories of membership: full membership, associate membership and fellows of the institute. An associate membership is given to accountants with less than three years of accounting experience. Persons with more than three years' experience are granted full membership while fellows are those members recognized by the Institute for exemplary service and significant contribution to the accountancy profession in their capacities as trainers or advisors or in standards development. Fellows are chosen during Annual General Meetings by the members (ICPAK, 2018).

1.2 Research Problem

Generally, organizations exist to address a problem in society. The continued existence of any organization however is dependent on how well it performs the activities for which it was formed. Strategic management practices were therefore formulated and entrenched into organizational practice to ensure that performance conforms with a given set of standards.

Strategic management in professional organizations requires getting a grasp of the external environment and understanding the principal purpose for which the organizations were formed. Through strategic management, professional bodies can anticipate and appropriately prepare for changes in the market, new developments both locally and internationally and challenges that arise from time to time. It is proper strategic management that facilitates evaluation of competing for investment projects and hiring of qualified staff for the continued survival of the organizations.

The ICPAK is established by an Act of parliament and is tasked with regulating the accounting profession in Kenya. The enabling Act spells out a number of roles which the

institute needs to play in the process of carrying on its duties, amongst them; upholding standards of professional proficiency and practice amongst its memberships; advancement of research in accountancy and finance and related disciplines; encourage global credit; giving advice to examination boards on matters concerning examination standards and practices and to provide guidance to the minister concerning matters of finance in all sectors of the economy. To fulfil its mandate, the institute has chosen strategic management as its model choice. This research therefore aims to determine the strategic management practices that have been adopted by ICPAK and to find out whether these practices have improved the performance of the institute.

Many studies have been conducted with regards to strategic management practices and performance in different organizations. Muogbo (2013) ascertained that as a result of strategic management there was a marked improvement of the performance of employees and ultimately an increase in the output of manufacturing firms; Kakooza, Tusiime, Odoch and Bagire (2015) determined that management practice had to a great extent improved the performance of public hospitals in Uganda; Bansal and Kumar (2016) concluded that how strategy is controlled, implemented and evaluated impacts on how the cement industry in India performs and grows. In Kenya, Mbugua, Waiganjo and Njeru (2015), Waweru and Omwenga (2015) and Maroa (2015) all concluded that strategic management practices lead to better performance of organizations.

Onono (2012) determined that several strategies have been adopted by the ICPAK in a bid to position itself strategically in the global arena. Onono (2012) further identified these strategies as including the adoption of recognition arrangements, upsurge in the number of people represented in bodies responsible for making standards and setting up of offices in foreign nations.

Findings from the researches above however, might not apply to this research. Notably, little research has been carried out with respect to professional bodies in Kenya and specifically, with respect to the ICPAK. Onono's focus was only on global strategic management practices. Very little or no research has been done as pertains to how the strategic management practices influence performance. The purpose of this study thus is to bridge the gap and provide responses to the following questions: what are the strategic management practices adopted by the ICPAK and how do these practices impact on performance?

1.3 Research Objectives

The objectives of the study were:

- i. To determine the strategic management practices of ICPAK
- ii. To examine the influence of strategic management practices on the performance of ICPAK

1.4 Value of the Study

This study is important to scholars and researchers as it would contribute to broadening the body of knowledge in strategic management. This research would identify any cracks in the strategic management practices by the institute and how this affects performance. The researcher would be able to obtain information in the course of this research that would widen their understanding of the field of strategic management. This research would also be able to form a basis for further researches in order to fill gaps that would arise.

This study would also be of good use to the government and the policymakers. These are responsible for making amendments to the Accountants Act which establishes the ICPAK.

The government would also be able to advise on policy changes and the best strategic management practices required.

Results from this study may also be of benefit to professional bodies in the country, as it would form the basis for learning the most suitable strategic management practices. The ICPAK would particularly gain from this research as it would identify the strategic management practices at the Institute and establish whether these practices lead to good performance, advising on any weaknesses established and improvements that would need to be done to better its performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the following areas: the theoretical foundation for this study; strategic management practices and performance; a summary of the knowledge gaps and a conceptual model.

2.2 Theoretical Foundation

The following theories have been discussed in this literature review: neo-institutional organization theory and the knowledge-based view.

2.2.1 Neo-Institutional Organization Theory

The neo-institutional organization theory is a theory based on the works of John W. Meyer in his publication about four decades ago (Meyer & Rowan, 1977). His arguments were further boosted by publications by Zucker (1977) and Meyer and W. (1983). This theory postulates that institutions do not exist in vacuums, they are surrounded by an environment comprising of knowledge constantly given out by education systems and professionals; the laws governing their practice; public opinion and rational myths. These external forces are what comprises the institutional environment and do influence the operations of an institution. As such, the practices of an organization as well as its structure is more often a manifestation of how an organization chooses to respond to agreements, beliefs and rules that have been established by the external environment.

The neo-institutional organization theory is relevant to strategic management practices and performance since it tries to rationalize why an organization needs to adopt certain strategic practices. Organizations must react to the fluctuations in the environment; and the modern environment keeps on fluctuating, bringing in issues of standardization, globalization and terms such as international best practices.

Even though the neo-institutional organization theory has been the most successful in explaining the rationalization of organizations, it has faced many criticisms. A good number of neo-institutional studies do not focus on determining the comprehensive but substantial connection that subsists between formal organizations and the modernized environment. The definitions offered by Scott R. W. (1994a, 1994b, 1995), Jepperson (1991), Meyer (1994) and Barley and Tolbert (1997) are too wide and too general and therefore do not justify the distinct oddity of the practices of institutionalization. Instead of discussing so broadly, the focus of normative and rational frameworks should be narrowed to performance, formal organizations or professional bodies, work-related patterns and rationalized beliefs.

2.2.2 The Knowledge-Based View

The knowledge-based view is a significant advancement to the resource-based view based on the works of Penrose in the mid-20th century (1959). The resource-based views' focus was attaining sustainable competitive advantage through the acquisition of internal resources that were uncommon, valuable, unique and non-substitutable (Penrose, 1980). As opposed to focusing on physical resources as is the case with the resource-based view, the knowledge-based view concentrates on knowledge and knowledge-based assets (De Carolis, 2002). Knowledge resources play a vital role in ensuring that an organization stays competitive for an extended period of time since knowledge is difficult to imitate and is the major pillar upon which sustainable differentiation may be anchored (Wiklund & Shepherd, 2003).

To attain superior sustained performance by an organization, it needs to focus on its knowledge-based capabilities (DeNisi, Hitt, & Jackson, 2003). Organizations that have superior talent compared to others would almost always perform better and have a sustained competitive advantage. For firms to serve effectively and efficiently, there is a need to focus on acquiring knowledge. According to Nonaka (1991) knowledge is the most important and the longest lasting source of competitive advantage

Studies on organizational performance have linked better knowledge base achieved through organizational learning to better performance by the firms (Senge, 1990) and (Garvin, 1998). These studies have also shown that organizations with higher inventories of knowledge have a competitive advantage over other organizations (Miller, 2002). The higher the knowledge base, the more responsive an organization becomes to changes in the environment and the more strategically flexible it becomes (Grant, 1996a & Volberda, 1996). Strategy formulation and successful implementation in a knowledge-based set up highly depend on the capabilities of the people (Sveiby, 2001).

The knowledge-based view has however faced several criticisms from scholars. According to Machlup (1980), the definition and operationalization of the concept of knowledge are particularly challenging. There therefore lacks a consensus on which knowledge processes carried out within a firm to provide a competitive advantage. Some scholars contend that it is the efficiency with which an organization exploits the existing knowledge that makes it perform better than the rest, while other researchers believe superior performance depends on the ability of an organization to generate new knowledge.

2.3 Strategic Management Practices and Performance

Strategic management practices include the formulation of the vision and mission statements, the setting of objectives, environmental analysis, strategy formulation, implementation, monitoring and control. These are explained as follows:

2.3.1 Vision and Mission Statements

The vision and the mission statements express the organization's reason for existence and provide a framework for ensuring the business operations are sustained (Chaneta, 2000). Making a connection between the vision and mission of the organization and its performance has always been a big challenge to employers.

This can be solved through the following steps: emphasizing on the product as opposed to the process; making sure employees know their weaknesses and strengths in doing their duties and constantly reminding the employees how much the organization values them (Vance, 2006).

2.3.2 Objectives Setting

Objectives refer to the goals which have been determined to be critical for the success of the organization (“Strategic objectives,” 1982). A key development in objectives setting in strategic management has been the introduction of management by objectives (MBO).

This is the practice in which employees participate in setting the goals for the organization. Studies to measure how management by objectives impact on performance have shown a positive relationship (Raia, 1965), (Ivancevich, 1974) and (Muczyk, 1978).

2.3.3 SWOT analysis

This refers to scanning the internal environment for strengths and weaknesses and checking the external environment for opportunities and threats (Abels, 2002). SWOT analysis has been found to have a positive contribution to the performance of the organization.

SWOT analysis enables discovering new opportunities, dealing with risks, creating a competitive position, improving operations and enhancing the optimal use of resources (Phadermrod, Crowder, & Wills, 2016).

2.3.4 Strategy Formulation

Strategy formulation begins the second phase of the strategic management process. Formulation refers to efforts made by the management to select the most suitable courses of action that may lead to attaining the goals of the organization (Dadiesh & Gilbert, 2001).

During this stage, the management tries to make modifications to the existing objectives and strategies with the intention of ensuring the organization achieves better performance.

Recommendations that result from strategy formulation phase need to have the following qualities: practical when contemplated against the resources available; reasonable in terms of the time available and the resources and acceptable to the important stakeholders. Strategy formulation involves four steps: doing a review of the existing objectives and strategies; ascertaining a number of strategic options that may address the three levels of strategy formulation (corporate, business and functional levels); evaluation of these alternatives based on the above-mentioned qualities and; selecting the most suitable alternatives that should be implemented (Dadiesh & Gilbert, 2001).

2.3.5 Strategy Implementation

This is the most important stage as it is the point at which strategies become alive. It involves coming up with an implementation plan and taking all measures to ensure that the new strategy becomes active and effective in achieving the objectives of the organization (Dadiesh & Gilbert, 2001).

It is through proper implementation of the strategy that improved performance is realized by an organization. The methods through which an organization implements the strategies it has chosen is referred to as tactics.

2.3.6 Monitoring and Control

After strategy implementation, it is good practice to build a strategy control system that measures the performance of a given strategy and its implementation. Monitoring of the execution needs to be done so as to find out whether adjustments are necessary. This can be done through translation of strategic goals into operational goals with performance indicators to determine whether positive progress is being made.

Controlling the implementation can be done through outlining clear responsibilities to persons responsible for implementation so that the team leader can easily determine where and who is not performing as required (Raps, 2005). If the performance does not improve, the management may either review its execution plan or change its strategies after investigating the cause.

2.4 Summary of Knowledge Gaps

Table 2.1: Summary of Knowledge Gaps

Study(s)	Area of Study	Findings	Methodology	Knowledge Gaps	Focus of this study
(Muogbo, 2013)	Impact of Strategic Management on Organisational Growth and Development (A Study of Selected Manufacturing Firms in Anambra State)	How employees perform in an organization depends on strategic management. Employees in manufacturing firms are more productive when applying strategic management practices.	Descriptive survey	Conceptual: focus was on the impact on the growth of the organization (not performance) Contextual: was done on manufacturing firms in Anambra state.	Conceptual: focus will be on how strategic management affects the performance of an organization Contextual: study will be done on the ICPAK.
(Kakooza, Tusiime, Odoch, & Bagire, 2015)	Management Practices and Performance of Public hospitals in Uganda	Management practice had a significant impact on the performance of public hospitals in Uganda	Descriptive survey	Conceptual: the study was on management practice (not strategic management practices) Contextual: was done on public hospitals in Uganda	Conceptual: focus will be on how strategic management affects the performance of an organization Contextual: study will be done on the ICPAK.

(Bansal & Kumar, 2016)	Strategic Management Practices in Indian Cement Industry and its Growth a Case Study of Selected Cement Companies	The cement industry in India is affected by the manner in which strategic management is practiced	Descriptive survey	Conceptual: the focus was on strategic management practices in the cement industry Contextual: the study was done on selected cement companies in India	Conceptual: focus will be on how strategic management affects the performance of an organization Contextual: study will be done on the ICPAK.
(Mbugua, Waiganjo, & Njeru, 2015)	The relationship between Strategic Performance Management and Employee Retention in Commercial Banks in Kenya	strategic performance management influenced employee retention	Descriptive survey	Conceptual: the study was on strategic performance management (not strategic management practice) and on employee retention (not performance) Contextual: was done on Commercial Banks in Kenya	Conceptual: focus will be on how strategic management affects the performance of an organization Contextual: study will be done on the ICPAK.
(Waweru & Omwenga, 2015)	Influence of Strategic Management Practices on Performance of Private Construction Firms in Kenya	Strategic management practices lead to better performance	Descriptive survey design	Contextual: the study was done on private construction firms	Contextual: study will be done on the ICPAK.
(Maroa, 2015)	Influence of strategic management practices on performance of floriculture firms in Kenya	Flower firms that had adopted strategic management performed better than those that had not	Descriptive survey design	Contextual: study focussed on floriculture firms	Contextual: study will be done on the ICPAK.

Source: Researcher 2018

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the methodology applied in the collection of data. It presents a discussion of the chosen design, the procedures for collecting and analysing data.

3.2 Research Design

This study adopted the case study design. According to (Kothari, 2004), a case study technique refers to a method for qualitatively or quantitatively exploring data which involves a comprehensive and cautious observation of an organization, condition or single person. Using a case study, a lot of energies is expended in order to ensure every single characteristic of the unit concerned is studied in the smallest detail, the results of which may then be generalized, and conclusions are made (Kothari, 2004).

The choice of a case study methodology was informed by the need to meet the objectives of this research. A case study allowed the collection of comprehensive details about the strategic management practices at the ICPAK and the changes in performance that have occurred as a result. Using this design, it was possible to obtain an in-depth perspective of the variables being tested at the organization and thus enabling a contextual examination of their interrelationships.

3.3 Data Collection

This study used a combination of primary and secondary sources of data. The primary data was collected using an interview guide. An interview guide technique was the most appropriate for a case study since it allowed for the collection of more details and of greater depth from the respondents.

The interview guide consisted of open-ended questions that allowed for further probing in order for the researcher to better understand and obtain better insight into the performance of the organization. The interview guide consisted of three parts: Section A, covering the Biodata of the interviewee, section B covering the strategic management practices of the institute and the final section addressing the questions on the influence of strategic management practices on the performance of the institute. The interview guide was administered to two members of the finance and strategy committee, two members of the public policy and governance committee and two members of the research and development committee who are involved in the strategy formulation, implementation and evaluation process. Secondary data was obtained from the organization's website and from available records at ICPAK.

3.4 Data Analysis

Data analysis was done using content analysis. According to Mugenda and Mugenda (2003) content analysis refers to a methodology that is applied for making inferences through analytically and objectively categorising identified characteristics in the responses. In addition, the technique also uses these characteristics to determine trends and establish relationships. The content analysis allowed the systematic qualitative description of the materials under study. This method is objective and flexible. Data collected from the questionnaires was assessed, compared and then summarized to meet the objectives of the research.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter provides findings, analysis, and interpretation of data of the findings of the study obtained from the interview guide in establishing the strategic management practices and the extent to which these practices influenced the performance of the institute of certified public accountants of Kenya. The research utilized content analysis and the findings are categorized in groups of similar themes for easy interpretation. The chapter also explains the findings in comparison with relevant literature as established by other authors in the same field of study.

4.2 General Information

The respondents were comprised of the members of the finance and strategy committee, members of research and development committee and members of the public policy and governance committee of the ICPAK. The researcher interviewed six respondents as outlined in the research design. The respondents have vast experience in their fields and most of them have served at the institute for a period exceeding ten years. Furthermore, the respondents have immense knowledge in strategic management practices, and have participated in the implementation of strategic management practices at the institute.

4.3 Strategic Management Practices

A strategic plan begins with a clearly characterized business mission. A mission outlines the organization's essential capacity in the public, in regard to products and services it offers to its clients. ICPAK utilizes a formal strategic planning process whereby the vision, mission and choice strategy are implemented at the managerial level under the supervision of the Chief Executive Officer.

The ICPAK strategic plan has a life cycle of two years. Upon its expiry, the executive management convenes a meeting to discuss and set the strategy for the next two years. The current scorecard strategic plan of 2016-2018 has been designed in a way that emphasis has been placed on the customer, accountancy regulation, thought leadership and institutional sustainability. To design this strategy, the management utilized a participatory approach that involved the staff, Board of Directors and external stakeholders.

4.3.1 Mission and Vision statements

The study sought to ascertain if the institute has a documented mission and vision statement. In any corporate organization, a vision statement plays a crucial role in the strategic planning process from its designing to implementation.

ICPAK has a clearly documented vision statement '*A world-class professional accountancy institute*', and the mission is '*to develop and promote internationally recognised accountancy profession that upholds public interest through effective regulation, research and innovation*'. The vision and the mission statements are visibly displayed in all departments. Additionally, all official documents from the institute have the vision and the mission of the organization.

4.3.2 ICPAK alignment with its vision and mission statements

The study sought to establish how the institute aligns itself with its vision and mission statements. The organization translates its mission and vision into measurable goals and uses them to form performance targets in various departments. The department sets their annual targets using the vision and mission statements.

Effective adoption and execution of the vision are accomplished through performance target appraisals where all institute managers sign for yearly performance targets. These objectives are transferred further down to incorporate all members of the staff. The institute has further

embraced different quality models to guarantee that it attains internationally recognized accounting practices.

4.3.3 Strategic management practices used at ICPAK

The study sought to establish the different strategic management practices that are used in designing, execution and monitoring of the strategic plan.

4.3.3.1 Establishing a Vision

All the respondents who have participated in the strategic planning for the last six years agree that the vision of the institute is in line with its corporate goals and objectives.

They further stated that the vision was created after an intensive consultation with various stakeholders and it is reviewed after a span of every five years.

4.3.3.2 Establishing a Mission

A mission is a short statement that describes the organization's functions, why it exists and its main operations. The mission of the institute was derived from its core values, which are professionalism, competency and accountability. The mission was established under the laws of Kenya cap 531.

The Accountants Act (no.15 2008) establishes the mandate of the institute. According to Hillman (2014) mission communicates the organization's reason for being, and how it aims to achieve the set objectives as well as its goals. Clients, employees, and investors are the main stakeholders of an organization. It also conveys information about its products and services as well as the organization plans.

4.3.3.3 Development of key strategies that contribute to the overall vision

The institute's key strategies are developed mainly through a brainstorming process by the board members and the senior management. a strategy development process is employed to

ensure that assessment and thorough analysis of the organization is done before implementing changes.

Key activities are picked out based on the results and they guide in determining the organization's current and future direction. The current strategic plan is based on four pillars namely; customer focus, accountancy and regulation, thought leadership and institutional sustainability.

4.3.3.4 Development of strategic goals

The respondents stated that the strategic plan acted as a blueprint that is used in the development of strategic goals. The strategic and management team conducts a thorough research to ascertain the capabilities of the organization to achieve its set goals.

The focus is on the organizational infrastructure in terms of its human capital and financial resources available. If the resources are limited, or the time required to attain the objective is inadequate the management drops the goal since it will be unrealistic.

4.3.3.5 Establishing Core Values

All the institute shareholders are involved in the established of the core values. This is done using staff meetings, town hall meetings, and suggestion box and by using research tools such as questionnaires and interviews. The management team designs a list of values that is sent to all stakeholders.

The team will thereafter revise the list based on the feedback and consultations with the stakeholders. The organization then settles on values that are consistent with its plans, goals and objectives. The institute has five core values, which are: Integrity, Professionalism, Quality, Service delivery and Continuous Learning.

4.3.3.6 Communication of Vision, Mission, Key Policies

According to the respondents, the institute utilizes various channels in communicating its vision, mission and key policies. The task of disseminating information lies heavily in the communication department. Internally, the communication sends memos and copies to the staff member in case of an introduction of a new policy.

The organization also organizes meeting forums in all departments to discuss the key policies. Externally the organization communicates by placing the information in the newspaper and on its website. The council in collaboration with the senior management ensures that the adopted strategic plan meets the international standard operating procedures.

4.3.3.7 Creation of Short Term & Long-Term Goals

The research sought to establish how the institute develops its continuing and temporary goals. According to the respondents, the Institute derives its long-term and short-term goals based on their strategic plan.

Departmental heads make the short-term goals, which are in tandem with the long-term goals of the organization. The temporary goals are measured using performance contracts that help in staff evaluation.

4.3.3.8 Monitoring and Evaluation

The respondents contented that the institute uses weekly, monthly and annual reports from the departments for implementation and taking corrective action. All the departments have specific work plans that are in line with the strategic plan. The senior managers oversee monitoring and evaluating of staff performance (Performance Management function) on daily, weekly, monthly and quarterly as appropriate to ensure achievement of set targets within agreed timelines.

The institute also has clear monitoring and evaluation that helps the managers in implementing and managing the gaps. It also helps in communicating and communicating the accomplishment of strategic objective goals.

4.3.3.9 Corrective Action Review and Addressing Gaps

According to the respondents, the institute relies on quarterly reports submitted by the departments to identify performance gaps. The heads of departments are supposed to submit monthly report progress, which helps in determining if they are in the process of meeting their departmental goals.

The finance and strategy team thereafter compile the monthly-submitted reports and give the departments a scorecard progress report. In case the targets have not been met the finance and strategy committee recommends the actions to be taken. In extreme cases where the departments need an extra budget allocation, the council convenes the meeting to discuss the way forward.

4.3.4 ICPAK Strategic Planning Process

The study established that the institute utilizes a five-step procedure that covers preparation, formulation, adoption, evaluation and risk management. The process is used when designing a new strategic plan or reviewing the existing strategic plan after the two-year period to

ascertain if the organization was able to meet all its strategic objectives. According to Najmaei (2010) strategic management refers to the process that involves the formulation and adoption of major goals mainly taken by the management of the organization paying attention to the environment inside and outside of the institute.

The council and the senior management take the first step to decide on whether to undertake the strategic planning. If this is agreed upon, the council and senior management choose a strategic planning and committee team that will oversee the process. This team is given a responsibility to design the strategic planning process that will be used by the institute. The strategic planning begins with the stakeholder mapping process whereby the stakeholders are analyzed based on their level of power and interest. This is done to ascertain their legitimacy, influence and willingness to be part of the ICPAK. After the council and the top management review the process, they are then given the go-ahead to communicate the process to the stakeholders.

The second phase that the strategic committee focuses on is the situational analysis that is encompassed of SWOT and PESTLE analysis. It is from this point that the team identifies critical issues facing the organization. The team then works on formulating strategies that address the issues facing the organization. It is at this phase that a new strategy is drafted based on the corporate goals and objectives of the organization as well as the available financial resources.

The next step is to identify the institute strategic direction. This is done after the analysis of the organization's mission, vision and core values to guarantee that the strategic direction that the organization undertakes will be in tandem with them. The strategic direction is used to identify the organization's strategic priorities. The current strategic plan has four strategic priorities namely the customer focus, Regulating the Accountancy Profession, Thought

Leadership and Institutional Sustainability. The next step is the risk management whereby the team focuses on addressing the risks that are likely to affect the implementation of the plan. The risks identified are the legal, technological, financial and operational. After this is done, the team drafts a strategic plan that is sent to the council, top management and stakeholders for review. The team will make changes based on the feedback from the concerned parties.

Once the final draft is approved, the strategic plan is communicated to the organization and to all other stakeholders. The head of departments is tasked with the responsibility of ensuring that their departmental goals are consistent with the overall strategic plan of the institute. The implemented plan is monitored and evaluated on a quarterly basis.

4.3.5 Monitoring and Evaluation of the Strategy

The institute has put in place a well-documented monitoring procedure that acts a guideline for the senior management in charge of monitoring and evaluation. The senior management in conjunction with the head of the departments mainly conducts the monitoring and evaluation of the departments.

The public policy and research departments are in charge of coordinating all the progress reports from the departments that aid in the monitoring and evaluation. The implementation of the reports is reported to the council and stakeholders on an annual basis.

Table 4.1 ICPAK Monitoring Tools and Duties Allocated

NO	TASKS	RESPONSIBILITIES
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1	Convening meetings to discuss the strategic plan, receiving feedback from the CEO and taking action where necessary	Council
2	Resource mobilization and receiving monthly reports on the department's progress	Chief Executive Officer
3 4	Conducting research that aid in designing and implementation of M\$E tools that aid in analysing the M\$E reports	Planning and Research departments
5	Ensures that their departments have implemented the strategic plan and thereafter send the progress report to the CEO.	Senior management and head of departments

4.3.6 Barriers encountered in the Implementation of the Strategic Plan

The study sought to ascertain the difficulties encountered in the implementation and evaluation process and how they are handled by the organization. The necessary resources required for the implementation of the strategic plan and lack of employment opportunities for CPA graduates, hence reduced capacity to raise membership fees. These are the main challenges that are facing the strategy implementation. In recent times, the institute has experienced a significant dip in number of members. The reduction of membership fees has reduced the amount of financial income usually collected as subscription and continuous professional development fees. The funds generated by the institute are therefore inadequate to meet the demands of all planned projects. This has been caused mainly by high rates of unemployment in the country. Currently many CPA graduates are unemployed and thus reducing the capacity to raise subscription fees.

Another challenge has been the failure of members to comply with the code of ethics of accounting profession. This has led to an increase in cases of corruption that are caused by members engaging in fraudulent activities. As a result, the credibility and image of the institute has been tarnished. In addition to this, there have been high cases of employment of uncertified accountants who are non-members of the institute in senior financial positions. This limits the opportunities of ICPAK members thus affecting the significance and the impact of the institution in the accounting profession. The unfair competition posed to ICPAK members from other unqualified accounting practitioners that are willing to take a low pay cheque has also affected the enrolment of members for the CPA at the institute. In addition to this, many universities in Kenya are offering Bachelor of Accounting degrees, which are deemed superior to the CPA thus affecting employment opportunities of ICPAK members. Additionally, some instances of low productivity of newly qualified accountants has also affected the credibility of CPA holders.

External factors that hinder the implementation of the strategic plan include; political factors such as poor coordination and advocacy on matters that relate to the legislation of the Institute. The second political factor is the impact of political processes in the functioning of the institute. This occurs mostly when there is a change in government or when the sitting government introduces new measures and policies that affect the institute. These evolving political climates have been proven to have potential instability in the functioning of the Institute.

4.3.7 Solution to challenges

The respondents provided various solutions to the challenges that could aid in the implementation of the strategic plan. The solutions are aimed towards increasing the financial resources, which is the main impediment in the implementation of the strategic plan, by the institute. According to the respondents, the institute can use various ways to optimize revenue

generation from members. To begin with, the institute should focus on increasing awareness for the accounting profession. This will lead to an increasing demand for professional accountants and as a result it will contribute to an increase in members. Since the Institute relies mostly on the membership fees, an increase in membership will aid in increasing the revenue collected.

Secondly, the institute should look for other opportunities that will help in diversifying its revenue streams. Some of the areas of focus identified include; research, consultancy, training and engaging in real estate. This will reduce its over-reliance on membership fees and it will help the organization in resource mobilization. The respondents also argued that an increase in the demand for CPD hours will aid in generating more revenue for the organizations. This will be achieved mainly through seminars and training workshops.

The respondents argued that the institute has advanced linkages with the government and other professional bodies such as KRA and Auditor general. The institute is able to use the connections to facilitate regional integration. This will aid in creating more opportunities for its members across the East African region. Secondly, the institute can take advantage of the devolved government system. This is achieved by equipping the county branches so that they can help in promoting and advancing the agenda of the institution. In addition to this, the institute should lobby to have representatives in the key government committees. This will help it in reinforcing its national advisory roles on issues of public interest such as tax system and impacts of interest rates. The institute should also create opportunities that will enable it to have an opinion on matters of public interest. This will help in shaping the perception of the public on matters of national interest by utilizing the proprietary opinion polling administered nationwide. These opportunities will also help in creating awareness of the importance of CPA thus enhancing its recognition in the country.

4.3.8 Substantial costs

The study sought to establish the most significant cost the organization incurred during the strategic process. The respondents agreed that research and information dissemination utilized a significant percentage of the budget that was allocated for the strategic process. This was mainly in terms of organizing meetings, workshops, seminars and conferences that created an opportunity for the stakeholders and the organization to have consultation meetings.

Moreover, dissemination of information to the stakeholders was a bit costly since the institute had to use traditional media such as the newspaper to place adverts or notify investors on the strategic plan launch.

4.3.9 Other policies in Place

The research sought to establish if the organization has put in place other strategies that will help it in enhancing its performance. The study established that the organization has implemented the utilization of a Customer Relationship Management System (CRM) to deliver high quality and consistent customer service delivery. The institute has further embraced the use of technology and innovations such as ERP to enhance its service delivery to members. It has also launched the use of the latest auditing software in order to increase performance and controls in the profession.

4.3.10 Reinforcing Correlation between Strategic Planning and Performance

The study sought to obtain recommendations from the respondents on the various ways that the institute can use to improve its performance through use of strategic management practices. The study established that to strengthen the relationship, employees need to be allowed to participate in every stage of the strategic planning process. It was agreed that the cascading of strategic objectives played a crucial role in enhancing the internal and external

communication system. It was also argued that heads of departments need to be involved fully in the design and adoption of the strategic plan. This will help them to align the departmental goals and objectives with the overall strategic plan of the institute. It is also vital since the implementation of the strategies starts within the various departments in the institute. In addition to this, the institute should carefully allocate resources that are sufficient to improve its outcomes.

The institute should also invest in training the staff so that they are fully aware of the adopted strategic plan. This will help in increasing their job performance and involvement in achieving the strategic objectives. The strategic plan is aligned with the vision of the organization to make it actionable by allocating specific performance targets to employees.

4.4 Effectiveness of Strategic Planning on Organizational Performance of the Institute

The researcher sought to establish how strategic management had increased effectiveness of meeting the organization's goals and objectives. All the respondents agreed that the strategic plans have increased the performance of the institute especially in relation to its service delivery.

The institute has recorded a remarkable improvement in revenue collection and this is credited to an increase in the number of stakeholders. Secondly, there has been an increase in customer satisfaction, which rose to 70% this year. This is mainly due to the utilization of the Customer Relationship Management system.

The respondents stated that the strategic plan has led to an introduction of a highly efficient infrastructure, which has made it easier to file online returns, perform registration of members as well as promoting the Institute using ICT resources. The plan has also helped the Institute in monitoring the audit firms in order to improve and enhance quality work.

4.4.1 Extent of Influence of Strategic Planning Practices on Key Indicators

The paper sought to establish the extent of strategic management practices influenced certain key indicators that are crucial to the accounting profession as well as the general performance of the institute.

On the quality of service indicator, the respondents agreed there has been an immense improvement. This is mainly due to the utilization of the CRM that has enhanced customer delivery. In addition to this, the institute has been in a position to profile and segment its members to offer quality services. The institute has also been able to develop a complete member database thus increasing the participation of members in its activities.

4.4.2 Strategic planning influence on Quality of Research

The respondents asserted that the institute has made a significant improvement in the areas of research and development. This majorly in regard to the publications made in the field of accounting and other related subjects. The institute has further enhanced the quality of financial reports that are produced for public use. In addition to this, the institute has increased the number of copies of member handbook produced to help in creating awareness of the obligations and responsibilities of a CPA.

4.4.3 Strategic Planning Influence on Global recognition of the Institute

The study established that the implementation of the strategic plan has helped in affirming the global position of ICPAK. It has facilitated the institute to be involved in developing international accounting standards. It has also ensured that ICPAK has a representative in the PAFA and IFAC standard international board setting committees thus enhancing its global recognition.

Over and above this, it has enabled the institute to be fully involved in leadership engagements by participating in public policy debates. This is mainly achieved through research on topical issues that have sparked international interest. The institute has also performed in the legislative process in East Africa Community where its expertise is required. This has helped in positioning it on the global map regarding the accountancy profession.

4.4.4 Strategic Planning Influence on Provision of advice to KASNEB with regards to examination policy and standards

The respondents asserted that the strategy has had a great impact on examination policy and standards delivered by KASNEB. Under Accountants Act no. 15 of 2008, the institute has been given the mandate to ensure that rules and regulations that pertain to examination board are maintained. In this case, it helps in setting examination policy and standards for KASNEB. The strategy has helped by reinforcing the code of professional ethics that has to be observed by all account professionals.

The institute is a member of IAESB and it has to ensure that international education standards have adhered, and this includes the examination policies and standards. The Institute highly discourages exam multi-practices and it has in place strict penalty measures in case a member is found engaging in the vice.

4.4.5 Provision of advice to the minister on matters to do with financial accountability in all sectors of the economy

The respondents asserted that the strategic plan has played a crucial role in providing an advisory opinion to the cabinet secretary regarding the financial accountability of the economy. The institute has also participated in the country and county budget preparation,

implementation and evaluation. It achieves this by submitting budget policy statements at the national level to aid in the allocation of the budget resources.

ICPAK also participates in the analysis of controller budget reports that are submitted quarterly in regard to budget implementation. It also analyses reports from the auditor general and makes recommendations based on its findings. At the county level it helps in submitting and discussing fiscal strategies as well as examining county finance bills. The institute also checks how devolution is implemented and provides important interventions through public financial management involvements.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter has discussed the summary of the study, conclusions drawn from the findings and recommendations. The recommendations of the study will be based on the implications of the Neo-Institutional Organization Theory and its applicability to Institute of Certified Public Accountants of Kenya. The chapter also discusses the limitations of the study and offers suggestions for further studies.

5.2 Summary Findings

The study sought to establish the strategic management practices used by ICPAK and how the practices influence the performance of the institute. The study established that ICPAK had adopted various strategic management practices relating to analysis, strategy formulation, implementation and risk management. The institute's council and the senior management are in charge of selecting a committee that steers strategy formulation and implementation process. The institute had carefully and purposely determined its long-term plan through crafting a vision statement, mission statement and core values; strategic formulation is given a top priority. The vision and the mission of the institute are clearly displayed at all departments and strategic positions at the institute. Besides, the vision and the mission statement of the institute is displayed on logos, official letter heads and all the staff members are supposed to memorize them. The study established that the Institute strategic planning process is encompassed of design, adoption and evaluation of the identified strategy.

The committee that is chosen to steer the strategy planning process works in collaboration with the public policy and research departments. The committee reports to the Chief Executive Officer. The committee uses SWOT and PESTLE analysis to conduct mapping

process of the stakeholders. At this point the stakeholders are categorized based on their influence and level of interest. A meeting is convened by the steering committee to brainstorm on what can be included in the Institute strategic plan. The study determined that the strategic plan of the institute has to align itself with its vision and mission and the formulation phase involves a lot of consultation between the Institute and various stakeholders. Strategic objectives are thereafter cascaded to the department goals and the head of department help in implementing the planned targets and objectives.

The study determined that employees were involved in the strategy implementation at the Institute implying that the adoption of the strategy was participatory. The responsibility of the strategy implementation outcome is however based on the senior management. The study further established that the Institute plan is implemented downwards using departmental annual operational goals that are in line with the overall corporate strategic plan of the organization. It is the responsibility of the head of departments to ascertain performance targets and integrate them in the operational plans. Individual managers get their performance contracts based on the objectives and targets that are in tandem with the overall corporate strategic plan. To a large scope, the study determined that corporate strategy was executed mainly centred on set objectives and projected performance. The Institute however has in place a motivational system that helps in ensuring that the implementation of the strategy is successful. Besides, the Institute ensured that the adopted strategy was adequately and systematically communicated to members of the staff and stakeholders. The study also found out that the institute allocated adequate resources that facilitated efficient implementation of its strategic plan.

The study further established that the institute carried out an extensive strategy evaluation and the outcome of the evaluation was used in either making changes in the current strategic plan or be used in the future strategic planning processes. Monitoring and evaluation of the

plan is based on the weekly, monthly, quarterly and annual reports that are submitted by the head of departments to the senior management who then forward them to the Chief Executive Officer. The Institute has in place various monitoring tools that are used mainly by the senior managers. The institute has a clear communication channel within the organization to facilitate the evaluation of strategy performance and strategy performance comparison was done with other strategies implemented. The study ascertained that strategy evaluation involved review of the process of strategy formulation and implementation. The Institute implemented and evaluated the success of its strategy and also ensured that corrective measures are taken. The study further established that the institute had clear defined and measurable performance targets for each strategic objective that it has. The Institute also reviews strategic management decisions based on the outcomes of the monitoring and evaluation. In addition to this, the institute ensured that good performance was rewarded; corrective action was undertaken, and the success of strategy evaluation was done on periodic intervals and corrective action taken aptly so as to ensure the best performance is achieved. The respondents further indicated that implementation of the strategy had a timeline which was also evaluated, and its performance identified.

The managers interviewed indicate that the current strategic plan has improved the service delivery of the Institute. They contended that the emphasis on customer focus has helped the Institute in establishing positive relationships with its members and other stakeholders. Customer satisfaction index has also increased, and the Institute is committed to ensure that it exceeds its clients' needs and demands. The Institute has also automated its services and this has helped in increasing member participation in the institute activities. The number of members undertaking the CPD events and seminars online has increased by 20%. The study also established that the strategy has played a key role in helping the Institute in the regulation of the accountancy profession. For instance, the Institute has put in place measures

to ensure that it monitors compliance of audit firms to uphold public interest. It has targeted to be monitoring 150 audit firms annually. It has further enhanced collaboration with market regulators for effective monitoring and compliance.

5.3 Conclusion

The objectives of this study were to determine the practices and influence of strategic management at the ICPAK. The study findings established that the Institute has in place efficient strategic management system with sophisticated strategic planning practices. These practices have been used for design, execution, evaluation and control of strategies to comprehend organization strategic intent.

From the research it is clear that the Institute has a properly documented mission statement as well as a vision statement. The institute also had considered carefully the steps of formulating, implementing and monitoring and control of its strategy. The institute has ensured an inclusive approach is used ensuring every member of the institute participates in strategic management practices ensuring success. The study concludes that there has been a positive improvement of the performance of the organization as a result of adoption of strategic management practices.

5.4 Neo-Institutional Organization Theory's Application in the Findings

The Neo-Institutional organizational theory proposes that institutions do not exist in vacuums, they are surrounded by an environment comprising of knowledge constantly given out by education systems and professionals; the laws governing their practice; public opinion and rational myths. These external forces are what comprises the institutional environment and do influence the operations of an institution.

According to the information provided by the respondents, it is clear that the Institute is greatly affected by environment factors that are social, political and economic in context. In response to this, the organization has adopted certain strategic practices to enable it to maintain international accountancy practices. In dealing with economic factors, the institute has devised various strategies that will help it in diversifying revenue streams. The Institute is now focusing on research and trainings, consultancy and real estate as some of the identified opportunities to increase its revenue. In response to social factors, the Institute has purposed to invest in corporate Social Responsibility programs such providing scholarships to accounting students. In response to political threats, the Institute has established links with the government and other government agencies such as the KRA and the Auditor General Office.

5.5 Recommendations for Policy and Practice

The study sought to establish the strategic management practices adopted by ICPAK and their influence on its performance. The study found out that the Institute had had adopted various strategic management practices relating to situation analysis, strategy formulation, implementation and control. In addition to this, the strategic management practices were found to have a positive impact on the Institute's performance. The study established staff involvement plays a crucial role in the implementation of the strategy. The study recommends that the top management should strive to ensure that members of staff are involved in the decision-making process. This is significant because it creates a sense of ownership and makes employees to feel that they are part of the whole process. Based on the research findings, the researcher recommends that the strategic planning process should be made as inclusive as possible starting from the low-level employees up to the senior management. This is because employees play a fundamental role in the implementation of the strategy and involving them in the process guarantees efficient implementation of the

strategic plan. The employees therefore need to understand the strategic plan objectives and the overall activities that need to be carried out in their departments to help the organization achieve its goals and objectives. Employees need to be aware that if they fail to meet their targets, they hinder the organization in meeting its set objectives.

It is also important for an organization to consider its culture and structure before developing a new strategy. This is due to the fact that culture and structure plays a vital role in supporting the strategy. Moreover, all members of staff need to aware of the vision and the mission of the organization so that they work towards supporting the objectives of the organization. To be able to implement the strategy effectively, it should be integrated in all activities of the organization. It is also the responsibility of the top management to ensure that it has allocated adequate resources for the implementation of the strategy.

5.6 Limitations of the Study

One of the limitations that the researcher encountered was the unavailability of respondents since most of them were engaged during the interview sessions. In addition to this, interview sessions were postponed on numerous occasions due to the respondent's busy schedules. The informants were also uncomfortable in outlining the negative impacts of the strategic plan and most of them focused on the positive effects.

The study was also limited by the fact respondent offered conflicting views with the issue of strategy design and implementation. The interview guide had questions that were open ended to enable them have confidence in expressing their views. In addition to this, it was difficult to get data from the Institute, but the researcher made it clear that the research was of academic use and confidentiality will be guaranteed.

5.7 Suggestion for Further Research

Even though this research came up with meaningful results, further research studies need to be conducted. In this study, the researcher relied on data from managers which is basically self-reported data. The researcher assumed that the managers were adequate and reliable source of information on the strategic management practices at ICPAK. The researcher suggests that future study should include customers, members of the institute and other stakeholders to be able to have varying views on the impact of the strategic management practices and its influence on the institute performances. This will help in cross validation of data so as to get a more valid conclusion.

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APPENDICES

Appendix 1: Introduction Letter


UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

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

P.O. Box 30197
Nairobi, Kenya

DATE... 20/11/2018

TO WHOM IT MAY CONCERN


The bearer of this letter ... ELISHA WALELA WANYONYI ...
Registration No. 561/81489/2015

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

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

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

Thank you.


20 NOV 2018
PROF. JAMES M. NJIHIA
DEAN, SCHOOL OF BUSINESS

Appendix ii: Interview Guide

SECTION A: GENERAL INFORMATION

1. Name of respondent (optional)
2. GenderMale.....Female.
3. Age(years)
4. Job title.....
5. Number of years you have worked at or been a member of ICPAK.....

SECTION B: STRATEGIC MANAGEMENT PRACTICES OF THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

6. a) Does the institute have a documented vision and mission statements?
- b) How does the institute align itself to its vision and mission statements?
7. Describe the extent to which the following steps of strategic planning practices are used in the institute.
 - Establishing a vision-the benefit that members can expect
 - Establishing a mission-clarifying what is the business of the Institute
 - Development of key strategies that contribute to the overall vision
 - Development of specific measurable realistic and time-bound strategic goals
 - Establishing core values-what the organization stands for and believes in
 - Communication of organizational vision, mission and key policies
 - Top management leadership through an executive council
 - Development of short and long-term operational goals

- Monitoring and evaluation- measure the progress toward attaining operational and strategic goals with key performance indicators
- Corrective action-review and address gaps between current position and the targeted goals

8. Describe how strategic planning process is conducted in the Institute

9. How is implementation of strategy carried out in the institute?

10. How does the Institute undertake evaluation and control of strategies?

11. a) What challenges were encountered throughout the formulation, implementation and evaluation process?

b) How were the challenges handled?

12. Do you believe that a reasonable degree of consensus on the mission, vision, goals and objectives was achieved?

13. What were the most significant costs (political, bureaucratic, and financial) that emerged in the process?

14. What other strategies and processes are adopted at the institute to enhance its performance?

15. Recommend the various ways to strengthen the relationship between strategic management and performance of the institute.

SECTION C: INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE OF THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

16. How has strategic management increased effectiveness of meeting the organization's goals and objectives?

17. To what extent has strategic management practices influenced achievement of the following key indicators:

- Quality of service offered by ICPAK members
- Quality and number of research and publications about accountancy, finance and other related fields
- Global recognition of the Institute
- Provision of advice to KASNEB with regards to examination policy and standards
- Provision of advice to the minister on matters to do with financial accountability in all sectors of the economy