CHALLENGES OF THE IMPLEMENTATION OF STRATEGIC PLANS AND PERFORMANCE OF UNIVERSITY OF NAIROBI, KENYA

BY

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DECLARATION

This research project is my original work and has not been submitted for the award of a degree in any other University.

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DEDICATION

I dedicate this research project to my beloved family. For their love, support and

encouragement throughout the study

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God bless you all.

ABBREVIATIONS AND ACRONYMS

CEO: Chief Executive Officer

UON: University of Nairobi

SOE   State Owned Enterprise

ABSTRACT

Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. The objective of the study was to establish how the challenges of the implementation of Strategic Plans influence Performance of the University of Nairobi. The organization should maintain a balance between ongoing business activities and working on new strategic initiatives. That is, that problems with implementation often occur when companies concentrate on new strategy development and in the process forget their main line of business that underlie within previously formulated business strategies. The University of Nairobi however is today faced with quite some major challenges; these include: dwindling financial resources from the Exchequer, academic programmes whose quality and relevance are ever being put to question, a management system that has been criticised for being too conservative and non-responsive, a relatively poor learning facilities and environment. Performance of the university and therefore link strategic plans to performance. the strategic plan is concerned with creating a strategy to drive future direction, building in cause and effect linkages while simultaneously taking into account both financial and intangible resources that can determine success or failure of an institution. The objective of the study was to establish how the Challenges of the implementation of Strategic Plans influence Performance of the University of Nairobi. Towards this end, the concepts of Challenges of the implementation of Strategic Plans and its influence to the Performance were identified. Interviewees comprised of senior managers, middle level managers. In total, 17 interviewees were interviewed. From the results of the study, it can be concluded that the University of Nairobi.has successfully applied the strategic planning effectively to implement strategy. The major factor that emerged is that the strategic planning has been used as a tool to communicate and clarify strategy and directions within the business, gain consensus and therefore rally the organizational members in the same direction. This is evident at University of Nairobi. Universities should put up policies on the training and development of its human resources. This will enhance the adoption of any planned change in the institution; the ministry of education in Kenya should increase its allocation to Universities to curb the problem of budgetary constraints impeding strategy implementation in the schools.

TABLE OF CONTENTS

CHAPTER ONE

INTRODUCTION

1.1 Background

Farrell and associates (2002) argue that most organizations see strategic planning as a separate activity from management's prime responsibilities and duties. Management focus is described as top-down and start-to-finish; commitment to strategic planning is absent. The concept of strategic planning can be described as relatively new both in terms of corporate experience and as object within scientific research. Problems and barriers concerning strategic planning have been divided into delimitation and definition related issues, issues related to corporate practice and general planning related issues, key concepts that should guide institutions when developing Strategic Plans and Annual Performance Plans. It recognizes that government institutions vary greatly in terms of their roles and responsibilities, and therefore develop their plans, policies and programmes in varied ways and over differing timelines.

The resource-based theory is founded on the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. These resources and capabilities consist of the physical, financial, human and intangible assets. The theory is conditioned on the fact that resources are not homogenous and are limited in mobility. The firm can translate these resources and capabilities into a strategic advantage if they are valuable, rare, and inimitable and the firm is organized to exploit these resources (Kepes and Wider, 2012).

Open systems theory refers simply to the concept that organizations are strongly influenced by their environment. The environment consists of other organizations that exert various forces of an economic, political, or social nature. Organisations face different internal and external contexts. Not only does this imply the development of unique strategies as the outcome of the strategic planning process, it also results in a variation in the ways in which organisations carry out the planning process.

This study will examines Challenges of the implementation of Strategic Plans. These factors are examined in reference to a case study concerning the University Of Nairobi. The University of Nairobi is the pioneer institution of university education in Kenya and the region. It has developed now three Strategic Plans beginning from, 2005-2010, 2013-2018 and current one which has been developed in line with the Vice Chancellor priorities issues. Strategic Plans are guided by the Vision 2030 Medium Development Goals.

Identification of the organization's vision and mission is the first step of any strategic planning process. The university's vision sets out the reasons for organization's existence and the "ideal" state that the organization aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the university's philosophy, and are used as a context for development and evaluation of intended and emergent strategies. The need for organisations to plan for their future has never been in doubt.

Planning is in fact becoming more inevitable considering the unpredictable and dynamic environment in which organisations exist today. Strategic planning is now in vogue and embraced by virtually every type of organisation: big or small; public or private; profit oriented or non-profit oriented etc. as a means of providing a road map for setting targets and achieving same in the future. Once the vision and mission are clearly identified, the public institution must analyze its external and internal environment. The environmental scan, performed within the framework of the SWOT, analyzes information about its external environment (economic, social, demographic, political, legal, technological, and international factors), and internal organizational factors (Lerner: 2004).

Steiner (1979) provided a thorough conceptualization of strategic planning. Strategic planning refers to the process of setting guidelines and formulating strategies that control the activities being undertaken to achieve the set goals and objectives. Goals and objectives to be achieved are obtained from the vision of the organization that clearly sets the desired future. According to Steiner, Strategic planning is an attitude and a process concerned with the future consequences of current decisions. Formal strategic planning links short, intermediate, and long-range plans. Strategic planning does not attempt to make future decisions or even forecast future events. It need not replace managerial intuition and judgment with massive, detailed sets of plans. In an organization, strategy can be applied at the following three levels; corporate level which looks at the general direction of the whole organization, business level which looks at how the organization or

Its strategic business units (SBU) tackle particular markets and functional level which looks at specific strategies for different departments of the business (Schwenk & Shrader, 2003). Strategic planning's roots are in the arena of large-scale military operations and it can be defined as the fit between an organization and its environment.

This study is in the body of knowledge under game theory and stakeholder theory. The theories postulate a formal language to describe conscious goal-oriented decision making process involving one or more players in thriving for competitive advantage. The solution concepts derived from game-theory may be thought of as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company's strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. Competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and services that justifies a higher price (Porter, 1985).

In an organization, strategy can be applied at the following three levels; corporate level which looks at the general direction of the whole organization, business level which looks at how the organization or its strategic business units. This strategic Planning must therefore take recognition of these challenges and respond to them adequately.

The University is therefore compelled to chart a new strategic direction guided by a shared vision, strategic thinking and agility, while at the same time being increasingly aware of the importance of its position in a worldwide context. This is the major driving force for this strategic plan

1.1.1 Strategic Planning Process

Any strategic planning process must be anchored and guided by an organizational vision of its preferred future, a mission describing its purpose, and articulated values guiding the behaviour of organizational members as they discharge their mission in pursuit of their vision. All the major writers emphasize the importance of these components. Kotler and Murphy (p.p. 477-9) see a mission as an important prerequisite to goal setting. Cope (1985, p. 15) underscores the importance of a vision and mission by stating "If an institution is heading in the wrong direction, the last thing it needs is greater operating efficiency". In a recent informal memo to a college's planning committee (1995) strategic planning process developed for public sector organizations by Bryson (1995). Strategic planning process has been used in public organizations that is, a planning process that has discrete elements which include the establishment of a vision for the organization, the examination of external and internal environments, the establishment of goals, and the development of action plans to achieve these goals.

Porter's Five Forces Model shows a set of integrated planning activities designed to identify and resolve strategic issues facing the organization. A management phase of the process addresses specific implementation actions and assessment of progress. The model

emphasizes a set of discrete activities, first aimed at gathering and assessing information, and then integrated in a decision-making process to formulate strategies and implementation actions. Many writers in the area hold that to be successful, the planning and implementation process should have specific elements that reflect the unique nature of the organization and its environment (Eadie, 1989; Koteen, 1991). Bryson contends that for the public sector, a strategic planning process can provide qualitative improvements to the design process over conventional long-range planning. Bryson's reasoning is that strategic planning is more issue-oriented in public organizations and therefore more suitable for politicized circumstances. The issue approach to public sector strategic planning is particularly appropriate because political decision-making starts with issues, and strategic planning is useful for forming and addressing these issues (Bryson, 1993).

Strategic planning involves formulation of vision and mission statement, performance of situation analysis and finally strategy formulation and choice (pearce & Robbinson, 2008). Strategic decision determines the organizational relations to its external environment, encompass the entire organization, depends on input from all of the functional areas in the organization and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization (Shirley, 1982).

A strategic plan is usually set by the top management echelon and has a time horizon consistent with the scanning abilities of the organization and set at the risk level that planners feel is appropriate for their organizations. The specifics of the plan should address questions of scope, resource requirements, competitive advantage, quality expectations, social responsibility issues, and synergy (Henry, 2004). According to Byars (2001) a strategic plan is used to describe the steps taken by an organization in achieving its objectives and mission". In addition to this, Starkey (2004) points out that the mission is the first step of the strategic plan that defines the long-term vision of the organization. If an organization does not have a vision, then there is no reason for existing.

Strategic planning practices will be designed to fit the specific need of the organization. It's argued that every successful model must include vision and mission, environmental analysis, setting objectives, strategic analysis and choice (Henry, 2004). Identification of the institutions vision and mission is the first step of any strategic plan process. This help in infusing the organization with a sense of purpose and direction and giving it a mission. A mission is a statement broadly outlining the organizations future course and serves as a guiding concept. In order to determine where it is going, the organization needs to know exactly where it stands, then determine where it wants to go and how it will get there. Strategic planning practice itself cannot foretell exactly how the market will evolve and what issues will surface in the coming days in order to plan your organizational strategy.

1.1.2 Challenges of the Implementation of Strategic Plans

Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. To the contrary, transforming strategies into action is far complex, difficult and a challenging undertaking and therefore not as straight forward as one would assume (Aaltonen and Ikavalko, 2001). Implementation is defined as the phase in which systems and procedures are put in place to collect and process the data that enable the measurements to be made regularly (Drazin and Howard (2002).

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. Strategy implementation is one of the components of strategic management and it refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objectives (Pearce and Robinson, 1997). Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system (Bryson, 1995).

Implementing strategy is the connecting loop between formulation and control. It is what integrates strategies. Strategy implementing is a process in which all planning and budgetary activities, policies and procedures follow the defined strategy. It may involve some changes in organizations culture, structure as well as managerial systems. Implementation of strategies is also called practical strategic management.

The purpose of implementing strategies is that managers and employees collaborate to perform formulated strategic planning. In other words implementing is the most difficult step in the strategic management process and need a kind of self controlling and a corporate culture as well (Pearce and Robinson, 1997).

1.1.3 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard (2009) organizational performance encompasses three specific areas of firm outcomes. Financial performance (profits, return on assets, return on investment, etc.; product market performance (sales, market share, etc.); and shareholder return (total shareholder return, economic value added, etc.). An organization performance is tested against the commitment that the management made in management system. It measures the management plans of whether social, economical and ecological goals are being achieved.

According to Guralnik & David (2004) performance is achievement which is often used to show the ability or the show which is commonly used to show up the performance, or it also means "doing the task that shows someone's action in working. On the other hand, Bernardin & Russel (2009) define that performance is the record of the result which is gained from the function of certain work or certain activities in certain period of time.

Many organizations are employing multiple measures of performance as opposed to a single measure that might have been used in the past. Organization performance can be done by introducing organization management system. There are a number of major movements and methods that could increase performance of an organization such as use of the balanced score cards, best practices and quality circles. Each of these methods includes regular recurring activities that are used to establish the goal of the organization. These activities are required to monitor the progress of the organization toward the set goals; they are used to make adjustments to achieve the desired targets more effectively and efficiently.

An organization is a social unit within which people strive to achieve a given mission (Sababu 2007). Generally, organizations are commonly instruments of purpose coordinated by intentions and goals. Drucker (1984), defines organizational performance in terms of effectiveness and efficiency with which the organization's objectives are achieved, while Barney (2007), defines it as comparison of the economic value of firms and rating them to have competitive advantage, competitive parity or competitive disadvantage. March and Sutton (1997), Measurement of performance in a institution of learning set-up will therefore include academic excellence, land infrastructure development, discipline and school culture, stakeholder satisfaction, financially stability and excellence in non-academic activities. Firm performance is therefore a very essential aspect of a firm because as March and Sutton (1997), puts it, performance comparisons become a basis for evaluating executives, making decisions about resource allocation of human and other resources, for writing history and for stimulating arrogance and shame.

1.1.4 Challenges of the Implementation of Strategic plan and Organizational Performance

Notable literature on strategy implementation was examined in order to identify potential strategy implementation problems. Research by Alexander (1985) identified twenty-two major obstacles to strategy implementation, of which ten were cited by over 50% of firms sampled as major problems. In a similar study, Salem Al-Ghamdi, (1998) researched implementation problems and found that six strategy implementation problems were experienced by over 70% of the sample group of firms. Based on case studies, Hansen, Boyd and Kryder (1998) identified additional implementation problems as a) failing to periodically alter the plan or adapt it to changes in the business environment b) deviation from original objectives and c) lack of confidence about success. According to Rutan, (1999), all implementation aspects during the planning phase are fundamental for execution as there is no time to do that during execution. It is critical that everyone on the team understands and agrees upon the details of the plan. Management must make the commitment to stay focused on the agreed upon plans and should only make significant changes to the plan after careful consideration on the overall implications and consequences of the change.

The organization should maintain a balance between ongoing business activities and working on new strategic initiatives. That is, that problems with implementation often occur when companies concentrate on new strategy development and in the process forget their main line of business that underlie within previously formulated business strategies. Nickols (2000) posits that strategy is execution.

He discussed four cases of strategy execution: flawed strategy & flawed execution, sound strategy & flawed execution, flawed strategy & sound execution, and sound strategy & sound execution. Only when the strategy and the execution are sound the organization has a pretty good chance for success, barring aside environmental and competitive influences. Further, he contends that executing the wrong strategy is one of the major problems leading to unsuccessful implementation of strategies.

Downes (2001) states that the kinds of execution obstacles most companies run into falling to two categories: problems internal to the company and problems generated by outside forces in its industry. These internal and external issues are affected by the extent of flexibility companies have to launch strategic initiatives successfully. DeLisi (2001)examined "the six strategy killers" of strategy execution, pinpointed by Bear and Eisenstat (2000). Johnson (2002) in his survey found that the five top reasons why strategic plans fail are related to motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. Ram Charan (2003) in his research on implementation problems notes that "ignoring to anticipate future problems" hinders successful strategy execution.

1.1.5 Universities in Kenya

The first Kenyan higher educational institution was The Royal Technical College of East Africa, opened in Nairobi in 1956. In 1961, the Royal Technical College was renamed the Royal College of Nairobi and turned into a university college. In 1963, when Kenya attained its independence, the Royal College became the University College of Nairobi.

In 1970, the University College of Nairobi was renamed the University of Nairobi. Kenyatta College, a teacher-training institution situated on the outskirts of Nairobi, became a constituent college of the University of Nairobi in 1972 and was elevated into a full -fledged university in 1985. Since then, the government of Kenya has established 5 other public universities.

A state owned enterprise (SOE) otherwise known as a: state-owned company, state-owned entity, state enterprise, publicly owned corporation, government business enterprise, crown corporation, government-owned corporation, commercial government agency, public sector undertaking, or parastatal in Kenya is a legal entity that undertakes commercial activities on behalf of an owner government. The legal status of SOEs varies from being a part of the government to being stock companies with the state as a regular stockholder. The defining characteristics of SOEs are that they have a distinct legal form and they are established to operate in commercial affairs. While they may also have public policy objectives, SOEs should be differentiated from other forms of government agencies or state entities established to pursue purely non-financial objectives. Government-owned corporations are common with natural monopolies and infrastructure such as railways and telecommunications, strategic goods and services (mail, weapons), natural resources and energy, politically sensitive business, broadcasting, demerit goods (alcohol), and merit goods (healthcare).

These universities are established through institutional Acts of Parliament under the Universities Act, 2012 which provides for the development of university education, the establishment, accreditation and governance of universities. According to a 2004 report on reforming higher education in Kenya, the rapid expansion of university education in the country was a spontaneous response to the increasing demand for higher education necessitated by the increasing flow of students from schools.

1.1.6 The University Of Nairobi

The inception of the University of Nairobi can be traced back to 1956, with the establishment of the Royal Technical College of East Africa, which admitted its first lot of A-level graduates for technical courses in April the same year. The Royal Technical College was transformed into the second University College of East Africa on 25th June, 1961 under the name Royal College Nairobi and was admitted into a special relationship with the University of London whereupon it immediately began preparing students in the Faculties of Arts, Science and Engineering for the award of degrees of the University of London. Although other universities, both public and private, have emerged in the interceding years, the University of Nairobi has remained the biggest in the country. In this respect the University of Nairobi holds a special place in Kenya and inevitably its traditions and systems have tremendously inspired the organization and operations of the rest of the higher education system in the country.

The University of Nairobi however is today faced with quite some major challenges; these include: dwindling financial resources from the Exchequer, academic programmes whose quality and relevance are ever being put to question, a management system that has been criticised for being too conservative and non-responsive, a relatively poor learning facilities and environment, relatively weak structures and systems for the management of student welfare, and an image that in recent times has been grossly dented. Coupled with these are threats that the University must deal with in the coming period, these include: a relatively restrictive legal framework, escalating cost of education, increasing competition for higher education within the Kenyan market, and a limited human resource base for quality academic staff.

On the other hand, the University has certain definite strengths that it ought to exploit to its advantage; these include: a well established corporate name, a large base of influential alumni, vast physical resources and land, very good experience with running a 'private university wing', a strategic location in the central business district of a major city, and a relatively good complement of quality academic staff in certain subject areas. There are also however certain clear opportunities that the university could seize to support its effort to move forward.

Among the opportunities available to the university are: an increased demand for higher education in Kenya, the University's special position as an African university, growing demand for postgraduate education within the Eastern African region, a strong worldwide move towards knowledge based economies, demand for knowledge driven consultancies, and relatively improved autonomy for the university. There was therefore, a huge call for change in the way the University conduct its business hence the birth of Strategic Plan in 2005-2010 and the current Strategic Plan spanning between 2013 - 2018.

1.2 Research Problem

Adopting strategic planning concepts and practices developed in Western societies into other areas such as the Africa has led to managerial problems associated with the applicability of such frameworks and management paradigms in developing countries (Haines, 1988; Gelfand, Erez and Aycan, 2007) where cultural differences might be strong determinants of the success or failure of such initiatives. The difficulties associated with strategic planning in the public sector have led to serious managerial problems in the strategic planning process within public sector organisations.

This is because either the management in public sector organisations is not aware of such difficulties, don't have the necessary change management initiatives to overcome such difficulties, or more importantly, did not determine the external and internal barriers to the planning process.

In addition, particular characteristics of public sector organisations seem to cause managerial problems not always encountered in the private sector. Some of these characteristics are: weak customer/client influence; restraints on the use of rewards and punishments; political influences on management decisions; and the separation of policymaking and policy implementation.

This study will examines Challenges of the implementation of Strategic Plans. These factors are examined in reference to a case study concerning the University Of Nairobi. The University of Nairobi is the pioneer institution of university education in Kenya and the region. It has developed now three Strategic Plans beginning from, 2005-2010, 2013-2018 and current one which has been developed in line with the Vice Chancellor priorities issues. Strategic Plans are guided by the Vision 2030 Medium Development Goals.

According to Cox (1997) a useful strategic plan exhibits many characteristics. Specifically, it should be: a set of priorities; It should be achievable, measurable, and times sensitive remember, it is better to do a few things well than many things poorly. The plan should contain goals that are measurable and have deadlines; it should also be flexible and responsive to changing conditions - the plan is a road map that may contain unforeseen detours such as unexpected crises, new opportunities, or changes in resources; it should be short and simple; it should be a unit, not a menu and therefore a useful plan is not a wish book, everything in the plan needs to be accomplished;

it should be a means to an end, not an end in itself and thus the plan is the process by which it reaches its destination; it is not the destination; and it should be based on a three - to five year period meaning it should be a living document that has a one-year drop off and a new year added so that it always covers the same time period. The present lack of effective strategic planning has lead to dire predictions from many observers.

According to Benjamin & Carroll (1998, p.1), "the present course of higher education in the state in which student demand, tuition, and costs are rising much faster than public funding is unsustainable. Unless significant steps are taken to address the situation, hundreds of thousands of Californians will be denied access to higher education within the next 20 years." "That is a serious, sobering, economic, political, and social catastrophe, and there is nothing in the framework of a current situation that is likely to prevent that from occurring" (Breneman, 1995). The success of every institution depends on the quality and commitment of its human resources to implement laid strategies (Bitange, Kipchumba, & Magutu, 2010). However, recent reports indicate that the performance of the Kenyan secondary schools in national examinations has been deteriorating (Yara & Wanjohi, 2011).

According to Rodrigues and Hickson (1995), the success factors in strategy implementation are somewhat different between public and private sectors. In private sector the success of strategy implementation is more dependent on resources whereas in public sector the essential challenge is to attain appropriate participation.

Strategic planning implementation is the heart of how to make change of any kind to happen in your organization (Heathfield, 2011). She further cites what Steven Covey says that, all things are created twice: there is a mental or first creation, and a physical or second creation of all things. Albrecht, (1994) postulates that implementing a strategic plan can be a bigger challenge than developing one in the first place.

Bell (2002) indicates that strategy and the development of strategic planning now constitute an important weapon in the armory of the modern management. Thompson & Strickland (2005), point out that, without a strategy the organization is like a ship without a rudder, going round in circles. Schendel & Horfer (1979) noted that strategic planning is concerned with the entrepreneurial work of the organization, renewal and growth, to guide the organization's operations.

Kenyan public universities and colleges that are essentially traditional in orientation must find new ways of dealing with the issues facing them including increasing competition from private universities and colleges (Lewa, Mutuku and Mutuku, 2009). It is therefore imperative that Strategic planning is one of the major steps the universities can take to address the challenges they face in enhancing the quality of their programmes in provision of Higher Education. Past local studies (Obare, 2006) (Koske 2003), (Lumiti, 2007), (Ateng, 2007) concurred that good strategies have been written but very little has been achieved in their implementation. David (2001) noted that without understanding and commitment, strategy implementation efforts face major problems; Managers are prone to overlook implementation realities.

Ansoff (1988) in his study opinionated that, for any organization, strategy helps in integrating the long term plans and ensuring that there is harmony between the vision, mission, objectives, core values, activities and its environment. What are the Challenges the University faces during the Implementation of Strategic Plans in relations to the Performance of The University of Nairobi.

1.3 Research Objectives

The objective of the study is to establish how the Challenges of the implementation of Strategic Plans influence Performance of the University of Nairobi.

1.4 Value of the Study

The findings of this study assisted public administration scholars and practitioners: Even though a lot has been written about strategic planning, particularly within the private sector, there is a lack of attention from writers and practitioners about the strategic planning process and the factors influencing the process within public sector organisations (Wilkinson and Monkhouse, 1994; Young, 2001). The research deepen our understanding of the effective use of SP by digging into researching areas not fully covered, such as the influence of organisational characteristics on the strategic plan document produced, the determinants of the strategic plan document quality; the relation between the formality of SP and the planning horizons in public organisations and other areas.

Government regulatory bodies: Improving the effectiveness of public sector organizations is a major governmental objective. For example, public sector excellence is included as a guiding principle in the university Strategic Plan 2015. Government Excellence Program, the establishment of the Executive Office as a regulatory and policy body, and the Human Development Award program. The findings of this study will be important to regulatory bodies and government policymakers since the research will assess the process used for strategic planning and the effectiveness of strategic planning within the Kenya public sector. It is expected that the findings will be a basis for future developments. Also, the research will provide an evaluation framework for assessing the strategic planning formation process that can be readily applied by regulatory bodies to any government organisation.

The organisation's decision-makers and management team: One of the expected findings of the research is the identification of barriers and obstacles to the strategic planning process. The findings will be crucial for decision-makers within public sector organisations and the university management who see deems fit to implement strategic plans in their institution, this will help them make quick and timely decisions to overcome the barriers and obstacles to the planning process. In addition, the evaluation of the SP and process output 'strategic plan document' will also be important for decision-makers within public sector organisations to take necessary corrective actions.

1.5 Chapter Summary

The Chapter has identified the purpose of the Study which is important in introducing the core objectives of the study. The chapter has explained Challenges of the implementation of Strategic Plans influence Performance of the University of Nairobi. The chapter covered the Background of the study, Research Problem, Research Objectives, Value of the Study and Chapter Summary

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review on the Challenges of implementation of strategic plan and Performance of University of Nairobi. This is presented in form of empiricism.

2.2 Theoretical Foundation

The goal of education for all is now being looked into a fresh by the organizations concerned to ensure that not just education but quality education is received (UNESCO, 2004). Strategic management can be defined as the process and approach which an organization's goals and objectives are specified; policies developed and plans drawn to achieve the set objectives through resource allocation for their implementation and actualization. Although the foundation of strategic management was at its best rooted in application, such as in business policy; the current field of strategic management has a strong theoretical basing, supported by substantial empirical research which is diverse in nature (Hoskisson *et al.,* 1999).

2.2.1 Resource-Based Theory

The resource-based theory is founded on the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. These resources and capabilities consist of the physical, financial, human and intangible assets. The theory is conditioned on the fact that resources are not homogenous and are limited in mobility.

The firm can translate these resources and capabilities into a strategic advantage if they are valuable, rare, and inimitable and the firm is organized to exploit these resources (Kepes and Wider, 2012). Therefore, rather than just evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin *et al.,* 2007).

2.2.2 Open systems theory

Open systems theory refers simply to the concept that organizations are strongly influenced by their environment. The environment consists of other organizations that exert various forces of an economic, political, or social nature. The environment also provides key resources that sustain the organization and lead to change and survival. Open systems theory was developed after World War II in reaction to earlier theories of organizations, such as the human relations perspective of Elton Mayo and the administrative theories of Henri Fayol, which treated the organization largely as a self-contained entity.

Virtually all modern theories of organization utilize the open systems perspective. As a result, open systems theories come in many flavors. For example, contingency theorists argue that organizations are organized in ways that best fit the environment in which they are embedded. Institutional theorists see organizations as a means by which the societal

values and beliefs are embedded in organizational structure and expressed in organizational change. Resource dependency theorists see the organization as adapting to the environment as dictated by its resource providers. Although there is a great variety in the perspectives provided by open systems theories, they share the perspective that an organization's survival is dependent upon its relationship with the environment.

2.3 Concepts of Strategic Planning

Planning is not a new concept. Genesis 8 describes the plans fo Noah's ark in some detail, and Machievelli, in The Prince, describes strategies required for success by a ruler under different circumstances. Moreover, the underlying concept of planning stated as "decide what you want to do, then decide how to do it," to paraphrase Argenti (1968), is hardly profound. Nonetheless, the interest in planning grew tremendously during the decade 1960-1970.

Hrebiniak (2005) recognized the difficulty of strategy execution and the reward from doing that correctly. He discussed various factors that can lead to incorrect implementation of any strategy similar to those already discussed in the above literature discussion. Additionally, Hrebiniak's research survey of 400 managers contributed to the identification of additional factors that may cause obstacles to successful strategy implementation included: lack of understanding of the role of organizational structure and design in the execution process; inability to generate "buy-in" or agreement on critical execution steps or actions; lack of incentives or inappropriate incentives to support execution objectives; insufficient financial resources to execute the strategy.

Brannen's (2005) survey based study concluded that in order to improve execution certain issues have to be tackled. These include inadequate or unavailable resources, poor communication of the strategy to the organization, ill-defined action plans, ill-defined accountabilities, and organizational/cultural barriers. Brannen's survey unearthed another significant obstacle to effective strategy implementation namely, "failing to Empower or give people more freedom and authority to execute." Welbourne (2005) observations of items on "what's getting in the way of execution" point to "habit and past experience reflects on new strategy" as another factor that could affect strategy implementation.

Henry (1967) found an increasing number of companies that formally recognized the importance of systematic planning by establishing a planning staff, by appointing an executive whose responsibilities included planning, or by adopting a formal planning procedure. Mockler (1970), in his review of the planning literature, verified an increasing interest in both planning theory and practice.

According to Mockler, LeBreton and Henning (1961) wrote the first book which attempted to develop a comprehensive outline of the "science of business planning." LeBreton and Henning suggest that the role of planning is four-fold: 1) to establish goals and objectives, 2) to determine policy and procedure, 3) to prepare plans, and 4) to implement. They listed the dimensions of planning as complexity, significance, comprehensiveness, time (frame), specificity, and completeness.

The steps in planning were viewed as first, the choice of objectives -- both for the firm and for the plan; second, the gathering of data used for the evaluation of the plan; third, communication of the plan to those it involves; and fourth, using persuasion to assure adoption of the plan. The organization that would perform these functions would depend on the circumstances, perhaps utilizing a committee, top management, or specialists.

2.4 Strategic Choice

According to Thompson and Strickland (2008), Strategic choice is the third logical element of the strategy formulation process and it is at the center of strategy formulation. In general, small enterprises tend to be limited by their resources, whereas large enterprises find it difficult to change quickly and so tend to be constrained by their past. In large corporations, managers may find their range of choice limited because some choices are made at a higher level or in another country (Pearce and Robinson, 2007). In the organisations, the genuine strategic choices may be made by organisations managers so that the role of the manager is limited to devising how best to implement strategies rather than to ponder fundamental choices of future direction for themselves. Porter's model of Competitive strategy proposed that firm's position within an industry was an important factor in attaining competitive advantage (Porter, 2005).

According to Hill (2009), Managers are free to make strategic choices results may eventually depend as much on chance and opportunity as on the deliberate choices of those managers. When considering future strategies, it may seem that there are clear choices to be made.

Competition is the heart of the success or failure of the business (Porter, 2005). Thus, the competitive strategy of the firm is needed to survive and grow in the competitive market arena. Porter (2005) stated that generic strategies of competitive advantage are cost leadership, differentiation and the focus. Firstly, cost leadership consists of two types, which are, no frills strategy and low price strategy. No frills strategy is combination of low price, low perceived product or service benefits and focus on a price-sensitive market; on the other hand, low price strategy seeks to achieve a lower price than competitors, whereas trying to maintain similar perceived product or service benefits to those offered by competitors.

2.5 Implementation of strategic plan and its challenges

Rational forces in strategy formation influence organizational actors to use formal techniques of information collection and situation analysis and formal criteria of evaluation and decision-making, and to institutionalize formal processes of planning, coordination, and control. When influenced by rational forces, strategies tend to be explicit, formulated, comprehensive, and integrated at high organizational levels. Information used in strategic analysis must be regarded as objective, and actions are measured against and applied to achieve predefined, overall organizational goals (Gatignon & Reibstein, 1997).

The public sector is charged with the responsibility of offering effective and efficient service to the public of any given economy or country. In recent times, many public sector organizations have been engaging in activities that will improve their service delivery to their clients. One such activity is the development of strategic plans. Kenya's current development agenda is guided by Vision 2030, which is the official government long-term development strategy. However, in spite of the public sector organizations having elaborate and well developed and designed strategic plans, their performance has not exponentially improved as expected. This scenario has mainly been attributed to strategic plan implementation challenges. The Kenya Ministry of Education through the Directorate of Quality Assurance and Standards developed through extensive consultation with various stakeholders facilitated by the Kenya National Commission for UNESCO two sets of guidelines aimed at ensuring the provision of quality and relevant education (Economic survey, 2003).

People are according to Lorange (1998) the key strategic resource; therefore it is essential for organizations to effectively utilize the know - how of their employees at the right places. It is the challenge of management to allocate them to their most useful tasks as well as coordinating and integrating activities of participating employees and functions Pryor et al. As written in the formulation and planning part of the Strategy implementation there is also a need to choose the right people for the right responsibility. Important in this context is not to throw away important knowledge by the wrong allocation or by to little connection of employees (Lorange 1998).

Top management must be involved in monitoring the direction and reviewing the process and may intervene where the view for the objective is lost or where resource may need reallocation. Lorange (1998) suggest that some new strategy activities should be abandoned in an early stage, so that resources can be saved at unprofitable activities and be better used "where they really have major, potential payoffs", connected.

Too much control can hinder this creativity and therewith a fast adoption of strategy, essential is that they understand the direction where the organization and the managers are heading to, how they go this way must be left to employee's own devices. Crittenden et al. (2008) have the same conception; too much control inhibits creativity, which is a fundamental resource to organizations. A balance between hierarchy and independence and self-responsibility must be found in connection of the strategy (Olson et al. 2005). Additionally they think incentives are connected with control, appropriate behavior should be rewarded.

Communication is deeply connected with strategic consensus. Everybody in the organization must know the direction the organization is going and what are the objectives. Beer et al. (2000) see a major challenge in the lack of honest upward conversations from employees about barriers and underlying causes, which is caused by a strict topdown management style. They agree with Noble (1999) and Rapert et al. (2002) that poor vertical communication inhibits effective strategy implementation and promote more open dialog within the organization.

Under Behavior this paper understands everything that has to do with the individual persons of an organization, the employees as well as the managers at each level. The individuals in an organization exercise in the structural setting. And should act in the ideal case in line with the Strategy of that organization. As Lorange (1998) stated," Human resources become the key resource on which to focus the implementation of an organization's business strategy". This paper represents the same opinion, because human behavior is hardest to change and they are also a resource that is most essential to an organization.

MacMillan (1978) believed there is a need to develop commitment by the members of an organization to key strategic decisions. Here the assumption is, that people are motivated more by their perceived self-interest than by the organizational interest unless these are congruent. In their paper Guth and MacMillan (1986) studied the motivation of middle management to implement a certain strategy. They found out that if middle managers believe that their self-interest is being compromised they are likely to redirect, delay or totally sabotage the implementation.

Another important topic in connection with strategy implementation is leadership. The role of the leader is important if an organization wants to implement a new strategy shows that leaders often have a substantial impact on performance according to O'Reilly, Caldwell, Chatman, Lapiz and Self, (2010). He has to deal with resistance, allocate resources and create consensus.

Every Organization has its own little culture. This Organizational culture is influences by the people in the organization, by history, by circumstances, by management, etc. The communication is a mean to shape culture to a certain degree. Managers can try to develop culture through communication et al. (2008) see organizational culture as a system of shared values of the employees and Pryor et al. (2007) see the possibility to set tone, pace and character of the organization. Certain characteristics can foster strategy implementation others may need to be considered as a barrier.

Performance is a contextual concept associated with the phenomenon being studied (Hofer, 1983). In the context of organizational financial performance, performance is a measure of the change of the financial state of an organization, or the financial outcomes that results from management decisions and the execution of those decisions by members of the organization. Organizational performance can be judged by many different constituencies, resulting in many different interpretations of "successful performance".

Each of these perspectives of organizational performance can be argued to be unique. Further, each organization has a unique set of circumstances, making performance measurement inherently situational (Cameron & Whetton, 1983). In general, the concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Alchian & Demsetz, 1972; Barney, 2001; Jensen & Meckling, 1976; Simon, 1976).

Modern performance measurement should be able to take a multidimensional, stakeholder-based perspective (Wettstein & Kueng, 2002). Today, businesses are often exposed to intense competition and companies therefore are focused on improving their performances. By measuring performances, organisations are able to assess whether the set goals are met. Since the rise of performance measurement, several models are introduced. In 1988, a few leading multinationals started developing the model 'EFQM', that was a reaction on models that were used to be developed in the United States of America and Japan. In the EFQM Excellence 2000-model, several dimensions of quality are processed and they can be achieved by self-assessment (Wongrassamee, Gardiner, & Simmons, 2003).

The holistic view of performance measurement follows the extension of the cybernetic model, which has been broadened to consider the addition of a second higher-order feedback loop to control the objective setting (Hofstede 1981), his second loop involves modification of the organizational assumptions, targets and strategic plans and thus represents a learning experience. The performance measurement role is extended from a single loop to a double loop learning dimension (Argyris and Schön 1978). Specifically, performance measurement is seen as fostering organizational learning, owing to its capacity to acquire, distribute, interpret and store knowledge. "The relationship between organizational learning and management control system is both recursive and two-way, with the two concepts inextricably interwoven" (Kloot 1997,69). Otley (1999) introduces a performance management framework that is designed to go beyond the measurement of performance and clearly represents the essence of the holistic view.

The framework is basically grounded in a cybernetic approach where (i) stakeholder interests determine the organizational key objectives, (ii) strategies and plans are adopted, and the processes and activities required are identified, (iii) performance is measured and rewarded, and (iv) feedback is provided. However, the latter step gives precedence to the learning process that is enhanced by the opportunity to revise ineffective strategies and foster the emergence of new ones.

Performance measurement contributes to strategy formulation and implementation by revealing the links between goals, strategy, lag and lead indicators (Kaplan and Norton 1992, 1996) and subsequently communicates and operationalizes strategic priorities (Nanni et al. 1992). The role of performance measurement evolves from a simple component of the planning and control cycle to an independent process that assumes a monitoring function. This function entails measuring movement in a strategic direction instead of distance from a goal, which is different from the planning and control cycle (Nanni et al. 1992).

2.6 Empirical Studies and Research Gaps

Lewa, Mutuku and Mutuku (2009) studied; Strategic planning in the Higher Education Sector of Kenya. The study revealed that Kenyan public universities are essentially traditional in orientation and must find new ways of dealing with the issues facing them include increasing competition from other universities. The study observed that strategic planning is one of the major steps the universities can take to address the challenges they face.

Langfield-Smith (1997), in his research paper on Management Control Systems and Strategy; reviewed the relationship between management control systems (MCS) and business strategy on specific aspects of MCS and their relationship with strategy. These aspects included cost control orientation, performance evaluation and reward systems, the effect of resource sharing, the role of MCS in influencing strategic change and the choice of interactive and diagnostic controls. More contemporary approaches to the relationship between performance measurement systems and strategy ware also considered. It concluded that our knowledge of the relationship between MCS and strategy is limited, providing considerable scope for further research.

Arasa and Nkunya (2009), in their study on Current Higher Education Quality Assurance Dynamics in East Africa, outlined the process that the IUCEA in collaboration with the regulatory agencies in Kenya (CHE), Tanzania (TCU) and Uganda (NCHE) have embarked upon to introduce a common quality assurance system for universities in East Africa. They established that IUCEA has already established a quality assurance unit that will coordinate the system. There are, however, still a number of challenges to overcome, including financing of the system at the universities, inertia towards embracing the system among the university stakeholders, and streamlining the student evaluation procedures as part of the quality assurance process.

It can however be foreseen that in the near future the quality assurance system will gain strength in harmonizing the quality of education and the proficiency of our university graduates in the regional and to fit into the international labour markets. Kitainge, Syomwene and Nganga (2000) in a study on Organization of Education and Training in Australia gave inferences on possible lessons for third world Countries The paper discussed some of the training aspects that are found in Australia. They were clear that this does not imply that Australia is the best system in the world as it is still reforming its systems to make them more responsive to the main forces that are impacting on education and training. They concluded that Developing countries should not just look at a model of training and imagine that all is well.

Mabonga, (2009) took a study on Module II Programmes in light of the challenges of access and prospects. Mabonga noted that the rate of development of the Module II programs should be checked by the Kenyan universities in order to ensure that customers are satisfied with the quality offered. He observed there seems to be faster expansion in population capacity than in acquisition and development of relevant resources and facilities for use in teaching.

Manyasi, (2009) took a study on Crisis Management: A Challenge in Institutions of Higher Learning in Kenya The study revealed that managers in the institution do not use a proactive approach to crisis management. They lack knowledge about strategic actions such as integrating crisis management into strategic planning process, integrating crises management into statements of corporate excellence, creating crisis management teams

and including outsiders on the board. The organizations did not have a crisis management plan. The researcher recommends that: Competent public relations officers should be employed to perform all functions including crisis management. Training and workshops in crisis management should be provided to strategic managers and public relations practitioners. Managers should use strategic actions such as integrating crises management into strategic planning process, integrating crises management into statements of corporate excellence, creating crises management teams and including outsiders on the board.

2.7 Chapter Summary

Modern performance measurement should be able to take a multidimensional, stakeholder-based perspective (Wettstein & Kueng, 2002). Today, businesses are often exposed to intense competition and companies therefore are focused on improving their performances. By measuring performances, organisations are able to assess whether the set goals are met.

Despite the evidence of the existence of strategic plans in institutions of higher learning in Kenya, the greatest impediment to successful use of these strategies in education has been failure by institutions to implement them. Indeed, previous studies have shown that crafting strategic plans is a lot easier than to make them happen. Public universities in Kenya are facing the problem of successfully implementing their strategic plans amidst the ministry of education's demand for written strategies as well as stiff competition from universities schools.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented a blueprint of the methodology that was used by the researcher conduct to the study. In this chapter the research methodology was presented in the following order, research design, data collection methods, instruments of data collection and finally the data analysis.

3.2 Research Design

The research design used was descriptive in nature. It was centered on the challenges of the implementation of Strategic Plans and performance of University of Nairobi. This enabled the researcher to summarize and organize an in effective, meaningful way and reduce information to understandable level.

Dooley (2007) defines a research design as the scheme, outline or plan that will be used to generate answers to research problems. This study adopted a case study this was approach to where research facilitates exploration of a phenomenon within its context using a variety of data sources. This ensured that the issue is not explored through one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood. According to Yin (2003) a case study design should be considered when.

3.3 Data collection

For the purpose of this study, the researcher used primary data. General interview guide approach was used for the data collection purpose, the guide approach was intended to ensure that the same general areas of information are collected from each interviewee; this provided more focus than the conversational approach, but still allowed a degree of freedom and adaptability in getting the information from the interviewee.

The study targeted Senior Staff, Middle level managers and supporting staff of the University of Nairobi. This was because they were in a better position to provide information on Strategic plan implementation in the organizations.

3.4 Data Analysis

Content analysis in strategy research has been improving for the last three decades (Hult & Kacmar, 2004). Qualitative data was analyzed using content analysis which is the best suited method of analysis; content analysis as defined by Creswell (2003) is a technique for making inferences by systematically and objectively identifying specific characteristic of messages and using the same approach to relate trends.

According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon.

3.5 Chapter Summary

The study was conducted at the University of Nairobi, whose challenges of strategy implementation is not only key to the University itself but also to the entire public Universities in the country for its not only representative of the operations of the public University sector but a measure of its effectiveness. The study was mainly descriptive and focused on the University of Nairobi staff whose sample was 17. The study used a interview Guide which was administered to 17 respondents who were drawn from all the departments of the University to collect the required data.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to establish the Challenges of the Implementation of Strategic Plans and Performance of University Of Nairobi, Kenya. This chapter presents the analysis and findings with regards to the objective and discussion of the same. The chapter is divided into three sections namely; respondents profile, Challenges of the Implementation of Strategic Plans and Performance of University Of Nairobi, Kenya.

4.2 Respondents Profile

This part of the interview guide intended to establish the respondent's personal information. The respondents comprised of the Senior Management of the University, middle level management and other senior officers tasked with strategic planning and Performance contracting. The researcher purposely selected these respondents with the assumption that they were dealing with matters related to the topic understudy. This meant that they were best suited to provide credible information regarding competitive strategies. To this end, the total number of respondents was 5(5 senior managers and 12 middle level managers). The response rate was good since all the 17 respondents were available to be interviewed. This represented 90% response rate. According to Bable (1995), a response rate of 70% and above was satisfactory for data analysis. When asked on gender, majority of respondents, and 11 were male representing 73.3% while only 4 respondents were female representing 26.7%. This implied that despite the views of both genders being expressed the responses were more likely to be gender-biased.

On the age of respondents, 9 respondents were above 35 years old with 8 respondents being over fifty years. This implied that majority of respondents were of the age bracket of 40 years old. On their level of education, all the respondents interviewed had acquired university degrees with three of them having Phd's degrees. This meant that the respondent didn't struggle with answering the interview questions since they well all well-versed with the concept of competitive strategy.

4.3 Rationale for the Strategic Plan

The interviewees were asked to state what informed the development of Strategic Plan at the University. The need to align individual goals to the vision of the organization was the most repeated reason, with a 90% repeat rate. The interviewees felt that this was a critical element to assist in performance management. They noted that before the adoption of Strategic Plan that is implemented through the performance contract secretariat, staff performed their duties but there was no clear link between these duties and the overall strategy of the organization. Therefore, even though the University had formulated strategy in the previous periods, there had been a lack of alignment which caused the institution members to pull in different directions, hence resulting in sub optimization of effort. 80% of the interviewees stated that the technique was necessary so as to provide an objective method of evaluating employee performance and also involve them in performance management, apart from differentiating performance in order to link it to remuneration. This is due to the fact that performance as gauged by the scores of the performance contract.

4.3.1 Company Strategies Implementation

Results from 70% of the interviewees affirmed that the Strategic Plan had been used to implement strategy. This derives from the fact that each year, the University Council together with the Senior management team of the university formulates the Institutional Strategic Plan which sets the agenda for the following years. By constructing the Strategic Plan as a team, they are able to agree on what activities are important for the attainment of the vision. This Strategic Plan is derived from the vision of the Institution and the areas of emphasis vary each year.

The Vice Chancellor then cascades his plans to his direct reports, who are the Deputy Vice Chancellors. They use it to prepare their own Strategic Plan and is replicated to principals of colleges. This process flows until it gets to the individuals forming the various units who construct their Strategic Plan with reference to that of their immediate superior. 60% of the interviewees agree that the objectives, targets and measures in the University Strategic Plan correspond with those handed down to them by their immediate supervisor. This implies that there is a relationship between what the Institution Strategic Plan sets out to steer performance and the actual activities that take place on the ground. In the same way, 80% of the staff interviewed concur that the Strategic Plan assists them in discharging their day to day duties. This is to the extent that it helps them focus on the critical activities that add value.

4.4 Strategic Plan Implementation

To attain a competitive edge, and remain as a premier institution the institutions has been implementing strategies to achieve the ever changing needs of their clients. Being inventive leads to customers' satisfaction which in turn strengthens the performance of the institution. Strategy implementation encompasses organization of the institution resources and motivation of the staff to achieve desired goals. The environmental situations facing many public education institutions have changed rapidly.

Today's global competitive environment is multifaceted, dynamic, and largely unpredictable. To deal with this unprecedented level of transformation, a lot of thinking has gone into the issue of how strategies are best articulated. Strategic management is about managing the future, and operational strategy formulation is crucial, as it directs the attention and actions of an organization, even if in some cases authentic implemented strategy can be very different from what was initially intended, planned or assumed. The valuation of strategy formulation processes becomes vital for practitioners and researchers alike in order to conduct and evaluate diverse formulation processes.

4.5 Strategic Planning As the Performance Management Tool Creating Competitive Advantage

Performance measurement system has changed a lot in comparison to the past. The measurement results are real just when the comparisons apply between similar items. In traditional performance measurement approach, the most important goals of evaluation is

performance measurement while modern approach has focused on evaluated growth and development capacity. Modern evaluation system results in satisfaction improvement, efficiency improvement, and finally improvement in effectiveness of organizational activities. Strategic Plan provides quick and comprehensive examinations for top managers. Nowadays, just the organizations can be considered as a leader of their industry which can use the resources better and quicker than their adversaries and by using new methods increase their competitive advantages. In this way, Strategic Planning as a new tool in management hands can provide a better competitive situation by better assessment of organizational performance. University of Nairobi performance contracting secretariet has been a main driver that ensures that all university units implement develop, update and implement their strategic plans. This ensures that the university performance is high hence creating competitive advantage.

Performance measurement system has changed a lot in comparison to the past. The measurement results are real just when the comparisons apply between similar items. In traditional performance measurement approach, the most important goals of evaluation is performance measurement while modern approach has focused on evaluated growth and development capacity. Potential solution was to introduce "balanced" sets of measures. "Market standings, innovation, productivity, physical and financial resources, profitability, manager performance and development, worker performance and attitude, and public responsibility" are appropriate performance and attitude, and public responsibility" are appropriate performance criteria.

4.6 Benefits of application of Strategic Planning for Competitive Advantage

Several benefits have resulted from the application of Strategic Planning at the Institution. First, there has been the alignment of Institution and individual goals according to 60% of the staff interviewed. This has caused a clear link between individual goals and responsibilities and the corporate strategy. Secondly, a culture high performing teams has been created informed by rewards at the end of the year for exceeding the set targets. This has provided a mechanism for differentiating and recognising high performance. Again, the strategic plan has embedded a culture of responsibility and ownership. The each college, department review the strategic plan every quarter to determine whether progress is being made towards the set targets. This allows corrective action to be taken where there are disparities between the set targets and the reality on the ground.

The strategic plan assists in breaking down the overall corporate vision into daily measurable targets for employees to implement. This enables them to focus on the important tasks that are critical to their performance as measured by the monthly performance returns to the performance contract secretariat, and hence work towards the execution of the Institution vision. The strategic plan has greatly assisted in the improvement of the university performance. It has also enabled the Institution to become more focused in its vision of being a world class university.

4.7 Challenges of using the strategic plan as strategic management tool

Several challenges were faced when the strategic plan was introduced. To start with, there was resistance to change, since there had not been an individual performance management tool in the university before. Hence, the employees viewed the technique with suspicion. This is especially because an individual's performance is used as a basis for remuneration (year-end bonus) and consideration for promotion. This was depicted by responses by 50% of the staff.

Secondly, as was stated by 40% of the staff, there has been a challenge in knowledge on the part of the staff since most are not able to formulate SMART objectives. This has been attributed to insufficient training. This is because it's the individual staff and the line manager that are responsible for the direct report's scorecard. In the event that both are not conversant with the technique, the objectives, measures and targets end up either being unrelated to the vision or cannot be measured.

Thirdly, there was consensus among 60% of those interviewed that it has been difficult to measure the qualitative aspects of the business which are difficult to assign a value to even though they constitute the overall corporate performance. Issues like employee morale, which though important for the attainment of the bottom line cannot be quantified. Another issue has been how the bank can attain standardization without replicating the balanced scorecards across the business. This not only affects the quality of the scorecard but also compromises vision attainment because this means that there is duplication of effort.

4.7.1 How Resource Allocation Influences Implementation of Strategic Management Plans in The University

The relationship between resource allocation policies and strategic implementation plans; according to the respondents 70% of the respondents show a high relation between resource allocation policies and Implementation of strategic plans on the university performance. The above is out of tandem with practice as Resources allocation is among the factors that affect and ultimately comprise a company's strategy stream continuously from the intended and emergent sources (Mintzberg and Waters (1985).

Regardless of the source of the strategies, however, they must flow through a common filter the resource allocation process. This is because a company's actual strategy is manifest only through the stream of new products, processes, services and acquisitions to which resources are allocated (Bower and Joseph, 1986). The resource allocation process acts like a filter that determines which intended and/or emergent initiatives get funding and pass through, and which initiatives are denied resources (Mintzberg and Waters, 1985).

4.7.2 How Reward Management Influence Implementation 0f Strategic Management Plans in The University

The influence of reward management on implementation of strategic management plans plays a great role. In this study 67% of the respondents supported the effectiveness of staff on related strategic implementation bench mark of performance contracting and ISO processes.

Though there was existence of welfare and development policies, professional ethics of the staff was found to be the main factor. There was also evidence that motivation of staff on career development was low and so was motivation on ISO process and top management decisions towards implementation of strategic plans. This is an interesting observation, which concurs with Maehr and Braskamp (1986) who offer a "counterbalancing perspective" to McClelland's. "Focus on personality as a cause of motivation." Maehr and Braskamp conclude that "perhaps more than we realize, we are what we expected to be and we do what the task and our significant others allow and demand" (Maehr and Braskamp, 1986).

4.7.3 Leadership of Managers

The study found that focuses leadership of an institutition can lead the successful implementation of a strategic plan, the findings 67% found that poor leadership pose a challenge to the successful implementation of a strategic plan.

Too much control can hinder this creativity and therewith a fast adoption of strategy, essential is that they understand the direction where the organization and the managers are heading to, how they go this way must be left to employee's own devices. Crittenden et al. (2008) have the same conception; too much control inhibits creativity, which is a fundamental resource to organizations.

4.7.4 Organizational Culture

Every Organization has its own little culture. From the study majority of the respondents 71% agreed that Organizational culture is influences by the people in the organization, by history, by circumstances, by management, middle level Managers can try to develop culture through communication et al. (2008) see organizational culture as a system of shared values of the employees and Pryor et al. (2007) see the possibility to set tone, pace and character of the organization.

4.8 Discussion

The section discussion the findings of Challenges of the Implementation of Strategic Plans and Performance of University Of Nairobi, Kenya in relation to theory and other studies done. The discussion of the study is divided into the following two sections.

4.8.1 Link to Theory

The study theory was Resource Based theory refers simply to the concept that The resource-based theory is founded on the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. These resources and capabilities consist of the physical, financial, human and intangible assets. The theory is conditioned on the fact that resources are not homogenous and are limited in mobility It is supported by findings show lanced strategic plan is a performance implementation tool that uses a strategy map to connect an organization's day-to-day processes to its organizational goals.

Rather than capture how an organization currently operates, the strategic plan is concerned with creating a strategy to drive future direction, building in cause and effect linkages while simultaneously taking into account both financial and intangible resources that can determine success or failure of an institution. This is evident at University of Nairobi.

Open systems theories come in many flavors. For example, contingency theorists argue that organizations are organized in ways that best fit the environment in which they are embedded. Institutional theorists see organizations as a means by which the societal values and beliefs are embedded in organizational structure and expressed in organizational change (McLaughlin & Talbert, 2001). The study found out that The University of Nairobi Plan 2013-2018 presents the strategic directions that guide the Institution in order to realize its vision of being the world Class University. The Strategic Plan has facilitated implementation of strategies at The University of Nairobi.

4.8.2 Link to Other Studies

According to Olson et al. (2005), Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives the study indicated that strategy implementation at The University of Nairobi has been successful since the adoption of strategic plan in 2005, it has enabled the institution to develop the potential of carrying out strategy successfully, disburse abundant resources to strategy-essential activities, create strategy-encouraging policies, employ best policies and programs for constant improvement, link reward structure to accomplishment of results and make use of strategic leadership.

The study established that ineffective communication within The University of Nairobi affect strategy implementation. The strategic plan is an integrated management system consisting of three components: strategic management system, communication tool, and measurement system (Niven, 2003)

4.9 Chapter Summary

This chapter presented the analysis and findings with regards to the objective and discussion of the same. The chapter was divided into three sections namely; respondents profile, Challenges of the Implementation of Strategic Plans and Performance of University Of Nairobi, Kenya.

Rationale for the Strategic Plan, Company Strategies Implementation, Strategic Plan Implementation, Strategic Planning As the Performance Management Tool Creating Competitive Advantage, Benefits of application of Strategic Planning for competitive advantage, Challenges of using the strategic plan as strategic management tool and Discussion. The study theory was Resource Based theory refers simply to the concept that The resource-based theory is founded on the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. These resources and capabilities consist of the physical, financial, human and intangible assets. The theory is conditioned on the fact that resources are not homogenous and are limited in mobility It is supported by findings show lanced strategic plan is a performance implementation tool that uses a strategy map to connect an organization's day-to-day processes to its organizational goals

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusion and recommendations from the study findings. The main objective of the study was to establish the Challenges of the implementation of Strategic Plans and its influence to the Performance of the University of Nairobi.

5.2 Summary

The objective of the study was to establish how the Challenges of the implementation of Strategic Plans influence Performance of the University of Nairobi. Towards this end, the concepts of Challenges of the implementation of Strategic Plans and its influence to the Performance were identified. Interviewees comprised of senior managers, middle level managers. In total, 17 interviewees were interviewed.

The study established that the University of Nairobi has experience challenges in implementing strategic plans. The Strategic Planning was adopted as means to align performance to strategy and inculcate a performance driven culture and align the individual Units goals to the overall organizational goals, as stated by 90% of the interviewees. 80% of the interviewees indicated that the methodology was introduced in order to improve overall performance of the university and therefore link strategic plans to performance.

Also, it was done in a bid to involve all stakeholders in performance management through performance contracting it was viewed as an objective means of performance appraisal. 70% of the employees interviewed stated that the use of performance contracting in implementing strategic plans had been a useful tool for the realization of the organization's strategy, whereas 60% affirmed that the measures, targets and objectives relate to their day to day activities. Therefore, it can be said that the strategic plans has helped the organization translate its strategy into action, clarify it in terms of day to day activities for staff to implement and be better able to communicate it. Due to this, the activities of the staffs have become more focused on what is important, namely the vision of the university and how to implement it.

5.3 Conclusion

From the results of the study, it can be concluded that the University of Nairobi.has successfully applied the strategic planning effectively to implement strategy. The major factor that emerged is that the strategic planning has been used as a tool to communicate and clarify strategy and directions within the business, gain consensus and therefore rally the organizational members in the same direction. The relationship between resource allocation policies and strategic implementation plans; according to the respondents 70% of the respondents show a high relation between resource allocation policies and Implementation of strategic plans on the university performance. The influence of reward management on implementation of strategic management plans plays a great role.

The findings majority of the respondents 71% agreed that Organizational culture is influences by the people in the organization, by history, by circumstances, by management, middle level Managers can try to develop culture through communication The application of the strategic plan to implement strategy has been acclaimed as one of the factors that have contributed to the turnaround of the learning institution which have seen the raising of students intake with no increase in allocations of resources.

The challenges of strategic plan implementation in relation are a performance as measurement tool universities uses strategy plans to connect on its day-to-day processes to its institutional goals. Rather than capture how an institutional currently operates, the strategic plan is concerned with creating a strategy to drive future direction, building in cause and effect linkages while simultaneously taking into account both financial and intangible resources that can determine success or failure. The strategic plan framework explains corporate goals through cause-and-effect relationships, and is filtered through four perspectives: financial, customer, internal processes, and learning and growth (Kaplan and Norton, 2006).

Strategy implementation is critical element in institutional functioning, but whereas most institutional have good strategies, successful implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. To the contrary, transforming strategies into action is far complex, difficult and a challenging undertaking and therefore not as straight forward as one would assume (Aaltonen and Ikavalko, 2001).

5.4 Recommendations and Implication of the study

The study recommends that the University of Nairobi continuously improves on the strategic plan technique in order to remain relevant not only to its own operations but also to the changing macro-environmental dynamics. Some of the inadequacies of the technique have been attributed to lack of sufficient training of staff involved, in order for them to derive from the vision of the university measures that not only reflect what their day to day work entails, but also ensure that these are SMART. To this end, it is suggested that more training of staff is required.

The study recommends that when an institution implement strategic plans, it need to take a very close look at the institutional structure and evaluate if it supports the strategies. This will help individuals to do better and raise their self-esteem and motivation, resulting in job satisfaction. It all stakeholders will be able to understand the effects of the challenges of implementing strategic plans on their respective institution and the institutional of learning as a whole and therefore will be prompted to seek appropriate ways and proactive policies and procedures to enhance the adoption and implementation of the strategic plan methodology in their institutions and in the industry.

Interviewees indicated that the methodology was introduced in order to improve overall. Performance of the university and therefore link strategic plans to performance. The strategic plan is concerned with creating a strategy to drive future direction, building in cause and effect linkages while simultaneously taking into account both financial and intangible resources that can determine success or failure of an institution.

This is evident at University of Nairobi. Universities should put up policies on the training and development of its human resources. This will enhance the adoption of any planned change in the institution, the ministry of education in Kenya should increase its allocation to Universities to curb the problem of budgetary constraints impeding strategy implementation in the schools, The challenges of strategic plan implementation in relation is a performance as measurement tool universities uses strategy plans to connect an its day-to-day processes to its institutional goals. Rather than capture how an institutional currently operates, the strategic plan is concerned with creating a strategy to drive future direction, building in cause and effect linkages while simultaneously taking into account both financial and intangible resources that can determine success or failure.

5.5 Limitation of the Study

The researcher encountered un-cooperative interviewees who do not understand the significance of the research and the researcher explained to them the importance of this study and the way assist their working lives in the institution. The study will be carried out for a short time.

Information relating to strategic planning and strategy implementation is always treated with sensitivity. This may cause difficulties in convincing the interviewees of the importance of giving sincere answers to the asked questions evidenced through reluctance of accepting invitation to participate in the study to counter the challenge, the research had to inform the interviewees in advance the purpose for the research study being carried out, that it was meant for academic purpose only and not for other investigations.

Since the study specifically narrowed down to the University of Nairobi, it cannot be generalized to other institutions of learning. Therefore, inference cannot be made from it by other players in the learning institutions.

5.6 Suggestion for Further Research

The study recommends further research to be done on whether by separating performance contracting from strategic planning leads to performance management and therefore strategy implementation becoming more objective.

The study recommends carrying out the same study in other parts of the country to find out whether the same results will be obtained. A study should be carried on other non-governmental organizations using the strategic plan and operating in other parts of the country.

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APPENDICES

APPENDIX I: Interview Guide

Department: _____

Goals of the interview process

To establish how the Challenges of the implementation of Strategic Plans influence Performance of the University of Nairobi

1. How long have you worked with the University of Nairobi?

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2. Does the University of Nairobi have a Strategic Plan?

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3. Does the top management involve you in formulation of the Strategic Plan?

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4. Does your department have a Strategic Plan?

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5. How is your departmental/unit Strategic Plan aligned to the corporate Strategic Plan?

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6. How does the Planning process impact successful implementation of Strategic Plan in the University of Nairobi?

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7. How does strategy implementation connect between formulation and control?

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8. How does the connection between strategy implementation, formulation and control affect successful implementation of Strategic Plan in the University of Nairobi?

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9. How does your department handle challenges encountered during implementation of strategic plan?

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10. In your opinion, is there full commitment by top management in the implementation of strategies as outlined Strategic Plan?

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11. Do the activities carried out in your Unit reflect strategies of the Unit Strategic Plan?

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12. Are the targets too ambitious to be implemented?

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13. What are the main factors that deter effective implementation of the Strategic Plan in your Unit?

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14. In your most considered opinion, how much control can hinder the creativity and therewith a fast adoption of strategy in this university?

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15. In your opinion, which Cultural characteristics foster strategy implementation or may need to be considered as a barrier during the implementation of Strategic plan?

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Thank you