

# ORGANIZATIONAL PLANNING AND PERFORMANCE OF TECHNICAL INSTITUTIONS IN WESTERN KENYA

<sup>1</sup>Bernadette N. Canute, HSC, <sup>2</sup>Mr. Evans Kwendo, <sup>3</sup>Dr. Willis Otuya

Masinde Muliro University of Science and Technology, KENYA

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**Abstract:** Technical institutions play a vital role in enhancing economic growth in a country. Despite this contribution, they experience insufficient funding, poor infrastructure and low student enrolment. This is attributed to lack of awareness on the important role they play in economic activities. Previous studies on the effect of strategic management on firm performance have mostly focused on profit making organizations without realizing the importance nonprofit making organizations play in an economy. Therefore little is known on how strategic management practices affect performance of technical institutions in Kenya. This study therefore investigated the effects of organizational planning practices on performance of technical training institutions in Western Kenya. The study targeted 8 technical institutions in Western Kenya out of which 172 employees were taken by use of census method. The study adopted correlational research design and used questionnaires as the instruments for data collection. The study was a census study since key informants were chosen from each technical institution to provide information required for the study.

**Keywords:** organizational planning, performance, technical institutions.

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## 1. INTRODUCTION

This study sought to determine the effects of strategic management practices on service delivery of Technical Training Institutions in Western Kenya. Here, a discussion is made on the background to the research, research objectives, hypotheses, conceptual framework and the significance of the research.

## 2. LITERATURE REVIEW

For a long time, business enterprises globally have formulated and implemented strategies which they have ensured that the objectives they formulate and pursue appreciate their capabilities, constraints, opportunities and threats that exist in their environment (Yabs,2007; Hunger and Wheelen 2007).Strategy implementation has enabled them to report a considerable measure of improved performance (Mintzberg , 1994; Ansoff , Miller and Cardinal ,2001 ; Eastlack and McDonald ,2002) .The success of the exercise has led to government ministries, local authorities and other public sector enterprises to adopt the practice (Muthaura , 2006; GOK 2006; Kobia and Mohamed, 2006; GOK 2007; Akinyele and Fasogobon,2007; Nafukho et al 2009).

Various studies have been conducted worldwide on the practice of strategic management practices. For example, Huang (2008) conducted a study on strategic management practices of American-owned, Taiwan-owned and Japanese-owned firms. The study findings indicated that American-owned organizations were discovered to engage in strategic management practices more frequently than both Japanese and Taiwan-based organizations. The study further revealed that there was a relationship between the amount of capital resources available to the firms and the extent to which they practiced strategic management.

In Singapore, David (2012) investigated the relationship between strategic management practices and organizational financial and human resource performance. Using descriptive statistics and regression to analyze the data, the results obtained indicated that with the exception of team-based work and performance-based pay, all other strategic management practices have a positive impact on the performance of an organization.

In India, another study was conducted by Singh (2004) which investigated the relationship between six strategic management practices and level of performance of the organization. The firms studied were those listed in the Centre for Monitoring Indian Economy (CMIE) database. The results indicate that there was a significant relationship between the strategic management practices and level of organizational performance.

In Nigeria, a study was conducted Jimoh and Danlami (2011) to establish the relationship strategic management practices and organizational performance. Among the objectives of the study was to establish whether strategic management practices can contribute directly to the implementation of the strategic objectives of firms and improve performance. The study established that there was a strong positive relationship between strategic management practices and organizational performance. The results further indicated that the practice of strategic management is highly integrated into the organization's operations. The study therefore provides evidence for the value-added by strategic management practices with the key organizational strategies and operations.

Strategic planning and implementation in the public sector and its linkage to performance can be traced to France where performance contracting was used in the 1970's (Nafukho et al 2009). The success of the practice in enhancing service delivery to citizens has made the practice to spread across various countries such as Canada, Pakistan, India, Nigeria, Ghana and Senegal among others (Kobia and Mohamed, 2006). In the United States of America, the passage of the Government Performance and Results Act of 1993 compelled federal agencies to develop strategic plans that were to be implemented and tied them to budgets and performance measures (Zanneti and Cunningham, 1999; Poister and Streib, 2005)

In Kenya, strategic planning and implementation was embraced by the government through the Economic Recovery Strategy for Wealth and Employment Creation (GOK, 2003; GOK, 2006). This endeavor affected government ministries and departments who were compelled to formulate and implement strategic plans. It was aimed at enhancing service delivery and utilization of resources on clearly identified activities through enhanced accountability and focusing on attainment of key national policy priorities (GOK, 2006; GOK, 2007; Obong'o, 2009). The previous government development plans that were formulated at five year intervals since independence in 1963 lacked such accountability mechanisms. Strategy implementation by government ministries and departments has been undertaken through the introduction of Results Based Management and Performance Contracting to ensure that whatever the public sector planned was implemented. This has helped in the achievement of targeted results (GOK 2003; Kobia and Mohamed, 2006; Mutunga, 2008; GOK 2008).

The technical institutions in Kenya have not been left behind as they try to remain relevant in the environments in which they operate in. In order to compete and survive in the competitive environment, organisations are implementing various competitive strategies to achieve a sustainable competitive advantage and enhance their survival in an industry. The use of strategic management enables firms define their strategies which provide a central purpose and direction to its activities to people who work in the firm and often to the outside world (Johnson and Scholes, 2002).

#### **Effect of Organizational Planning on Performance of Firms:**

Planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment (Pearce and Robinson, 2010). It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful.

This entails the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with mission, vision and strategy throughout an organization. Strategic management activities transform the static plan into a system that provides strategic performance feedback to decision making and enables the plan to evolve and grow as requirements and other circumstances change.

The Association for Strategic Planning (ASP), a U.S.-based year, non-profit professional association dedicated to advancing thought and practice in strategy development and deployment, has developed a "Lead-Think-Plan-Act" rubric and accompanying Body of Knowledge to capture and disseminate best practice in the field of strategic planning and management. ASP has also developed criteria for assessing strategic planning and management frameworks against the Body of Knowledge.

### 3. METHODOLOGY

The study was conducted using the Correlational survey design. This study was conducted in technical institutions in Western Region of Kenya, specifically Kakamega, Bungoma, Busia and Vihiga counties. It is made up of 24 sub-counties in four counties. It has eight technical institutions. Technical institutions in the Western Region were chosen for the study because among them, they have a mix of types of staff found in the country. They also have within their jurisdiction a mix of different categories of institutions, some being national polytechnics and others being institutes of science and technology. The target population of this study included HOS (nontrainers and BOGs/Council and Head of departments (trainers) from all technical institutions in Western Kenya, namely Shamberere, Bushiangala, Sigalagala, Kaimosi, Bumbe, Sang'alo, Kisiwa and Matili. Data was collected from both primary and secondary sources. Secondary data was obtained through document analysis of the records from the institutions, their newsletters and government reports. Primary data was collected using structured questionnaires and interview schedules. These was administered on employees.

Internal consistency of measures was established through computation of the Cronbach's Coefficient Alpha which gave coefficient of 0.797.

### 4. RESULTS

#### Organizational Planning and Performance of Technical Institution:

**Table 1: Organizational planning and performance of technical institution**

|  | N   | Mean   |
|--|-----|--------|
| Institution have alternative course of action if main plan fail                  | 159 | 4.1006 |
| Employees in my section have relevant training and knowledge on planning         | 159 | 3.9308 |
| Further training in seminars, workshop and college improves knowledge and skills | 159 | 3.9308 |
| Need for further training is as a result of staff appraisal                      | 159 | 3.6038 |
| Level of planning is good in my institution                                      | 159 | 3.2893 |
| Each department/section has enough employees                                     | 159 | 3.0881 |
| Clear policy for promotion and transfers is present                              | 159 | 2.7610 |
| Valid N (listwise)   | 159 |        |

Source: Field data (2018)

Table 1 results indicate that there is evidence of planning in the technical institutions in Western Kenya. This has been shown by the level of the agreement with the following issues concerning organizational planning: Institution have alternative course of action if main plan fail (mean=4); Employees in my section have relevant training and knowledge on planning (mean=3.9); Further training in seminars, workshop and college improves knowledge and skills (mean=3.9); Need for further training is as a result of staff appraisal (mean=3.6); Level of planning is good in my institution (mean=3.3); Each department/section has enough employees (mean=3.1); and Clear policy for promotion and transfers is present (mean=2.8). The result of the study imply that technical institutions in Western Kenya involve in organizational planning which facilitate their growth in performance. The study findings are consistent with research findings of Pearce and Robinson (2010) which linked organization planning to performance of organization.

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Correlation results showed that there was a positive and significant effect of organizational planning on performance of Technical Institutions at 95% confidence level. The results on model summary, R-squared showed that organizational planning accounts for 40.8% of the variability in the performance of Technical Institutions. The results of the study was interpreted as, organizational planning lead to an increase in performance of Technical Institutions. Based on the study beta coefficient results depicted that in every 0.467 units of use of organizational planning, there is a corresponding 1 unit increase in performance of Technical Institution in Western Kenya. The results also showed that organizational planning is statistically significant measure of performance of Technical Institution. Since the t-statistic is significant, the study reject the first null hypothesis and concluded that, there is a significant and positive relationship between organizational planning and performance of Technical Institutions in Western Kenya.

## 5. CONCLUSION

Based on the findings of the study, it was concluded that organizational planning has a positive and significant effect on performance of Technical Institutions thus an increase in organizational planning leads to an increase in performance of Technical Institutions.

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