

THE INFLUENCE OF STRATEGIC PLANNING ON ORGANIZATIONAL PERFORMANCE: A CASE OF EAST AFRICAN COURT OF JUSTICE, ARUSHA TANZANIA

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Abstract: This study analyzes the influence of strategic planning on organization performance a case of East African court of justice. The objectives of the study are; to identify the effects of ethical practices on performance of East African court of justice, to find out the effect of resource allocation on performance of East African Court of Justice and to determine the effect of budgetary control on performance of the East African Court of Justice. The study adopted a descripto-explanatory research design covering a target population of 26 staffs working at EACJ. The study employed both quantitative and qualitative research in its data analysis. Data collected were analyzed using both descriptive and inferential statistics. Descriptive statistics aided in creating frequency distributions and determining variable significance while inferential statistics was used to establish the relationships between the variables under study. The quantitative data generated will be analyzed using Statistical Package for Social Scientists (SPSS) computer programme. The study found out indeed strategic planning influences performance of EACJ. The study concluded that budgetary control has a huge influence to the performance of EACJ due to the fact that it triggers EACJ to develop a defined accounting and finance system that takes responsibility of evaluating finance issues as well as to design appropriate budget control systems so as to ensure proper budgetary control. Budgetary control provide the basis of decision making on planning and execution of EACJ's resource and it requires deposition of resources such as human resources and financial resources as well as enhances EACJ's profitability, quality service delivery and therefore customers' satisfaction. Resource allocation plays a critical role on EACJ's performance and it is supported by the presence of human resources, financial resources, physical resources, technological resources and organizational capabilities which ultimately influence the accomplishment of overall organizational goal as well as customer gratification. In ethical practices, development of ethics policy, strictly laws and preparation of ethical framework and provision of training on code of conduct to employees are significant ingredients to EACJ's performance. However the study recommends that EACJ management should conduct SWOT analysis in order to understand their strength and weaknesses as well as opportunities and threats in the external environment, the court should align its organizational structure to match with the corporate goals. Also the employees should be incorporated in the formulation of corporate goals so as to feel an identity with the goals hence a feeling of ownership which will motivate the operatives in implementing the formulated goals.

Keywords: Ethical Practices, Resource Allocation, Budgetary Control, Performance.

1. INTRODUCTION

Strategic planning is the process of setting vision of an organization, scanning external environment, assessing internal capabilities, formulating goals, establishing performance measures and implementing plans (Sarason and Tegarden, 2003). Moreover, strategic planning is the practice of describing organization's intermediate to long-term objectives and

means to accomplish such ends (United Nations, 2012). Strategic planning is a cornerstone for organizational performance. Strategic planning is a cornerstone for organization performance (Sophia and Owuor, 2015). Strategic planning enables the organization to achieve the set goals (Owolabi and Makinde, 2012). Moreover, it provides organizations with frameworks for operating efficiently and effectively in their environment (Katsiolouides and Abouhanian, 2017). Strategic planning is also a tool for providing direction to ensure that resources are appropriate and available at right place and time for achievement of organization objectives (Bilodeau, 2007).

Originally the EACJ is derived from the former East Africa Court of Appeal (EACA). The EACA was initially referred as “His Britannic Majesty’s Court of Appeal for Eastern African” established in 1962 by the order of Council. Between 1961 and 1966, “His Britannic Majesty’s Court of Appeal for Eastern African” operated as the East African Court of Appeal. In 1967 the East African Community was established by Kenya, Tanzania and Uganda. It was decided that the EACA should remain to interpret the 1967 EAC treaty and serve an appeal court for civil and criminal matters. However the court lacked jurisdiction over human rights matters. This is mainly because during that period, promotion of human rights was not a priority such as the EAC did include a bill of rights in its treaty. In 1977 the EAC was dissolved over ideological differences among member states. The EAC was re-established in 2000. Unlike its predecessor, the EAC aspired to promote and protect human rights. Therefore in 2001 EACJ was formed as a judicial arm of the EAC (Apiko, 2017). Therefore in 2001 EACJ was formed as a judicial arm of the EAC with the major responsibility to ensure adherence of law in the interpretation and application of and compliance with the EAC Treaty (ibid; East Africa Court of Justice, 2010).

Yet, the influence of strategic plan towards performance of EACJ has not been empirically established. Previous related studies on EACJ have not specifically focused on strategic management. For instance, Komakech (2012) investigated the role of EACJ in addressing human rights violations in Uganda. The study aimed to answer two research questions. The first question stated “*what role can EACJ play in promotion, protection and enforcement of human rights in Uganda?*” The second question stated “*what opportunities exist for the EACJ to play this role effectively in the absence of an express conferment of human rights jurisdiction on it?*” As they were clearly stated, none of the research questions addressed strategies employed by the EACJ to promote violation of human rights. Hence the study was not conducted from strategic management theoretical and empirical perspectives.

2. PURPOSE

The purpose of the study was to determine the influence of strategic planning on performance of the East African Court of Justice. Specifically the study sought to assess the ethical practices, resource allocation, and budgetary control influence on organizational performance.

3. RESEARCH METHODOLOGY

This study employed descripto-explanatory research design; using both descriptive and explanatory research designs. The design allowed a detailed description and analysis of the variables under study; describing and presenting their characteristics and explaining their relationships without manipulation as supported by Saunders *et al.* (2009). The study covered a target population of 26 employees at East African Court of Justice. This population composed of judges, registrar, court administration officer, court clerks and finance officers. The study was a census.

The study employed both primary and secondary data. To match with primary data collection methods, interviews and questionnaire were applied. To align with secondary data collection method, documentary analysis was used. To be consistent with quantitative research approach, the closed ended questionnaire was designed to permit analysis of the problem numerically and statistically.

Both descriptive and inferential statistical tools were used in the data analysis. Descriptive statistical tools included frequencies, percentages and mean while inferential statistical tool included multivariate regression analysis. Whereas descriptive statistics were used to determine and describe the status of the variables under study, inferential statistics were used to compute the correlation between independent variables i.e ethical practices, resource allocation, budgetary control and dependent variable which is performance of East African Court of Justice, Arusha Tanzania.

4. RESULTS AND DISCUSSION

Influence of Strategic Planning on Organizational Performance

The study considered ethical practices, resource allocation and budgetary control as the major variables of strategic planning which influence organizational performance. The range was “strongly disagree” (1) to “strongly agree” (5). The scores of disagreeing have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \leq S.D \leq 2.4$). The scores of “moderately agree” have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ($2.5 \leq M.E \leq 3.4$) and the score of both agree and strongly agree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \leq S.A. < 5.0$). A standard deviation of > 0.9 implies a significant difference on the impact of the variable among respondents.

Influence of Budgetary Control on Performance of EACJ

This section of the questionnaire sought to get from the respondents the influence of budgetary control on performance of EACJ. The results are presented in Table 1.

Table 1: Budgetary Control

Indicators	Mean	Std. Deviation
Budgetary Control		
Budgetary control provide the basis of decision making on planning and execution of organizational resource in EACJ	4.18	0.584
Budgetary control requires deposition of resources such as human resources and financial resources	4.12	0.571
EACJ organization's structure define accounting and finance system that will take responsibility of evaluating finance issues	4.01	0.527
EAC have designed appropriate budget control systems so as to ensure proper budgetary control	3.99	0.628
Efficient budgetary control enhances organization's profitability, quality service delivery and therefore customers' satisfaction	3.92	0.702
EACJ develops a budget for the particular financial year	3.86	0.720
EACJ budgetary control integrates with overall organizational strategic plan	3.84	0.741
EACJ have recruited a well equipped financial experts and analysts	3.58	0.692

The findings as exhibited by table 1 acknowledged that EACJ's budgetary control provide the basis of decision making on planning and execution of organizational resource with a mean of 4.18 and it requires deposition of resources such as human resources and financial resources by a mean of 4.12 as well as enhances organization's profitability, quality service delivery and therefore customers' satisfaction with a mean of 3.92 as Balogan, Mamidu and Owuze (2015) posit that budgetary control provide the basis of measuring the effectiveness of decision making on planning and execution of organizational resources as it help to provide information that would be used to quantify performance. Also Macharia, (2013) indicates that the basic areas on which budget experts and other stakeholders should concentrate are proper apportionment of resources and risk administration which will helps to ensure effective performance of activities with regard to resources estimates.

The respondents agree that EACJ organization's structure define accounting and finance system that will take responsibility of evaluating finance issues with a mean of 4.01 and EACJ have designed appropriate budget control systems so as to ensure proper budgetary control by a mean of 3.99 consistent to the findings of Mohamed, Evans & Tirimba,(2015) who affirm that one of the determinant that guide budget performance is the organization's structure that define accounting and finance system that will take responsibility of evaluating finance issues such as revenue and expenses as the flow of fund from authorization to the collection which later facilitate effective delivery of services. Also the respondents agree that EACJ develops a budget for the particular financial year with a mean of 3.86 and its budgetary control integrates with overall organizational strategic plan by a mean of 3.84. Finally respondents slightly agree that EACJ have recruited a well equipped financial experts and analysts with a mean of 3.58 as Mwaura,(2017) who indicate that budgetary control requires intensive contribution of organizational stakeholders, especially budget expert who guide the process and involves other parties such as human resources, management, production, marketing and finance team that suggest some inputs for operation. To ensure proper budgetary control, budgetary control systems should be designed to guide the process and management of budget throughout the accounting year (Imo and Wosu, 2018).

Correlation between Budgetary Control and Performance of EACJ

From the findings in Table 2, the study found positive correlation between budgetary control and EACJ's performance as shown by correlation coefficient of 0.627; the significant value was 0.001 which is less than 0.05.

Table 2: Correlation between Budgetary Control and Performance of EACJ

		EACJ's Performance
Budgetary Control	Pearson Correlation	.627
	Sig. (2-tailed)	.001
	N	95

Influence of Resource Allocation on Performance of EACJ

This section of the questionnaire sought to get respondents' perceptions on the influence of resource allocation on performance of EACJ. The result is presented in Table 3.

Table 3: Resource Allocation

Indicators	Mean	Std. Deviation
Resource Allocation		
The EACJ has adequate judges	4.22	0.635
The EACJ is provided with adequate finances	4.06	0.621
The EACJ has adequate physical facilities (offices, computers)	4.10	0.596
The EACJ's library has enough space with enough reading materials	3.82	0.579
EACJ creates time for employees to advance their knowledge and education	3.79	0.762
Resource allocation is included in EACJ strategic plan	3.74	0.698

According to the findings, respondents agree that EACJ has adequate judges with a mean of 4.22 and EACJ creates time for employees to advance their knowledge and education by a mean of 3.79 as well as EACJ's library has enough space with enough reading materials with a mean of 3.82 as Waiganjo and Njeru, (1993) indicated that resource includes human resources, financial resources, physical resources, technological resources and organizational capabilities which ultimately influence customer gratification.

Also the respondents agree that The EACJ has adequate physical facilities (offices, computers) with a mean of 4.10 and is provided with adequate finances by a mean of 4.06. Finally the respondents are aware that resource allocation is included in EACJ strategic plan with a mean of 3.74 consistency to Ochieng *et al* (2017) who found that, there is strong connection between proper allocation of financial resources and human resources on the performance of organization on which the factor that may influence the decision to allocate resources is organization's culture that may direct affect strategy. Despite of effective resource allocation within organization, employee's awareness of strategic direction is very potential for strategic performance; nevertheless resource allocation should go hand with hand with allocation of sufficient fund, monitoring and evaluation with respect to equipped trained human resources as well as well-defined guidelines underlined in policy and regulation (Omollo, Christopher and Onyango, 2017).

Correlation between Resource Allocation and Performance of EACJ

Further, the study sought to determine the influence of strategic planning on EACJ performance using correlation analysis. As shown in Table 4, the study found positive correlation between resource allocation and EACJ's performance as demonstrated by correlation coefficient of 0.562, the significant value was 0.021 which is less than 0.05.

Table 4: Correlation between resource allocation and performance of EACJ

		EACJ's Performance
Resource Allocation	Pearson Correlation	.562*
	Sig. (2-tailed)	.021
	N	95

Influence of Ethical Practices on Performance of EACJ

This section of the questionnaire sought to get from the respondents the influence of ethical practices on the performance of EACJ. The results are presented in Table 5. From the results it is clear that majority of respondents agree that EACJ develops a detailed ethics policy and strictly laws with a mean of 4.03 and prepares ethical framework as the guide of good conduct by a mean of 4.01. EACJ requires employees to sign code of conduct statement with a mean of 3.99 and offers training to its employees on code of conduct by a mean of 3.92 as Liao (2010), who posits that ethical practices plays significant roles of organizational performance by especially when employees get special training on code of conduct hence increase their satisfaction and therefore the execute activities effectively because ethical practices enable employees to work in coordination. Also the results are in line with Yatich and Musebe (2016) who indicates institutional support such as training and enactment of strictly laws and policy, enables employees to work accordingly and however stay out of wrong doing such as nonattendance, unfortunate time organization, fraud, quarrels, and untruthful.

On the other side respondents agree that EACJ employees maintain appropriate confidentiality with a mean of 3.87. Further the findings reveal that EACJ employees balance organizational and personal needs by a mean of 3.77 and slightly agree employees follow orders regardless they appear to be unethical with a mean of 3.68 as well as employees avoids conflict of interest with a mean of 3.59 consistency to McMurrian and Matulich, (2006) who argue that ethical practices is the function of organization's inside tactics of product creation, distribution and market catch up which ultimately encourage employees contentment resulting to faithfulness, efficiency and product excellence as create invention superiority hence customer satisfaction as influence revenue advance and profitability. Also the findings are in line with Kasasbeh, Harada, Bin Osman and Aldalayeen (2014) who argue that, honesty, integrity, fairness and transparency assists an organization to execute its function on the way that enables consumers to trust and get satisfied by the product, however, workers will be able to access information and decision as management as conducted hence eases various functions within organization.

Table 5: Ethical Practices

Indicators	Mean	Std. Deviation
Ethical Practices		
EACJ develops a detailed ethics policy and strictly laws	4.03	0.581
EACJ prepares ethical framework as the guide of good conduct	4.01	0.574
EACJ requires employees to sign code of conduct statement	3.99	0.547
EACJ offers training to its employees on code of conduct	3.92	0.629
EACJ employees maintain appropriate confidentiality	3.87	0.718
EACJ employees balances organizational and personal needs	3.77	0.725
EACJ employees follow orders regardless they appear to be unethical	3.68	0.716
EACJ employees avoids conflict of interest	3.59	0.685

Correlation between Ethical Practices and Performance of EACJ

The study revealed weak but positive correlation between ethical practices and EACJ's performance as shown by correlation coefficient of 0.126, the significant value was 0.031 which is less than 0.05.

Table 6: Correlation between ethical practices and performance of EACJ

		EACJ's Performance
Ethical Practices	Pearson Correlation	.126*
	Sig. (2-tailed)	.031
	N	95

Performance of EACJ

The findings indicate that most respondents acknowledged that organizational objectives are achieved at the long run with a mean of 3.82 and resource allocation is the vital toward organization's performance with a mean of 3.80 as well as stakeholder's needs and expectations are fully realized by a mean of 3.66 consistent to Parmenter, (2015) who argue that, for public sector, key performance indicator can be convenience of the foremost services offered which include normal

waiting period for service, on-time execution of construction projects; however for profit making organization, factors that indicate effective performance include increase net profit before tax, net profit on key product lines, customer satisfaction, return on capital employed, employee satisfaction.

Also the study reveals that budgetary control helps to provide information that would be used to quantify performance with a mean of 3.79 and ethical practices plays a critical role in achieving organizational objectives and long term goals with a mean of 3.75. However the respondents slightly agree that the organizational strategic plans are implemented within the specified time frame with a mean of 3.58. The findings are consistent to Neely (2019) who affirms that there is relationship between performance and quality as effective performance should relate to product or service quality: Thus there should be quality management system as the fixed gears for motivating and guiding an organizational performance as per strategic plan. In other meaning, organizational performance should focus on the fulfillment of customer desires, wants and prospects and sustain a communally valuable affiliation with interested partners so as to assist them produce valuable services which will boost performance.

Table 7: Performance of EACJ

Indicators	Mean	Std. Deviation
The actual budget exceeds the planned budget	3.63	0.716
Organizational objectives are achieved at the long run	3.82	0.730
Stakeholders needs and expectations are fully realized	3.66	0.791
The organizational strategic plans are implemented within the specified time frame	3.58	0.737
Resource allocation is the vital toward organization's performance	3.80	0.609
Budgetary control helps to provide information that would be used to quantify performance.	3.79	0.718
Ethical practices plays a critical role in achieving organizational objectives and long term goals	3.75	0.741

5. CONCLUSIONS AND RECOMENDATIONS

Budgetary control has a huge influence to the performance of EACJ due to the fact that it triggers EACJ to develop a defined accounting and finance system that takes responsibility of evaluating finance issues as well as to design appropriate budget control systems so as to ensure proper budgetary control. Budgetary control provide the basis of decision making on planning and execution of EACJ's resource and it requires deposition of resources such as human resources and financial resources as well as enhances EACJ's profitability, quality service delivery and therefore customers' satisfaction.

Resource allocation plays a critical role on EACJ's performance and it is supported by the presence of human resources, financial resources, physical resources, technological resources and organizational capabilities which ultimately influence the accomplishment of overall organizational goal as well as customer gratification. In ethical practices, development of ethics policy, strictly laws and preparation of ethical framework and provision of training on code of conduct to employees are significant ingredients to EACJ's performance. Ultimately we can conclude that strategic planning has a huge influence on organizational performance.

After an in depth analysis of the findings and looking at the conclusions, the study can firms recommend that EACJ management should conduct SWOT analysis in order to understand their strength and weaknesses as well as opportunities and threats in the external environment, the court should align its organizational structure to match with the corporate goals. The organizational culture should be managed match with organizational goals.

Also the employees should be incorporated in the formulation of corporate goals so as to feel an identity with the goals hence a feeling of ownership which will motivate the operatives in implementing the formulated goals. Strategic planning provides firms with competitive edge over those who do not use strategic planning. Strategic planning provides overall organizational direction towards achieving corporate goals, it is evident that firms which use strategic planning are more financially stable and have larger market share in their respective industries. If you fail to plan then you are planning to fail.

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