

Influence of Strategic Planning on Project Performance in Trans Nzoia County

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Abstract: The main objective of the study was to find out the influence of strategic planning on project performance in Trans Nzoia. The study objective being effect of strategic plan identification on project performance. Descriptive research design was used in this study. The study targeted 216 employees drawn from 7 agriculture project in the Trans Nzoia county. Random sampling was used to select 110 employees. The researcher used questionnaire to collect the data. Quantitative data was analyzed using descriptive statistical method. Inferential statistic such as ANOVA, Pearson correlation coefficients r and multiple regression models. Study findings showed that strategic plan identification has a positive and significant effect on project performance. Thus, the study concludes that strategic plan identification, strategic plan personnel and monitoring evaluation plays a key role in the success of a project.

Keywords: Performance, Planning, project, Strategic.

1. INTRODUCTION

Performance of the project is considered as a source of concern to both public and private sector clients. Project success requires creating a well-planned project schedule as well as understanding of the key success factors also. It helps the project manager and the stakeholders to take the right decisions and act towards the project success. Most popular determinants of projects successes accepted by research community are-project mission, top management support, project schedule/plan, client consultation, personnel, technology to support the project, client acceptance, monitoring and feedback, channels of communication, troubleshooting expertise (Serrador and Turner, 2014). Quality can be assured by identifying and eliminating the factors that cause poor project performance . Globally, strategic planning has been related to organization changes in the environment (Pearce & Robison, 2012). 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. According to Thompson and Strickland (2012), strategy formulation and implementation are core management functions. The developed strategy may be good but if its implementation is poor, the intended strategic objectives may not be achieved. To ensure survival and success, an organization does not only need to formulate strategies that seek to constantly maintain a match between the organization and its environment but also must ensure appropriate implementation of strategy at all levels. A strategic plan is a set of processes undertaken in order to develop a range of strategies that will contribute to achieving the organizational direction (Srivastava & Teo, 2012). This therefore calls for formulation of a coherent document which was to guide the efforts of all the stakeholders, outline what the organization is trying to achieve and how it intends to achieve it. Strategies can be formulated in three levels that is; corporate, business and functional level. In a school situation, the long term decisions and strategies are made by the Board of Governors in consultation with the school Principal. Heads of departments make decisions on business level strategies, offer leadership and play a key role in formulation of strategic plans in their institutions. Farmers being key stakeholders present their interests through the farmer's Association. In addition, they are very critical in strategic

implementation. Before strategy formulation is done, the management must analyze the environment using tools such as SWOT analysis, PESTEL analysis, Porters five forces model, competitor analysis, customer analysis and gap analysis among others (Aldehayyat, Al Khattab and Anchor, 2011). A project was considered totally successful if it gets completed on time, within budget and performs exactly to the designer's specifications. But this is a tall order and many projects would not meet these requirements (Kikwasi, 2012). Project implementation varies among various options. In all the implementation options, various factors will play out to determine if the project was implemented successfully. It is however established that investors have an interest in project being completed in a timely way and according to the budget and that it will meet quality expectations.

Statement of the Problem:

County government performance deemed the vehicle for the execution of countries economic growth. In order to achieve set objectives, specific there need to be involvement of both external and external stakeholders (Mensah, 2013). The impact stakeholders can have on organizational policy, strategy, and project is dependent on their relationship to either the organization itself or the issues of concern, or both. In addition, for county government community involvement is key for performance. The management of county government and the corresponding community, supplier's involvement signified a link between PPM and stakeholder's involvement (Shah and Naqvi, 2014). However, despite this county progress in Kenya, a few challenges in the projects are emerging and slowing the transition process. The county has been facing serious challenges in implementing their strategies and outing in the conditions required for the success of these strategies due to resistance from the community and other stakeholders. Some of the challenges facing the county include inadequate personnel with the required project management skills, inadequate financial resources, inefficient project planning, and the un-involvement of the various project stakeholders among others. However, in maintenance project, Gwayo et al. (2014) noted, there is a growing concern regarding the reasons why the requisite objectives are not achieved as per the projects' client's expectation. Muchung'u (2012) lamented that, some projects takes as many as 3 years before they are completed; a scenario that is usually accompanied by huge cost overruns. The foregoing has resulted inevitable cost overruns, time overrun, idling resources, and also inconveniences to the targeted beneficiaries of such projects (Kikwasi, 2012). This is so due to the fact that, incomplete and/or unsuccessfully completed construction projects effect service delivery. Projects which have stalled or are unsuccessfully completed will negatively affect beneficiaries.

General Objective:

The main objective of the study was to find out the influence of strategic planning on project performance in Trans Nzoia

Specific Objectives:

To establish effect of strategic plan identification on project performance

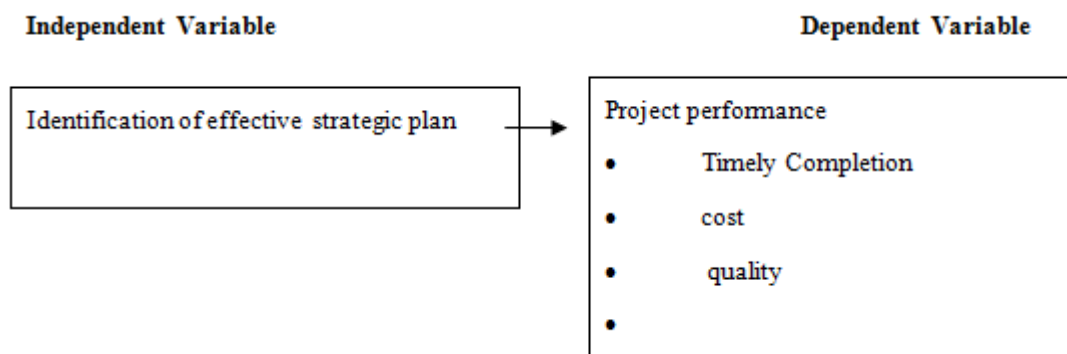
Hypotheses:

H₀₁: There is no significant effect of strategic plan identification on project performance

2. LITERATURE REVIEW

Strategic plan personnel Theory:

Entrepreneurial knowledge of an individual gained from education adds economical value to a firm, (Becker, 1964). Skills and knowledge gained through education is importance to employees when they are performing their tasks as it improves their performance. Management teams require technical skills to run the projects successfully. These skills could be gained from technical institutions, formal education or on job training. This theory has been put in application in several occasions. The theory has shown the need for the management team to have skills and experience in project management cycle and use of project management tools and techniques when running the projects. The figure below illustrates how the skills and experience of strategic plan personnel translate to profitability. This theory addresses research question four which asks how project management practices affect the successful performance of the projects. The theory assisted in the understanding of relationship between strategic plan personnel and economic productivity

Conceptual Framework:**Identification of Strategic Plan on Project Performance:**

Past studies of manufacturing firms (Eastlack and McDonald, 2012; Herold, 2011) have indicated that strategic plan identification results in superior project performance, measured in terms of generally accepted financial measures. Subsequent studies (Akinyele, 2009) have contradicted the notion of strategic plan identification-superior project performance relationship. However, more recent studies (Chad, 2014)) provide convincing evidence that strategic plan identification does indeed result in superior project performance. The fact that these studies accounted for factors responsible for past research contradictions provides additional support for their conclusions. One stream of strategic planning research has raised the issue of whether the length of time a firm or organization has been involved in the strategic planning process has any impact on performance (Karger, 2010). In their study of the banking industry (Gup and Whitehead, 2010) tested the notion that Karger and only pays off after a period of time. They found no statistically significant relationship between the length of time banks had been engaged in strategic plan identification and their project performance. Studies that have analyzed the relationship between strategic plan identification and project performance proved that the intensity with which banks engage in the strategic planning process intervene-that is cause an indirectness and lack of one-to-one correspondence-between factors such as strategic planning expertise and beliefs about planning performance relationships managerial factors, environmental complexity and change environmental factors, bank size and structural complexity organizational factors and bank's project performance. As suggested by the inconsistent research findings, past studies have mis-specified the relationship between strategic plan identification and project performance in banks. Misspecification of this relationship might be attributed to past studies' lack of attention to the relationship among these managerial, environmental, organizational factors and their potential impact on planning intensity and performance (Hopkins and Hopkins, 2015). It is conceptualized that firms that have effectively embraced strategic planning, record better performance compared to those that have not. David (2013) argues that firms record improved performance once they effectively embrace strategic planning. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. By defining a company's purpose and goals, strategic planning provides direction to the organization and 16 enhances coordination and control of organization activities. The linkage between strategic planning and organizational performance needs analysis to get a better understanding how strategic planning is applied in practice and will improve organizational performance. Strategic plan identification often fails due to problems or barriers encountered at the implementation stage. Mixed evidence about the relationship between strategic planning and organizational performance makes the debate about its effectiveness as a tool of strategic management an ongoing one (Wagner, 2012). Byrson argue that strategic plan identification assists in providing direction so organization members know where the organization is heading to and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends. The process of strategic planning shapes a company's strategy choice through the use of systematic, logical and rational approach. It reveals and clarifies future opportunities and threats and provides a framework for decision making. Strategic planning looks ahead towards desired goals. Strategic plan defines performance to be measured, while performance measurement provides feedback against the planned target (Dusenbury, 2010).

3. RESEARCH METHODOLOGY

Explanatory research design was used in this study. According to Cooper and Schindler, (2000) explanatory research focused on why questions. In answering the 'why' questions, the study was involved in developing causal explanations. Causal explanations argues that phenomenon Y (project performance) is affected by variable X (strategic budget planning). This design was chosen because it applied closely to the research objectives of this study and was practical in testing the study hypothesis. The study targeted 216 employees drawn from 7 agriculture project in the Trans Nzoia county. The table below shows how the target population was drawn. The questionnaire was the most appropriate research tool as it allowed the researcher to collect information from a large sample with diverse background; the findings remained confidential, saved time and since they were presented in paper format there were no opportunity for bias. The information was codified and entered into a spread sheet and analyzed using SPSS (statistical package for social sciences). Quantitative data was analyzed using descriptive statistical method, the statistical tools such as pie charts and measures of central tendency such as mean, mode and standard deviation was used. Inferential statistic such as ANOVA, Pearson correlation coefficients r and multiple regression models. Multiple regression analysis was employed to test the hypotheses. Multiple regression analysis was applied to analyze the relationship between a single dependent variable and several independent variables. The collected data was analyzed using multiple regressions and correlation analysis, the significant of each independent variable was tested at a confidence level of 95%. The regression equation of the study was applied as shown. $Y = \alpha + \beta_1 X_1 + e$, Where, Y = project performance, α = Constant, β = the slope representing degree of change in independent variable by one unit variable., X_1 = strategic plan identification and e = term error .

4. DATA ANALYSIS, FINDINGS AND DISCUSSIONS

Effect of strategic plan identification on project performance in Trans Nzoia County:

The objective was assessed by use of statements in the questionnaire in which the respondents were required to state their position on the basis of a likert scale that was provided. In this part the study shows the effect of strategic plan identification on project performance in Trans Nzoia County. The objective was assessed by use of statements in the questionnaire that respondents were required to state their position on the basis of likert scales. The results according to the respondent's views are shown in Table 4.4.

Table 4:1 Effect of strategic plan identification on project performance in Trans Nzoia County

Statement	SA	A	N	D	SD
we plan our procurement plan so that we are able to decide what to buy, when and from what sources	35.7	44.3	18.6	1.4	0
planning helps to determine if expectations are realistic	35.7	41.4	5.7	11.4	5.8
we involved all stakeholders in the processes in order to discuss particular procurement requirements.	31.4	45.7	5.7	7.2	10
There is a written annual operational plan that includes timelines and identification of who is responsible for which outcomes or activities	11.4	47.1	7.2	28.6	5.7
development of preliminary budgets and cost estimates and conducting of market research and/or a pre-solicitation conference takes precedence in our county	35.7	44.3	18.6	1.4	0

The findings showed that majority 44.3 percent of the respondents agreed while 35.7percent strongly agreed that they plan their procurement plan so that they are able to decide what to buy, when and from what sources. 18.6percent were neutral and 1.4percent disagreed that plan their procurement plan so that they are able to decide what to buy, when and from what sources. This means that in majority 80 percent of county employees plan their procurement plan so that they are able to decide what to buy, when and from what sources. The findings obtained data on whether planning helps to determine if expectations are realistic. The results of data analysis results shows that majority 41.4percent of respondents agreed while 35.7percent strongly agreed that planning helps to determine if expectations are realistic, totaling 77.1percent. But

5.7percent were neutral, 11.4percent disagreed while 5.8percent strongly disagreed. This implies that majority of employees planning helps to determine if expectations are realistic. The results of the study also showed that majority 45.75percent of the respondents agreed while 31.5percent strongly agreed that they involved all stakeholders in the processes in order to discuss particular procurement requirements. But 5.7percent were neutral, 7.2percent disagreed and 10percent strongly disagreed. This shows that majority 77.1percent agreed that they involved all stakeholders in the processes in order to discuss particular procurement requirements. The findings further showed majority 47.1percent of respondents agreed while 11.4percent strongly agreed that there is a written annual operational plan that includes timelines and identification of who is responsible for which outcomes or activities. While 7.2percent were neutral, 28.6percent disagreed and 5.7percent strongly disagreed. This shows that majority 58.5percent agreed that there is a written annual operational plan that includes timelines and identification of who is responsible for which outcomes or activities. The findings showed that majority 44.3 percent of the respondents agreed while 35.7percent strongly agreed that development of preliminary budgets and cost estimates and conducting of market research and/or a pre-solicitation conference takes precedence in our county. 18.6percent were neutral and 1.4percent disagreed that development of preliminary budgets and cost estimates and conducting of market research and/or a pre-solicitation conference takes precedence in our county. This means that in majority 80percent of county employees develop preliminary budgets and cost estimates and conduct of market research and/or a pre-solicitation conference takes precedence in our county

Effect of strategic plan identification on project performance in Trans Nzoia County Correlation:

The study analyzed data on the effect of strategic plan identification on project performance in Trans Nzoia County to obtain the Pearson correlation and presented the results in Table 4:2.

Table 4:2 Pearson Correlation of effect of strategic plan identification on project performance

Variable	Test	project performance
strategic plan identification	Pearson Correlation	.653**
	Sig. (2-tailed)	.000
	N	110

** . Correlation is significant at the 0.01 level (2-tailed).

The study shows that strategic plan identification has positive relationship on project performance. The r value is 0.653 which is relative strong at 2 tailed significance of 0.000 which is below 0.01 significant levels.

Regression:

The study did regression on quantitative data between strategic plan identification on project performance and presented the findings in the Table 4:3.

Table 4:3 Coefficients Determination of effect of strategic plan identification on project performance

Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.918	.182		10.525	.000
strategic plan identification	.307	.353	.307	.869	.388

a. Dependent Variable: project performance

Table 4:3 provides the information needed to project performance from influence of strategic plan identification. Both the constant and training contribute significantly to the model. The regression equation is presented as follows; Project Performance = 1.918 +0.307 (strategic plan identification).

Model Summary:

The model summary of the relationship of strategic plan identification against project performance is presented in Table 4:4.

Table 4:4 Model Summary of strategic plan identification against project performance

Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.360 ^a	.129	.076	.483

a. Predictors: (Constant), strategic plan identification

Table 4:4 provides the R and R2 value. The R value is 0.36, which represents the simple correlation. It indicates an average degree of correlation. The R2 value indicates how much of the dependent variable, "project performance", can be explained by the independent variable, "strategic plan identification". In this case, 12.9 percent can be explained, which is relatively significant.

In summary

$Y = \beta_0 + \beta_1 X_1 + e$, By replacing the values, (Y)Project Performance = 1.918 +0.307 (strategic plan identification).Multiple regressions give the constant as 2.0771. Therefore the overall regression model is, (Y)Project Performance = 2.077 +0.132 (strategic plan identification) Statistical analysis shows that strategic plan identification has highest influence on project performance, followed by strategic plan monitoring and evaluation, Strategic personnel and then strategic plan budget.

Based on these findings:

The null hypothesis H_{01} : There is no significant effect of strategic plan identification on project performance in Trans Nzoia County, : *is rejected* Therefore, there is a significant effect of strategic plan identification on project performance in Trans Nzoia County.

5. SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS

Effect of strategic plan identification on project performance in Trans Nzoia County:

The first objective of the study aimed at effect of strategic plan identification on project performance in Trans Nzoia County. The objective was assessed by use of statements in the questionnaire in which the respondents were required to state their position on the basis of a likert scale that was provided. The results according to the respondent's views showed that majority 44.3 percent of the respondents agreed while 35.7percent strongly agreed that they plan their procurement plan so that they are able to decide what to buy, when and from what sources. The findings obtained data on whether planning helps to determine if expectations are realistic. The results of data analysis results shows that majority 41.4percent of respondents agreed while 35.7percent strongly agreed that planning helps to determine if expectations are realistic, totalling 77.1percent. The results of the study also showed that majority 45.75percent of the respondents agreed while 31.5percent strongly agreed that they involved all stakeholders in the processes in order to discuss particular procurement requirements. The findings further showed majority 47.1percent of respondents agreed while 11.4percent strongly agreed that there is a written annual operational plan that includes timelines and identification of who is responsible for which outcomes or activities. The findings showed that majority 44.3 percent of the respondents agreed while 35.7percent strongly agreed that development of preliminary budgets and cost estimates and conducting of market research and/or a pre-solicitation conference takes precedence in our county.

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