

INFLUENCE OF PERFORMANCE CONTRACTING ON STRATEGY IMPLEMENTATION AT MOUNT KENYA UNIVERSITY

Nancy M. Muraguri 

Jomo Kenyatta University of Agriculture and Technology, Kenya

muraguri874@yahoo.com

Juma A. Wagoki

Jomo Kenyatta University of Agriculture and Technology, Kenya

wagoki@jkuat.ac.ke

Abstract

Strategy implementation has been established to influence organizational performance. However, its influence on organizational performance could be subject to a number of other variables including performance contracting. In Kenya, private universities use performance contracting when hiring employees. This study sought to establish the influence of performance contracting on strategy implementation in Mount Kenya University. The study aimed at establishing the effect of performance management training on strategy implementation in Mount Kenya University. The study employed a descriptive research design. The target population for the study included the administrative employees in Mount Kenya University. Questionnaires were used as the main primary data collection. Data was analyzed in form of both descriptive (frequencies, percentages, means and standard deviations) and inferential (Pearson correlation Coefficient) statistics using SPSS version 24. Findings were presented in tables and discussions based on each study variables. The study established that performance management training have a significant effect on strategy implementation. The researcher recommended that the university should build on enhancing performance management training to enhance strategy implementation in their institution.

Keywords: Performance contract, Training, Performance management training, strategy and Strategy implementation

INTRODUCTION

Managers the world over are under pressure to balance their short term operational concerns with long-term strategic precedence (Kaplan & Norton, 2008). Strategic management's main focus has been to attempt to study variables that influence organizational performance. Strategy implementation has been established to influence organizational performance (Cater & Pucko, 2010). However, its influence on organizational performance could be subject to a number of other variables including performance contracting. Performance contracting is an important catalyst of strategy implementation. It has been posited to enhance the relationship between strategy implementation and organizational performance.

The value of any strategy and its potential contributions include increasing productivity, reducing costs, growing profits, and improving service or product quality (DeWit & Meyer, 2004). Implementing strategy would thus be perceived as being about allocating resources and changing organizational structure. The implementation process involves the collective wisdom, knowledge, and even subconscious minds of the collaborators. This powerful phenomenon is becoming a requirement to effectively compete in today's global marketplace.

According to Fiegenger, (2005), implementing strategies successfully is vital for any organization, either public or private. Without implementation, even the most superior strategy is useless. The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented. Implementing would thus be perceived as being about allocating resources and changing organizational structure. However, transforming strategies into action is a far more complex and difficult task. It is believed that in reality some strategies are planned and some strategies just emerge from the actions and decisions of organizational members. Planned strategy and realized or emergent strategies evolve hand-in-hand and affect each other in the process of strategy implementation, where strategies are communicated, interpreted, adopted and enacted (Noble, 2006).

According to Balogun (2003) performance contracts are used to enhance the process of strategy implementation. Strategy implementation is the institutionalization and operationalization of strategic plans. It is the process of ensuring that all the developed plans are executed to achieve desired results. Success can only be attained when well-conceived plans are implemented. This is the reason for conceptualization of performance contracting.

Implementation of the process of performance contracting began in 2004 in state corporations. Performance contracting is supposed to enhance job satisfaction for the employees with the hope that their satisfaction would lead to improved job performance. The improved job performance should in turn lead to tangible and improved financial performance. Performance contracting is a strategic management tool in which principals sign a performance

agreement with their agents on various deliverables. Such deliverables may be profit, service standards, staff turn-over and many other business activities. The aim of performance contracting both in public and private sector is improving efficiency and effectiveness in the management of the organization's affairs.

Performance contracts are set out and signed at board levels and cascaded downwards to all employees of the organization who should work towards achievement of the wider goals of the entire organization. The contracts outline specific outcomes expected within certain timelines outlined in the contracts. However while this concept seems to work in many organizations in others it has been seen to fail either at the introduction or implementation stage. Trivedi (1990a) pointed out that the problems inhibiting the performance of government agencies have been identified as: excessive controls, multiplicity of principals with multiple and sometimes conflicting objectives, frequent political interference, poor management and outright mismanagement. The study will seek to establish the situation in the private universities and establish the influence PCs have on strategy implementation.

Essentially, a Performance Contract is an agreement between an institution and a public agency which establishes general goals for the agency, sets targets for measuring performance and provides incentives for achieving these targets (Hunter & Gates, 1998). They include a variety of incentive-based mechanisms for controlling public agencies; controlling the outcome rather than the process. The success of Performance Contracts in such diverse countries as France, Pakistan, South Korea, Malaysia, India, and Kenya has sparked a great deal of interest in this policy around the world (Wheeler, 2001).

Performance contracting has been embraced by many organizations both in private and public sector. In the banking industry in Kenya many banks are on this mode as a strategy. Bank such as Barclays Bank of Kenya, Equity Bank, Family Bank and National Bank of Kenya have embraced this strategy in a bid to enhance and measure performance. Expansive research has been done on the impact of performance contracting in the public sector. However, performance contracting in the private sector has not been sufficiently delved into. Therefore this study will focus on the influence of performance contracting on strategy implementation in Mount Kenya University.

Higher Education in Kenya

Higher education institutions are complex organizations with a strong sense of tradition and a distinct culture. According to Vroom (1984) institutions of higher Education are also characterized by vagueness in their educational mission statement and a tendency toward anarchy. The absence of a political environment signifies confusion in the internal governing

structure. The organizational structure is generally bifurcated between academic and administrative components. One of the strong values of the academic component is the "academic freedom" where it may not tolerate any interference from outside sources. The pressure of factors such as tenure creates a unique situation at higher education institutions.

Higher education institutions have many stakeholders who must be involved in the Strategic management process. Apart from administrators, faculty, staff, and students, the institutions also need to account for the interests of students' parents, government agencies, benefactors, alumni, the community, and accreditation agencies. Each of these stakeholders makes demands upon the institution and the strategic management must bring these stakeholders into the strategic management process to maximize "client satisfaction."

The choice of a method for strategic management implementation will depend upon situational factors such as size of the institution, complexity of programs, institutional culture, and the style of the management. In view of the complex characteristics of higher education institutions, the implementation approach should be based upon high participation. The crecive or the cultural approach as described by Brodwin and Bourgeois (1984) meets these requirements. In the cultural approach the president assumes the role of a coach and focuses upon defining and developing the new culture of the institution. In the crecive approach, the president's role is changed to that of a premise setter which has a distinctive influence on the attainment of organizational quality objectives.

Kenyan universities and colleges, especially public ones, have always planned but there was never anything strategic about it because the "planning has always been the traditional one that followed the government's five year planning cycle". It is common knowledge that government's five year planning cycles mostly involved adjusting plans for inflation and political changes especially to accommodate the whims of the ruling regime. The planning was never seriously focused on the long term. This was the case until the advent of performance contracting that demanded that planning be strategic levels (Lewa, Mutuku & Mutuku, 2009).

The Kenyan Education Sector has since the year 2003 embarked on plans to institute reform at all levels. They ask where we are now. Where do we want to go? How do we get there? In the face of changing circumstances, these are important questions to ask (Mutuku & Mutuku, 2004). These questions ought to force them to evaluate the conditions in their operating environments, examine competitive pressures, carry out SWOT analysis and identify strategic issues. This requires development of a strategic orientation and execution of strategies capable of moving the universities and colleges to their desired future states. In short, the universities and colleges must engage in practical strategic planning. Strategic planning and thinking involves making choices and decisions about the long-term future of an organization (Pearce &

Robinson, 2007). The process results in strategic plans that require execution or implementation under the stewardship of strategic behavior norms.

Strategy is a tool that universities and colleges can use to find their competitive advantage and place within the ever turbulent operating environment. Kenyan universities and colleges must bring about the needed institutional redesign and devise an effective strategic planning system that will guide their operations. The recent guidelines issued by the Ministry of Education, seem to suggest that by pursuing a greater mission differentiation and reallocation of resources they will be better positioned to respond to the changing needs of their constituencies (Ministry of Education, 2006). Benjamin and Carroll (1998) discussing California education system reached the same conclusion. The authors decry lack of effective strategic planning and point out at the many problems facing the sector. They observe, "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 (Benjamin and Carroll, 1998). 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). One can be tempted to think that these authors are talking about Kenya's higher education sector because the problems are similar (Lewa, Mutuku & Mutuku, 2009). The development of a universities' wide strategic plan by the Ministry of Education (2006) to be followed by all universities and colleges in Kenya in their strategic planning processes is a welcome move.

Statement of the Problem

Performance contracting is a contractual agreement process to execute a service according to agreed-upon terms, within a fixed time period and with a stipulated use of resources and performance standards. It is one of the tools used in performance management. A performance contract constitutes a range of management instruments used to define responsibilities and expectations between parties to achieve mutually agreed results. It is a useful tool for articulating clearer definitions of objectives and supporting innovative management, monitoring and control methods and at the same time imparting managerial and operational autonomy to the managers. It is therefore a management tool for ensuring accountability for results by officials, since it measures the extent to which they achieve targeted results. Performance contracts originated from the perceptions that the performance of the public sector has been consistently falling below the expectations of the public. The decline is associated with excessive controls, multiplicity of principles, frequent political interference, poor management

and outright mismanagement. However with the implementation of performance contracting in the last few years, there is need to establish how the implementation has impacted on strategy implementation. Performance contracts are used to enhance the process of strategy implementation. Most organizations have been found to establish very good plans that never leave the shelves due to lack of emphasis on implementation. However, scanty empirical evidence exists on the influence of performance contracting as a process on strategy implementation and more specifically in institutions of higher learning. This study therefore sought to establish the influence of performance contracting on strategy implementation in Mount Kenya University.

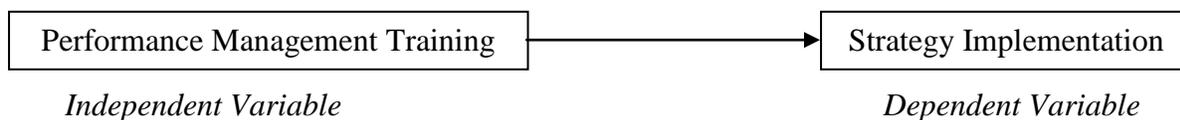
Objective of the Study

The broad objective for the study was to establish the influence of performance contracting on strategy implementation in Mount Kenya University. Specifically, the study sought to examine the effect of performance management training on successful strategy implementation in Mount Kenya University.

Hypothesis of the Study

H₀₁: Performance management training has no significant effect on strategy implementation in Mount Kenya University.

Figure 1: Conceptual Framework



THEORETICAL REVIEW

The study was guided by the Agency Theory. Agency theory is a management approach where one individual (the agent) acts on behalf of another (the principal) and is supposed to advance the principal's goals (Judge et al 1995). The agent therefore advances both the principals' interests and his own interests in the organization.

A balance of these interests should be merged in order to arrive at the corporate objectives of the organization through the agent because he/she is in charge of the vast resources of the organization. Laffort & Martimost (2002) contends that the agency theory of strategic Management is so crucial since the action chosen by a particular individual (the agent) affects not only one, but several other parties (the principals). Hence, the agents' role in

strategic formulation and the overall strategic management process cannot be underestimated. They say that the firm is often characterized as a nexus of both explicit and implicit contracts linking the management and its different stakeholders, including claim holders, workers, unions, customers, suppliers and the state among others. The Agency Theory holds the view that there should be proper synergy between the management and its stakeholders in order to work towards a common goal. The Agency Theory has also been described as the central approach to managerial behavior. Rugman, and Verbeke (2008) says that the Agency Theory is used in the managerial literature as a theoretical framework for structure and managing contract, which is among the emerging issues in strategic management. It therefore explains the behavior of principals and agents relationships in performance contracting in management.

The agency theory tends to take precedence against other strategic management theories. Krueger (2004) in his paper in strategic management and management by objectives says that the plethora of strategy implementation is the agency theory in practice at all levels of the strategic management process. He contends that starting from the corporate strategy to operational strategy the objectives designed at all these levels must be supervised by the agents or managers for the organization to achieve its objectives management by objectives which observes that organization must formulate objectives at all strategic hierarchy levels cited by Henry et al (2006) stresses that for these objectives to be achieved there has to be collaborative efforts between the managers as agents and subordinates.

In conclusion therefore that the Agency theory of strategic management proves to be superior to any other theory of strategic management when it comes to strategy implementation hierarchy. This is in the light that at each level of the strategic formulation hierarchy, there has to be an agent charged with the responsibility of representing other stakeholders at other levels. It is therefore prudent to note that there should be synergy using the Agency theory and proper understanding between the principal and the Agent for the organization to achieve its objectives efficiently and effectively. Thus in conclusion the agency theory should be embraced particularly at the strategy formulation level of strategic management and generally to the overall process of strategic Management to enhance the organizational competitive performance.

EMPIRICAL REVIEW

The main purpose of the performance contracting according to Armstrong and Baron (2004) is to ensure delivery of quality service to the public in a transparent manner for the survival of the organization. Hope (2001) points out that performance contracts specify the mutual performance obligations, intentions and the responsibilities which an organization requires its officials or management team to meet over a stated period of time. Kobia & Mohammed (2006)

in their study of Kenya Experience with Performance Contracting reckon that performance contracting has revolutionized service delivery in the public service. The study assumed a descriptive and qualitative design and results were based on 280 senior public servants who were attending a workshop at Kenya Institute of Administration and were drawn from various ministries across the country. According to Balogun (2003) performance contracts are used to enhance the process of strategy implementation. Strategy implementation is the institutionalization and operationalization of strategic plans. It is the process of ensuring that all the developed plans are executed to achieve desired results. Success can only be attained when well-conceived plans are implemented. This section provides a review of literature on performance management training and strategy implementation.

Performance Management Training

Human capacity has become a critical index of competition in the world of business to the extent that the development of such capacities through training has become a top priority in designing the strategic plan of business organizations (Tim et al, 2008). Usually, before training or development programs are organized efforts are being made through individuals and organizational appraisals to identify the training needs. After the training and development programs, an evaluation is carried out to ascertain the effectiveness of the program in line with the need, which had been identified. Omole (2004) explains that manpower development involves providing learning and development opportunities, making training intervention and planning, conducting and evaluating training programs.

The need for improved productivity in an organization has become universally accepted phenomenon that depends on efficient and effective manpower development. It has further become necessary, in view of modern global advancement, to invest in human capital training and development. Thus, the role played by staff training and development can no longer be over-emphasized. By implication, therefore, the need for organizations to take staff development program for their employees seriously has become an undisputable imperative.

Oribabor (2000) submitted that training and development aim at developing competences such as technical, human, conceptual and managerial for the furtherance of individual and organization growth, Isyaku (2000) also postulated that the process of training and development is a continuous one. Misko (2008) notes that where learning becomes integrated into workplace practices, organizations are more likely to be innovative, extend learning and reward employees. It is the view of Beardwell et al, (1993) that Human Resource Management concepts such as commitment to the company and the growth in the quality movement have led senior management teams to realize the increased importance of training,

employee development and long-term education. Such concepts require not only careful planning but a greater emphasis on employee development.

Strategy Implementation

A sound strategy has to be implemented through translating plans into action. Thompson et al. (2007) argue that prescribing new policies and operating procedures act to facilitate strategy execution in three ways: one by instituting new policies and procedures to provide top-down guidance regarding how certain things now need to be done. Two, policies and procedures help to enforce needed consistency on how in particular strategy- critical activities are performed in geographically scattered operating units and lastly, well developed policies and procedures promote the creation of a work climate that facilitates good strategy execution.

According to Thompson and Strickland (1998) strategy implementation is all about acting on what has to be done internally to put formulated strategies in place thus ensuring that targeted results are achieved within the targeted framework of time. Mintzberg (1979) argues that if one believes that strategies are explicit, implementation would mean carrying out the pre-determined strategic plans. An Economist survey found that a discouraging 57 percent of firms were unsuccessful at executing strategic initiatives over the past three years, according to a survey of 276 senior operating executives in 2004 (Allio, 2005). According to the White Paper of Strategy Implementation of Chinese Corporations in 2006, strategy implementation has become the most significant management challenge which all kinds of corporations face at the moment. The survey reported in that white paper indicates that 83 percent of the surveyed companies failed to implement their strategy smoothly, and only 17 percent felt that they had a consistent strategy implementation process.

Inappropriate systems utilized during the process of operationalization, institutionalization and control of the strategy are often sources of challenges during strategy implementation. The process of institutionalization relies heavily on the organization configuration that consists of the structures, processes, relationships and boundaries through which the organization operates (Johnson & Scholes, 2003). The choice of a particular structure is a formidable challenge. Whilst the strategy should be chosen in a way that it fits the organization structure, the process of matching structure to strategy is complex.

According to Daft (2000), one major shortcoming of strategic implementation in organizations is a failure to translate statements of strategic purpose into identification of those factors which are critical to achieving the objectives and the resources/competencies to ensure success. The intangible resources may also lead to unique challenges associated with external accountability imposed by the authorizing environment. Inadequacy of any form of resources,

such as inadequate funds, equipment and facilities, and human resources skills and experience, is often a big challenge during strategy implementation.

According to Kobia and Mohamed (2006) the expected outcomes of the implementation of the performance contracting were; improved performance, decline in reliance on Exchequer funding, Increased transparency in operations and resource utilization, Increased accountability for results, Linking reward on measurable performance, Reduced confusion resulting from Multiplicity of objectives, Clear apportionment of responsibility for action, improvement in the correlation between planning and implementation, creating a fair and accurate impression on the performance, greater autonomy, creation of enabling legal and regulatory environment. Thompson and Strickland (1998) argue that strategy implementation is all about acting on what has to be done internally to put formulated strategies in place thus ensuring that targeted results are achieved within the targeted framework of time. Mintzberg (1979) argues that if one believes that strategies are explicit, implementation would mean carrying out the pre-determined strategic plans.

RESEARCH METHODOLOGY

The research methodology provides a detailed discussion of the research design, location of the study, population, and data collection procedure and data analysis. The study adopted a descriptive research design, whose purpose is to explore and describe things as they are. A research design is a plan and structure of the investigation so conceived as to obtain answers to research questions and a blue print for collection, analysis and measurement of data (Cooper and Schindler, 2003). The target population in this study included the Administrative staff in Mount Kenya University. Currently there are 120 administrative employees in Mount Kenya University.

Sample Size and Sampling Procedure

The sample for the study was designed to produce a representation of the administrative employees working in Mount Kenya University. To arrive at a sample size, the study adopted a formula by Nassiuma (2009) for estimating a sample size, n , from a known population size, N and a coefficient of variation (V.C) of 30%.

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

Where

n = sample size;

N = population size;

C = coefficient of variation and e is error margin.

Substituting these values in the equation, estimated sample size (n) was:

$$n=120*0.3^2/\{0.3^2+(120-1)0.02^2\}$$

$$n=78$$

To arrive at this sample, the researcher employed simple random sampling technique as suggested by Vuuren and Maree (2002) to select the administrative employees to represent the others as respondents in this study.

Research Instruments

The study used self-administered questionnaires as the main instrument for primary data collection. A questionnaire is a research instrument that gathers data over a large sample and is one way to elicit self-values (Kombo & Tromp, 2006). The questionnaires had closed ended questions. The Likert type scale, commonly used in business research was applied because it allows participants to provide their perceptions and opinions both in terms of direction (positive or negative) and intensity (degree of agreement or disagreement).

The Data

Since the data collected for this study was quantitative, both descriptive and inferential analyses were employed using SPSS version 24. Tables were used to illustrate the findings and a summary in a descriptive form and conclusions drawn. Inferential statistics in form of Pearson correlation coefficient helped deduce from the sample data what the population thought or make judgments of the probability that an observed difference between groups is a dependable one or one that happened by chance. The correlation analysis was also used to show the underlying relationships between the two variables and to test the hypothesis.

ANALYSIS AND FINDINGS

The researcher distributed 78 questionnaires among the respondents for primary data collection based on the sample size. 54 of the questionnaires were properly filled and returned representing a response rate of 69% which was considered to be a good response rate.

Performance Management Training

The researcher sought to find out the attitudes of the respondents in regard to various aspects of performance management training. As such, the means and standard deviations of the responses were computed to assist in making the various deductions on management training. The findings from the analysis were as presented in table 1.

Table 1: Perceptions on Performance Management Training

	N	Min	Max	Mean	Std. Dev
1. The university conducts training needs assessment to establish training needs of its employees	54	2	5	4.19	.754
2. Evaluation is done after training to establish the relevance of the training program to the employees	54	2	5	4.00	.801
3. Training is taken as a way of motivating employees towards the achievement of university goals	54	2	5	3.89	.769
4. Training and development is a continuous function and not a one time function in this university	54	2	5	3.72	.920
5. Training has equipped administrative employees with new skills in their daily work	54	2	5	3.87	.754
6. Creativity and innovation has been enhanced with employees making intelligent decisions in daily occurrences	54	2	5	3.54	.794
Valid N (listwise)	54				

The table indicated that the respondents were in agreement with all the aspects of the performance management training. They registered mean values approximately equal to 4 (Agree). They agreed that the university conducts training needs assessment to establish training needs of its employees that evaluation is done after training to establish the relevance of the training program to the employees and that training is taken as a way of motivation employees towards the achievement of university goals. In addition, they agreed that training and development is a continuous function and not a one time function in the university, that training has equipped administrative employees with new skills in their daily work and that creativity and innovation has been enhanced with employees making intelligent decisions in daily occurrences. Respondents further showed greater cohesion in their responses recording standard deviations that were less than 1 in all the responses.

Strategy Implementation

The researcher in addition established the respondents' perceptions in regard to the aspects of strategy implementation in Mount Kenya University. The means and standard deviations of the responses were also established to draw various deductions. The findings from the analysis were presented in table 2.

Table 2: Perceptions on Strategy Implementation

	N	Min	Max	Mean	Std. Dev
7. The university has well developed policies that creates a work environment that facilitates good strategy execution	54	1	5	4.02	.629
8. The university registers continued progress in its strategy implementation	54	2	5	4.02	.566
9. The university has ensured that there are appropriate systems to operationalize and control strategy during implementation	54	1	5	3.28	1.140
10. The university have ensured sufficient resource allocation towards strategy implementation	54	1	5	3.46	.985
11. Performance contracting reduces confusion during strategy implementation	54	2	5	3.78	.984
12. The success of strategy implementation in the university has been facilitated by employees owning up the strategy and the implementation process.	54	1	5	3.67	.890
Valid N (listwise)	54				

The table indicated that respondents agreed with four of the aspects of strategy implementation in Mount Kenya University. The four aspects registered mean values approximately equal to 4 (Agree). Respondents agreed that the university has well developed policies that create a work environment that facilitates good strategy execution, that the university registers continued progress in its strategy implementation, that performance contracting reduces confusion during strategy implementation, and that the success of strategy implementation in the university has been facilitated by employees owning up the strategy and the implementation process. However respondents were undecided on whether the university has ensured that there are appropriate systems to operationalize and control strategy during implementation and on whether the university has ensured sufficient resource allocation towards strategy implementation. These two aspects had mean values approximately equal to 3 (Undecided). Respondents on the other hand indicated greater agreement in their responses registered registering standard deviations less than 1 apart from one aspect with standard deviation greater than 1.

In addition to this, the researcher sought the respondents' opinion as to the extent of strategy implementation in the university. The respondents were to rate the performance in terms of a percentage. The findings from the analysis were as presented in table 3.

Table 3: To what extent would you rate the success in strategy implementation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10-30% success	16	29.6	29.6	29.6
	30-50 % success	6	11.1	11.1	40.7
	50-70 % success	25	46.3	46.3	87.0
	Above 70% success	7	13.0	13.0	100.0
Total		54	100.0	100.0	

From the table the researcher established that the majority of the respondents comprising of 46.3% were of the view that strategy implementation was successful at 50-70%. 29.6%, 13% and 11.1% believed that the rate of success in strategy implementation was at 10-30%, above 70% and 30-50% respectively. As such, the researcher observed that most of the respondents indicated that there was success in strategy implementation.

Relationship between Performance Management Training and Strategy Implementation

The researcher undertook correlation analysis to establish the underlying relationships between the independent and the dependent variables. The questionnaires elicited responses which were on a likert scale enabling the researcher to be able to compute them into a composite score of their means. The composite mean scores of the dependent variable were correlated with the composite score of the dependent variable (Table 4).

Table 4: Performance management training and strategy implementation

		Performance management training
Strategy implementation	Pearson Correlation	.338 [*]
	Sig. (2-tailed)	.012
	N	54

*. Correlation is significant at the 0.05 level (2-tailed).

From the table the researcher established a weak positive significant relationship ($r = .338$, $p < .05$) between performance management training and strategy implementation. Therefore the researcher observed that performance management training was important in determining strategy implementation in Mount Kenya University. This was an indication that enhancing the performance management training consequently enhances strategy implementation in the university. Therefore the null hypothesis H_{01} (Performance management training has no significant effect on strategy implementation in Mount Kenya University) was consequently rejected.

Summary of Findings

Descriptive statistics indicated that respondents agreed that the university conducts training needs assessment to establish training needs of its employees that evaluation is done after training to establish the relevance of the training program to the employees and that training is taken as a way of motivation employees towards the achievement of university goals. In addition, they agreed that training and development is a continuous function and not a one time function in the university, that training has equipped administrative employees with new skills in their daily work and that creativity and innovation has been enhanced with employees making intelligent decisions in daily occurrences. These findings were in congruence with Omore (2004) observation that manpower development involves providing learning and development opportunities, making training intervention and planning, conducting and evaluating training programs. Isyaku (2000) also postulated that the process of training and development is a continuous one. Misko (2008) notes that where learning becomes integrated into workplace practices, organizations are more likely to be innovative, extend learning and reward employees.

In respect to strategy implementation Respondents agreed that the university has well developed policies that create a work environment that facilitates good strategy execution, that the university registers continued progress in its strategy implementation, that performance contracting reduces confusion during strategy implementation, and that the success of strategy implementation in the university has been facilitated by employees owning up the strategy and the implementation process. However respondents were undecided on whether the university has ensured that there are appropriate systems to operationalize and control strategy during implementation and on whether the university has ensured sufficient resource allocation towards strategy implementation. According to Daft (2000), one major shortcoming of strategic implementation in organizations is a failure to translate statements of strategic purpose into identification of those factors which are critical to achieving the objectives and the resources/competencies to ensure success. Further, the findings established that the majority of the respondents comprising of 46.3% were of the view that strategy implementation was successful at 50-70%. 29.6%, 13% and 11.1% believed that the rate of success in strategy implementation was at 10-30%, above 70% and 30-50% respectively. As such, the researcher observed that most of the respondents indicated that there was success in strategy implementation.

Correlation analysis indicated that performance management training has a weak positive significant relationship with strategy implementation. Therefore strategy implementation

is enhanced through performance management training. This relationship was found to be significant at 5% level of significance.

CONCLUSIONS

From the summary, the researcher made conclusions based on the study objectives and the study findings. The researcher concluded that performance management is important in determining success in strategy implementation. The findings indicated that respondents agreed with all the aspects of performance management training. As such the respondents acknowledged the importance of performance management training to their performance in the organization. Correlation and regression analysis indicated that performance management training significantly influences strategy implementation. Therefore the researcher concluded that the importance of performance management training on strategy implementation cannot be understated.

From the findings, the researcher recommended that the administration in Mount Kenya University should build on enhancing performance management training among its staff. This will go a long way in enhancing their competency in their jobs leading to improved performance. On the other hand the university will improve on its success in strategy implementation through performance management training. The researcher therefore noted that the management of the university ought to invest more resources in performance management training of its employees. The researcher further recommended that a study should be carried out to establish the form of training that have a great influence on strategy implementation. As such the studies to be done should compare pre-service and in-service training influence on strategy implementation.

REFERENCES

- Allio, M. (2005). A Short, Practical Guide to Implementing Strategy. *Journal of Business Strategy*, 26, 12-21.
- Armstrong, M. & Baron, A. (2004). *Managing performance: performance management inaction*.
- Balogun, M. (2003). *Performance management and agency governance for Africa development: The Search for common cause on excellence in the Public Service*. UNCEA, AddisAbaba.
- Beardwell, I., Holden, L. & Claydon, T. (1993). *Human Resource Management Review*, vol. 1 pp. 203-225
- Borg W.R and Gall M.D (ed) *Educational Research* Longman, New York
- Benjamin, R. & Carroll, S. (1998). *Breaking the social contract: The fiscal crisis in California higher education*. RAND: Council for Aid to Education.
- Breneman, D. (1995). *A State of Emergency? Higher Education in California*. San Jose, CA: California Higher Education Policy Center.
- Bourgeois W, L. & Brodwin D. (1984). Strategic Implementation: Five Approaches to an Elusive Phenomenon. *Strategic Management Journal*, 5, 241-264.

- Cater, T. & Pucko, D. (2010). Factors of effective strategy implementation: Empirical evidence from Slovenian business practice. *Journal for East European Management Studies*, 15(3), 207-236.
- Cooper, D. & Schindler, P. (2003). *Business Research Methods*. (8th Ed.). Boston:McGraw-Hill Irwin.
- Daft, R. (2000). *Organization Theory and Design*. (7th Ed.) South-Western College Publishing, Thomson Learning. U.S.A.
- DeWit B. & Meyer O. (2004). How to improve strategic planning, and Management: TheMcKinsey Quarterly review, no. 3, p. 40 - 48
- Fiegener, M. (2005). Determinants of board participation in the strategic decisions of small corporations, *Entrepreneurship Theory and Practice*, pp.627-50.
- Henry, S., Raduan, C., Jegak,U., Haslinda, A. & Alimin,I.(2006). Management, Strategic Management Theories and the Linkage with Organizational Competitive Advantage from the Resource-based perspective *European journal of Social Sciences*, 2(3): 1-25
- Hope, I., (2001). Internal Market Orientation Construct and Consequences. *Journal of Business Research*, 57(4), 405-413.
- Hunter, J., & Gates, G., (1998), "Outsourcing: „functional“, „fashionable“ or „foolish“", in Griffin, G (Eds), *Management Theory and Practice Moving to a New Era*, Macmillan Education Australia Pty. Ltd., Melbourne, pp.133-44.
- Isyaku, I. (2000). Training and retraining of Teachers through Distance Education. Being a Paper Presented at the National Workshop on Distance Education Held at Abuja Nigeria, 27-29
- Johnson & Scholes (2003). *Exploring corporate strategy*. Pearson Education Ltd
- Judge, W., & Stahl, M. (1995). Middle-Manager Effort in Strategy Implementation: a Multinational Perspective. *International Business Review*, 4, 91-111.
- Kaplan, R. & Norton, D. (2008). *Execution Premium: Linking strategy to operations for competitive advantage*. Harvard Business School Press.
- Kobia M., & Mohammed N. (2006). Kenyan experience with performance contracting. Africa Association for Public Administration and Management, Round table Conference, Arusha, Tanzania
- Kombo, D. & Tromp, D. (2006). "Proposal and Thesis Writing", (2nd Re-print). Nairobi: Paulines PublicationsAfrica.
- Krueger, J. (2004). —Strategy Implementation Tactics as Response to Organizational, Strategic, and Environmental Imperatives. *Management Review*, 15, 460-480
- Laffont, J., & David M. (2002). *The Theory of incentives: The principal Agent Model* Princeton Princeton University Press.
- Mintzberg, H. (1979).*The Structuring of Organizations*, Prentice Hall, Englewood Cliffs, NJ.
- Misko, J. (2008). *Combining Formal, Non-formal and Informal Learning for Workforce Skill Development*. Australia: NCVET and Australian Industry Group.
- Nassiuma D. (2009) *Survey sampling: Theory and methods*. Nairobi:University of Nairobi Press
- Noble, C. (2006). The eclectic roots of strategy implementation research, *Journal of Business Research*, 45 (2), 119-34.
- Omole, M. (2004). Training and re-training: A variable of technological development. *Journal of Industrial Education*, 14 (2), 76-85
- Oribabor, P. (2000), "Human Resources Management, A Strategic Approval,." *Human Resources Management* 9 (4) 21 – 24
- Pearce, J. & Robinson, Jr. R. (2007). *Formulation, Implementation and Control of Competitive Strategy*, (10th Ed.), Chicago, IL, Richard D. Irwin.

- Rugman, A. & Verbeke, A. (2008). —Corporate Strategies and Environmental Regulations: An Organizing Framework, *Strategic Management Journal* 19:363-375
- Thompson A. A. Jr. and Strickland A. J. III (1998), *Grafting and Implementing Strategy*, 10th Ed. Irwin McGraw-Hill, Boston, USA.
- Thompson Jr. A., Strickland III, A., & Gamble J. (2007). *Crafting and Executing Strategy: Text and Readings*. USA :McGraw-Hill Irwin.
- Tim M. et al. (2008). *Courageous Training: Bold Actions for Business Results*. Colorado, Berrett-Koehler Publishers.
- Trivedi, P. (1990a). *Theory and Practice of the Contracting Approach: Lessons for LCDs*. In P. Trivedi (Ed.), *Memorandum of Understanding : An Approach to Improving Public Enterprise Performance* (1st ed.). New Delhi: International Management Publishers.
- Vroom, V. (1984). *Work and Motivation*, R.E. Krieger Pub. Co., Malabar, FL.
- Vuuren, D. & Maree, A. (2002). *Survey methods in market and media research*. In Terre Blanche, M. & Durrheim, K. (2002). *Research in practice*. MoonStats CD & user guide. Cape Town:University of Cape Town Press, 269-286.
- Wheeler, F. (2001). "A Bayesian approach to service level performance monitoring in supplier, provider relationships", *The Journal of the Operational Research Society*. 52, (4), 383-90.