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INFLUENCE OF RESOURCE ALLOCATION ON STRATEGIC PLANNING IMPLEMENTATION IN PUBLIC UNIVERSITIES: A CASE STUDY OF RONGO UNIVERSITY

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Abstract

Healthcare Strategic planning is an essential tool for achieving a firm's performance through strategy initiatives. Strategic plan has been adopted in many Public universities in order to improve service delivery and institution efficiency. Managers of organisation must assess their current competitive position; build a vision for where they must be transformation strategy to turn the future vision into reality. Strategic planning is used to come up with priorities, focus energy and resources, strengthen operations ensure that employees and stakeholders are working toward common goals, assess and adjust the organisation direction in response to changing environment. Strategic planning is effectively in coming up with a desired future and translating this vision into defined goals and a series of stem to attain them. Strategic planning assist organisations to match their capabilities and resources to a desired environment. The study adopted case study design which involved an in depth investigation of whether the implementation of strategic planning has played a key role in the performance of Rongo University. The primary and secondary source of data were assessed using questionnaires. Descriptive statistics was used to analyse data as well as the regression analysis with the aid of SPSS. Descriptive statistics were analyzed by using regression, correlation and ANOVA, mean and standard deviation. Regression analysis was undertaken to determine the influence of resource allocation on strategic plan implementation on Public Universities. The resource allocation to strategic plan implementation significantly affect performance at Rongo University. In support of this, the university allocates financial resources for strategic planning implementation, monitors and audits all the resources allocated by the government and other donor agency, provide for proper utilization of physical resources that are available, and has well trained human resource to support strategic plan implementation. However, the organization has not adapted information technology in its day to day operation. The study established that resource allocation ($r = 0.682$) positively influenced the strategic planning implementation of Public Universities.

Keywords: *Resource Allocation, Strategic Plan Implementation*

I. INTRODUCTION

Management Strategic planning is an exercise that all managers should be involved with it. An organisation will have little or no challenges if strategic plan is available and well implemented in managing external changes. An organisation can predict changes in the environment and act pro-actively through strategic planning according to Adeleke et al., (2008). According to Douglas 2003, it has been observed that most organisations are more concerned with the formulation of strategic plan and not how to implement them. He concludes to say that, plan without effective and measurable implementation is no plan at all.

The contribution of this area of research has been limited by the inconsistency of its measurement schemes, and a priori assumptions of strategic planning dimensions and factors. Arguably, by viewing strategic planning as a single process in a corporation, this research has limited its ability to establish clear correlations between planning and performance in multi-business corporations. One possible development from the conceptual framework we propose in this paper would be to study the planning-performance relationship based on a fuller representation of complex multi-level and multi-unit strategic planning processes.

Over time the concept and practice of strategic planning has been embraced wide reaching and across sectors because of its perceived contribution to organizational performance. Now day‘s organizations from both the public and private sectors have taken the practice of strategic planning critically as a tool that can be employed to fast track their performances. Strategic planning is arguably important ingredient in the conduct of strategic management. In this regard, Steiner (1970 and Robert (2012) noted that the framework for formulating and implementing strategies is the formal strategic planning system.

According to Thompson and Strickland (2003), implementation is an integral component of strategic management process and it is viewed as the process that turns the formulated strategy into series of action and the result ensure the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned. Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. Implementing your strategic plan is as important, or even more important, than your strategy. According to Bhasin (2009), implementation is the process through which a chosen strategy is put into action. It involves the design and management of systems to achieve the best integration of people, structure, processes and resources in achieving organizational objectives. A strategic plan provides a business with the roadmap it needs to pursue a specific strategic direction and set of performance goals, deliver customer value, and be successful. However, this is just a plan, it doesn’t guarantee that the desired performance is reached any more than having a roadmap guarantees the traveler arrives at the desired destination. However, most theory and practices have been focused on the private sector, specifically in businesses and for the purpose of improving competitive position in the market. Strategic planning for public organizations is a more recent innovation first introduced in the 1980s. It has steadily grown as an academic endeavor and tool for public managers, but is not nearly as robust as its private sector predecessor.

2. STATEMENT OF THE PROBLEM

Strategic plan plays a great role in the implementation of service delivery and proper use of resource utilization. When an organisation does not use strategic plan or put into practice there is likely to be an emergence of a gap that makes it hard to be achieved. Strategic plan is a document that plays or guides an organisation however poor implementation can result to strategic plan being an ineffective document. Pfeffer and Sutton (2006). Most Public Universities have established strategic plan like the University of Nairobi 2013-2017 and Jomo Kenyatta University of Agriculture and Technology 2013-2017 but most are put into paper work thus most of them have not been implemented or put into practice, Nyakeriga 2015. Most of them have not implemented their strategic plans as evidenced by poor performance in structural development, incompetent personnel, poor administrative systems and weak human resources. An organisation needs to give the implementation phase of its strategic process and allocate adequate resources that will enable it to achieve the desired objectives. Public universities are the key drivers in delivering human resources to drive the economy and social growth in the attainment of the vision 2030 plan. However public universities offer programmes that need to meet the expectation of the outside world but in reality graduates coming of the colleges do not measure to the expectations of the job market and therefore there is need to develop and implement effective strategies that was addressed. Due to scarcity of research and papers on the implementation of strategic planning among universities in Kenya as reviewed, this study investigated the influence strategic planning implementation on performance of Public Universities. This study attempted to look at the influence of resource allocation on strategic planning implementation on performance of public universities.

3. OBJECTIVE OF THE STUDY

The main objective of the study was to establish the influence of resource allocation on strategic plan implementation on Public Universities. A case study of Rongo University.

4. LITERATURE REVIEW

In an attempt to explain the relationship between resource allocation and strategic plan implementation, the researcher has focused on Resource Based Theory.

a. Resource Based Theory

The resource-based view suggests that valuable firm resources are usually scarce, imperfectly imitable, and lacking in direct substitutes Barney (1991) and Peteraf (1993). Thus, the trading and accumulation of resources becomes a strategic necessity. When efficient market exchange of resources is possible, "firms are more likely to continue alone" Eisenhardt & Schoonhoven, (1996) and rely on the market. However, although market transactions are the default mode, efficient exchanges are often not possible on the spot market. Certain resources are not perfectly tradable, as they are either mingled with other resources or embedded in organizations Chi, (1994). Hence, mergers, acquisitions, and strategic alliances are variously employed. Thus, the resource-based view considers strategic alliances and mergers/ acquisitions as strategies used to access other firms' resources, for the purpose of garnering otherwise unavailable competitive advantages and values to the firm. Although researchers have explored the resource-based view of alliances under different names such as the property rights perspective (Ramanathan et al., 1997) and the organizational capability perspective (Madhok, 1997) the overall rationale for entering into a strategic alliance appears fairly simple. It is to aggregate, share, or exchange valuable resources with other firms when these resources cannot be efficiently obtained through market exchanges or mergers/ acquisitions (M&As). In sum, it is about creating the most value out of one's existing resources by combining these with others' resources, provided, of course, that this combination results in optimal returns. The resource-based view further indicates the conditions under which alliances will be preferred over M&As. These conditions have mainly to do with obtaining and retaining resources.

According to Kogut's (1988) organizational learning model, which is a part of the broad resource-based view, offers a refined view of alliance formation based on firm resources such as knowledge and technology. According to him, there are two possible reasons firms forge alliances: either to acquire the other's organizational know-how, or to maintain one's own know-how while benefiting from another's resources. Extending this approach to all types of firm resources, we suggest that there are two related, but distinct, motives for firms to use strategic alliances to obtain others' resources; and to retain and develop one's own resources by combining them with others' resources. According to Gitau (2012) the organization determines the value to ensure sustainability of resources that are required during the period of strategy implementation process.

Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. In the 21st-century hyper-competitive landscape, a firm is a collection of evolving capabilities that is managed dynamically in pursuit of above-average returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics.

Resources are inputs into a firm's production process, such as capital, equipment, skills of individual employees, patents, finance, and talented managers. Resources are either tangible or intangible in nature. With increasing effectiveness, the set of resources available to the firm tends to become larger. Individual resources may not yield to a competitive advantage. It is through the synergistic combination and integration of sets of resources that competitive advantages are formed, Wernerfelt (1984)

A capability is the capacity for a set of resources to integrative performs a stretch task or an activity. Through continued use, capabilities become stronger and more difficult for competitors to understand and imitate. As a source of competitive advantage, a capability should be neither too simple that it is highly imitable, nor too complex that it defies internal steering and management.

According to Grant (1999) Strategy has been defined as “the match an organization makes between its internal resources and skills … and the opportunities and risks created by its external environment.” During the 1980s, the principal developments in strategy analysis focused upon the link between strategy and the external environment. Prominent examples of this focus are Michael Porter's analysis of industry structure and competitive positioning and the empirical studies undertaken by the PIMS project. By contrast, the link between strategy and the firm's resources and skills has suffered comparative neglect. Most research into the strategic implications of the firm's internal environment has been concerned with issues of strategy implementation and analysis of the organizational processes through which strategies emerge.

b. Influence of Resource Allocation on strategic plan implementation

Ganley (2010) states that resources make organizations to run effectively, and allocating these resources to an organization should be done carefully. Allocating these resources can be tough, but an organization can acquire the resources they need appropriately through careful practice. Some examples of organizational resources are technology, people, and finances. All of these organizational resources are crucial to the success and growth of an institution. Murithi (2009) states that resources are needed for the successful implementation of strategic plan and strategies. It is very difficult to implement a strategy when resources are not available. Resources will include the human resources, time frame, remuneration, and finances in terms of sufficient funds. Resources have to be available for strategy implementation.

According to Penrose (1959) organization with managers who are familiar with the resource capability of the firm will outperform other organization. He argues that resource based view essentially is any form of sustainable competitive advantage that a firm may develop results from the unique resource endowments of the firm. This view of the importance of firm’s resources is reflected in the value resources which proposes that an analysis of a firm’s internal strengths and weakness should address on the value and rareness, ease of imitability of a capability and organization capability to exploit its resources. The organization determines the value, rareness, imitability to ensure sustainability of resources that are required during the period of strategy implementation process.

5. RESEARCH METHODOLOGY

The study adopted a case study design which attempted to determine the extent of a relationship between two or more variables using statistical data. Cooper and Schindler (2003) posited that if the research is concerned with finding out what, when, and how much of phenomena, descriptive research design was found to be appropriate thus the design is deemed appropriate. The target population were the various departments, schools and the central administration departments which form an integral part of the University which include the members of the Management, Deans, Directors, Heads of department and the administrative staff that are in involved in this offices whom comprised of 109 respondents. The study utilized a self-administered questionnaire as a tool for data collection which was a closed ended questionnaire since they are easier to administer and to analyse. The questionnaire had three sections. The questionnaire was anchored on a five point Likert scale. A multiple items adopted from different studies and were used to measure the perceptual constructs in the study. The results of the survey were presented in tables.

6. DATA ANALYSIS AND PRESENTATION

The researcher issued 100 questionnaires to the respondents in Rongo University. The researcher sought and worked with contact person to enable easier issuance and clarification on the issues that were unclear. Out of 100 questionnaire that were issued to the sampled respondents, 80 of them were filled and returned. Of the returned questionnaires 11 were either filled incorrectly and had double entries in their markings and hence were used for analysis representing a response rate of 69%. This is acceptable as (Kothari, 2004) recommends a response return rate of over 60%. The researcher sought to find out the distribution of the respondents according to their gender, age bracket and their working experience. The majority of the respondents aged less than 30 years were at (41.3%), aged between 35-40 years were (39.7%) while age above 40 years were at (20.7%). The researcher asked the respondents to indicate the number of years in which they have worked at the University. The study revealed that most of the respondents who had worked for less than 5 years were at a percent of (55.6%) and who had worked for between 5-15 years were at a percent of (44.4%).

a. Resource Allocation on strategic Planning Implementation

The researcher analyzed the influence of resource allocation on strategic plan implementation in Rongo University. The findings on the influence of resource allocation are presented in Table 1.

Table 1: Response on Resource Allocation

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
The organization allocates financial resources for strategic planning implementation	0	0.0	1	1.6	21	33.3	35	55.6	6	9.5
The organization monitors and audits all the resources allocated by the government and other donor agency	0	0.0	1	1.6	21	33.3	40	63.5	1	1.6
The organization provide for proper utilization of physical resources that are available.	29	46.0	4	6.3	12	19.0	16	25.4	2	3.2
The organization has well trained human resource to	4	6.3	12	19.0	17	27.0	27	42.9	3	4.8

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support strategic plan implementation.										
The organization adapted information technology in its day to day operation	2	3.2	35	55.6	17	27.0	6	9.5	3	4.8

From the findings the study established that organization allocates financial resources for strategic planning implementation as indicated by 35(55.6%) of the respondents who agreed to that. Majority of the respondents 40(63.5%) agreed that the organization monitors and audits all the resources allocated by the government and other donor agency. On the statement that the organization provide for proper utilization of physical resources that are available, 29(46.0%) of the respondents strongly disagree, while 16(25.4%) agreed with the statement.

Most respondent 27(42.9%) agreed that the organization has well trained human resource to support strategic plan implementation. The study established that the organization has not adapted information technology in its day to day operation, as evidenced by 35(55.6%) of the respondents who disagreed with the statement. The study agree with Murithi (2009), the study established that resources are needed for the successful implementation of strategic plan and strategies. It is very difficult to implement a strategy when resources are not available. Resources will include the human resources, time frame, remuneration, and finances in terms of sufficient funds. Resources have to be available for strategy implementation.

7. Regression Analysis

Table 2: Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Standard Error of the Estimate**
1	.826[a]	.682	.665	.34632

The model summary presents the extent to which the independent variables predict the change in the dependent variable. The R square was 0.682, indicating that the independent variable of resource allocation, influence 68.2 % change on performance of public university. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown above there was strong positive relationship between the variables as shown by 0.826.

Table 3: Regression Coefficients

	Unstandardized Coefficients		**Standardized Coefficients**		
	B	**SE**	**B**	**t**	**p**
Constant	.125	.480		.261	.795
Resource Allocation	.050	.142	.370	.349	.009

a. Dependent Variable: Performance

From the regression coefficients, holding the independent variables constant, resource allocation on strategic plan implementation would increase by .125. It was established that a unit increase in resource allocation would cause an increase in the strategic plan implementation by a factor of .050. The unstandardized beta coefficients in Table 3 were then used to obtain the overall relationship formulated as:

$Y= .125+.050 X_1$

where Y= Performance and X_1= resource allocation

Table 3: Analysis of variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.915	1	14.915	41.452	.000[b]
	Residual	6.956	58	.120		
	Total	21.871	61			

a. Dependent Variable: Performance

From the ANOVA results, since p-value (.000) was significant we conclude that at a 5% significance level, the resource allocation has statistically influence on strategic planning implementation on performance on Public University.

8. CONCLUSION

The study established that organization allocates financial resources for strategic planning implementation. Further, the organization monitors and audits all the resources allocated by the government and other donor agency and provide for proper utilization of physical resources that are available. The organization has well trained human resource to support strategic plan implementation. However, the organization has not adapted information technology in its day to day operation. The study established that resource allocation to strategic plan implementation significantly affect performance.

The resource allocation to strategic plan implementation significantly affects performance at Rongo University. In support of this, the university allocates financial resources for strategic planning implementation, monitors and audits all the resources allocated by the government and other donor agency, provide for proper utilization of physical resources that are available, and has well trained human resource to support strategic plan implementation. However, the organization has not adapted information technology in its day to day operation.

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