

THE ROLE OF STRATEGY IN INFLUENCING PERFORMANCE IN
INSTITUTIONS OF HIGHER LEARNING: A CASE STUDY OF UGANDA
MANAGEMENT INSTITUTE.

BY

MARK D. WALUGEMBE

A THESIS SUBMITTED TO THE OFFICE OF
POST GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN
LEADERSHIP OF
PAN AFRICA CHRISTIAN UNIVERSITY

SEPTEMBER, 2015

ABSTRACT

The study sought to examine the role of strategy in influencing performance in institutions of higher learning. The study was guided by the following objectives; to investigate the extent to which strategic plans were formulated in Uganda Management Institute, to determine the extent to which the strategic operational plans were implemented in Uganda Management Institute, to find out how Uganda Management Institute was performing financially and non-financially and to assess the relationship between strategic planning and performance in Uganda Management Institute. The purposive non probability sampling technique was used to select 37 respondents of managers and leaders from the UMI organogram. The limitation to this method was that it seemed biased since not every stakeholder in the institution was given a chance but the researcher focused on stakeholders' representatives that had played key role in formulating, implementing strategy and those that were knowledge on the concept of strategy. The respondents included 7 top managers, 20 middle managers and 10 student and alumni leaders. Data was collected through administering of structured questionnaires that consisted of closed ended-matrix questions on the Likert scale. Pearson's correlation and Spearman's correlation coefficients were used to assess the relationship between the strategic planning components of formulation and implementation with performance. The ANOVA test was used to test the dependency of performance of UMI on the strategic planning components of formulation and implementation. The key findings revealed that there was a statistically significant relationship between strategic formulation and performance while there was no statistically significant relationship between strategic implementation and performance. It was recommended that for UMI to boost her performance, she should enhance her monitoring to successfully track execution of all initiatives that are aligned to her strategy and specifically in the operational plans within the given time limits. On addition to this, the institute's budget should facilitate only activities in the stipulated strategy. For future research, we should look into assessing the relationship between strategic formulation and strategic implementation, assessing the relationship between non-financial performance and financial performance, investigating the relationship between monitoring and evaluation with performance, establishing the role of communicating strategy and investigating the role of flexibility in performance of institutions of higher learning.

Key words: Strategic formulation, strategic implementation, and performance.

TABLE OF CONTENTS

DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGEMENTS.....	iii
ABSTRACT.....	iv
TABLE OF CONTENTS.....	v
LIST OF FIGURES	ix
LIST OF TABLES.....	x
LIST OF ACRONYMS AND ABBREVIATIONS.....	xi
OPERATIONAL AND DEFINITION OF TERMS.....	xiii
CHAPTER ONE: INTRODUCTION TO THE STUDY.....	1
1.1 Introduction.....	1
1.2 Back ground of the study	1
1.2.1 The education strategy in Uganda.....	2
1.2.2. Institutions of higher learning in Uganda	3
1.3. Problem statement.....	5
1.4. Research Objectives.....	6
1.5. Research Questions.....	6
1.6. Significance of the Study	7
1.7. Justification of the Study	7
1.8. Scope of the Study	8
1.9. Limitations of the Study.....	8
1.10. Assumptions of the study.....	8
1.11. Conclusion	9
CHAPTER TWO: LITERATURE REVIEW	10
2.1. Introduction.....	10
2.2. Strategic Planning	10
2.2.1. Strategy formulation	11
2.2.2. Strategy implementation	13
2.3. Performance	14

2.3.1. Performance Measurement	16
2.3.2. Performance Indicators of Institutions of Higher Learning	16
2.4. Benefits of Strategy	17
2.5. Challenges of Strategy	19
2.6. Strategic planning and performance	20
2.7. Theoretical framework	20
2.8. Conceptual framework	23
2.8.1. Conceptual Frame work model	24
2.9. Conclusion	25
CHAPTER THREE: RESEARCH METHODS	26
3.1. Introduction.....	26
3.2. Research Design.....	26
3.3. Location of the study	26
3.4. Target Population.....	27
3.5. Sampling Technique	27
3.6. Sample Size.....	28
3.7. Research Instrument and Data Collection.....	29
3.8. Data Analysis	29
3.9. Validity of the Research Instrument	30
3.10. Reliability of the Research Methodology	30
3.11. Ethical Considerations	31
3.12. Conclusion	31
CHAPTER FOUR: DATA ANALYSIS, DATA PRESENTATION, INTERPRETATION OF FINDINGS AND DISCUSSION.....	32
4.1 Introduction.....	32
4.2 Demographic characteristics	32
4.2.1 Age.....	32
4.2.2 Gender.....	33
4.2.3 Years with the institute	34
4.2.4 Level of education.....	34
4.3 The extent to which strategic plans are formulated in UMI.....	35
4.3.1 Strategic direction; Vision, Mission, Goals and Core values.....	35

4.3.2 Institute's mission	36
4.3.3 Institute's Core values.....	37
4.3.4 Institute's strategic planning process	37
4.3.5 Developing the strategic plan.....	44
4.4 Strategic operational plans implementation in UMI	48
4.4.1 Communication of strategy.....	49
4.4.2 Presence of operational plans.....	49
4.4.3 Implementing the initiatives.....	50
4.4.4 Implementing all initiatives in given time limits	51
4.4.5 The institute's budget versus the initiatives	52
4.5 The non-financial and financial performance of UMI	53
4.5.1 Non-financial performance	53
4.5.2 Financial performance.....	57
4.6 Assessing the relationship between Strategic planning and performance	60
4.6.1 Strategic formulation and non-financial performance	60
4.6.2 Strategic formulation and financial performance.....	61
4.6.3 Strategic implementation and non-financial performance	62
4.6.4 Strategic implementation and financial performance	63
4.6.5 Strategic formulation and overall performance.....	64
4.6.6 Strategic implementation and overall performance	65
4.7 Dependence of performance on Strategy	66
4.8 Discussion	67
CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS.....	71
5.1 Introduction.....	71
5.2 Summary	71
5.3 Recommendation	72
5.4 Suggestions for further study	74
5.5. Conclusion	74
REFERENCES	75
Appendix 1: Questionnaire	83
Appendix 2: Letter of Authorization to collect data from PAC University	88
Appendix 3: Letter of Authorization to collect data in UMI	89

Appendix 4: List of Recognized Institutions of Higher Learning in Uganda 90

Figure 1: Age

Figure 2: Gender

Figure 3: Years with experience

Figure 4: Level of Education