# STRATEGY IMPLEMENTATION PRACTICES AND THE PERFORMANCE OF HIGHER EDUCATION LOANS BOARD IN KENYA

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## ABSTRACT

The study aims at analyzing strategic management practices and performance of Higher Education Loans Board (HELB) in Kenya. Due to increase in cost of education and dependency by students on financial assistance from parents, guardians, government and well-wishers, it has become necessary to enhance the performance of Higher Education Loans Board (HELB) in order to effectively deliver on its mandate. This study therefore aimed at establishing how commitment of top level management affects performance of HELB; assess how resource allocation by financing partners affect strategic management practices and performance of HELB and assess the role of effective communication on strategic management practices and performance of HELB in Kenya. This study adopted a descriptive research design as it allows a complete description of all the items under study. The target population constituted all the 12 head of departments and other 122 middle level managers in all department working at the HELB Headquarters offices at Anniversary Towers. Both primary and secondary data was used in the study. Primary data was collected using questionnaires while secondary data was collected from the recovery reports, published journal on HELB as well as the HELB financial statements. The collected primary data was coded and analyzed with the aid of Statistical Package for Social Sciences (SPSS) computer software. Quantitative data was analyzed through both descriptive statistics (such as frequencies) and inferential statistics such as ANOVA and multiple linear regressions in order to establish the relationship between dependent and independent variables. The data was presented using bar graphs, pie charts, tables and figures. This study may help the Higher Education Loans Board (HELB) management to set their strategic policies. It may also help HELB improve on its weaknesses' and its strengths to effectively achieve the strategic management practices and performance of the organization as a whole in delivering its mandate as a government institution. The government can use this study on their budget allocation to HELB since most of the Kenyan students pursuing higher education benefit from the loan scheme and they form source of skilled labour in the economy. The study established that commitment of top management, resource management, effective communication and technology influence performance of HELB positive as represented by coefficients 0.737, 0.695 0.196 and 0.480.


***Key Words:*** *strategy implementation practices, performance, Higher Education Loans Board in Kenya*

## INTRODUCTION

### Performance of Higher Education Loans Board

Globally, organizational performance is the act of comparing the achieved level or outcome with the set organisational goals and evaluates the end results. Dessler (2012) defines performance as collection of work activities, the operational effectiveness and measurement of subsequent outcome. According to Akinyi (2012), the methods to measure performance of a organisation are relative to the context in which an organisation carry its operations and the already laid down objectives being pursued. Strategies are usually formulated and implemented in each organisation for it to achieve its performance. Most organization whether government or private institution have set mechanism to evaluate or measure performance. These enables the organization to their annual, semi-annual, quarterly or any other desired evaluation and compare its achievement in relation to the expected standards.

The context or field in which an organization operate is used to develop the actual measurement tools for the organizational performance and achievement of strategic objectives (Akinyi, 2012).There are major strategic management problems experienced in different countries when they want to implement their strategies which are similar to each other which include : lack of communication, lack of commitment to the strategy, lack of proper awareness of the strategy ,improper coordination and sharing of responsibilities, presence of unaligned organizational systems and resources, lack of adequate capacity and capabilities and other uncontrollable factors like environmental factors as established by researchers like (Mwawasi, Wanja & Mkala, 2013). Regionally, countries like Nigeria, Mali, Botswana, Uganda, Tanzania and many other countries financing higher education is mainly done through the government agencies. All these African countries are faced by the same strategic challenges that face other countries globally in their strategic management practices and their performances. These difficulties include inadequate finances, high population, poor management skills, poor policies and many other management practices.

In 2009, the World Conference on Higher Education of United Nations Educational, Scientific, and Cultural Organization (UNESCO) noted the progress made in Africa since its previous conference, in 1998, but it acknowledged that many challenges still existed and has to be met in the 21st century. Mwawasi, Wanja & Mkala (2013) in their research established that organizations both private and public organisations are committed to train their top level management to improve their skills and competencies .This has made budget to rise in the new millennium. Therefore, companies invest substantial time, money and effort in senior management strategic management program because management team is a very critical resource of the organization (freedman, 2013).

Locally, performance of Higher Education Loans Board has been affected by strategic management practices difficulties in its operations too. Similarly, it has been facing difficulties like inadequate resources, weak management roles in implementation of its strategies and many others (Kimani, 2010). Bigler (2011) in his study established that for managers to be able to manage people working in an organisation they require analytical skills for both self and others, motivation to motivate others to complete their assigned task, delegation and decision making. All these factors can be achieved through effective strategic management practices in an organisation.

## Strategic Management

Strategic management is process that involves implementation of activities step by step to achieve desired performance (Chetty, 2010). Strategy can be viewed as the direction and scope that is followed by an organisation to achieve its advantage in a changing environment by linking its competences and resources with the aim of attaining stakeholder's expectations over the long term (Brenes, et al., 2007). According to Patricia (2014), Strategic Management practices is a set of processes that are already laid down and employed to ensure that significant changes are implemented in an orderly, systematic and controlled manner to effect organizational expected change in every organization.

Patricia (2014) categorized strategic management practices as looking in-the act of assessing organizational systems for managing human resources, finances, and other essential scarce resources of the organization, looking out in the context to mean looking beyond boundaries of an organisation to set realizable objectives, and looking ahead which is the art of bonding structures and resources to reach policy goals, monitoring the progress and making the necessary adjustments where necessary. The new public management (NPM) reform has recognized strategic management practices in public institution while offering services to the public. Human resource management and development (HRM/D) has embraced by NPM as critical strategic policy elements in implementation of reforms in already developed, transitional and developing countries (Analoui, 2007).

### Technology

Technical means to solve environmental problems with intentions to improve the surroundings and production of goods and services to satisfy human need is technology. Technology provides the firm with opportunities such as alignment of organization to the expressed goals and objectives that make the firm to be more competitive and perform better as intended by the management according to (Bengi, 2009). Technology allows organisation manage its interdependencies and determine drawbacks among departments and strategic business units in an organisation in strategy implementation process (Rochart & Short, 2008).

## STATEMENT OF THE PROBLEM

Various scholars have done studies on various aspects of strategic management such as; Mutegi (2012) who did a study on the effects of strategic management on the performance of Micro and Small Enterprises (MSEs) in Nairobi and found out that SMEs practice strategic management in an unsystematic and uncoordinated manner. It was also established that during the initial stages of strategic management practices, higher prominence is recorded and down to the evaluation stage fewer SME's are involved. Lotay (2016) carried out a study on strategy implementation in microfinance institutions and he based his study at Kenya Women Fund Trust. The study focused mainly on coordination of activities in the organisation and the constraints that women face constraints in lending institutions when they want to access finances from them and concludes that women are less favored than men in such deals. It also found out that commitment by top management of the organisation is one of the major factors in strategy implementation but it failed to analyse the effect of top management practices in strategy implementation in reference to the performance of the organisation. Researchers like Mwawasi,Wanja & Mkala (2013) focused on strategic plan implementation in state corporations and public institution but none had major focus on

HELB. Atandi (2010) studied strategic plan implementation at HELB and found out that there is no one best way of implementing strategic plans in all organizations. All these studies focused on various aspects of strategic management but failed to address the gap on strategy implementation practice and performance of HELB in Kenya. In reference to the analysis of the past three years as from reports from HELB of various departments and sections and financial reports as well for the year 2013/2014 to 2015/2016 HELB has not been able to perform to its expectation because a lot of students who applied for HELB loan were not successful in their loan application. For instance the number of students who applied for the loan for the stated period above were 178547,192418 and 239579 respectively and the number of students that were successfully allocated the loan in their loan application for the analyzed year above were 147134,169680 and 177775 respectively. This is an indication that there are some practices that are being implemented by HELB that are not efficient enough to cater for the increasing number of the students that are being enrolled in the institutions of higher learning. This poses a knowledge gap which this study sought to fill by analyzing strategy implementation practices and performance of Higher Education Loans Board in Kenya.

## GENERAL OBJECTIVE

The general objective of the study is to analyze strategy implementation practices and performance of HELB in Kenya.

## SPECIFIC OBJECTIVES

1. To establish how commitment of top management affects the performance of HELB in Kenya.
2. To analyze how resource allocation affect performance of HELB in Kenya.
3. To assess the role of effective communication on the performance of HELB in Kenya.
4. To establish the effect of technology adoption on performance of HELB

## THEORETICAL REVIEW

### Agency Theory

Agency theory is a management approach where one individual (the agent) acts on behalf of another (the principal) and is required to advance the principal's goals (Jean, 2002).The agent is required to advance both the interests of the principal and his own interests in that particular organization. Normally, a balance of these interests should be combined so that the objectives of the organization can be achieved through the agent because he/she is in charge of the vast resources of the organization.

According to Laffort and Martimost (2002) it was affirmed that the agency theory of strategic management is very important since the action chosen by an individual (the agent) affects not only one, but several other parties (the principals). The role of an agent in strategy and the overall strategic management process and practices 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 employees, customers, bondholders, suppliers, unions and the state among others.

The Agency Theory holds that there should be proper synergy between the management and its stakeholders in order to work towards an achievable common goal. The Agency Theory has also been defined as the central approach to managerial behavior. Ross, (1987) states 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. Hence, the behavior of principals and agents relationships in performance contracting in management is explained

The agency theory tends to be more considered against other strategic management theories. Krueger, (2004) in his paper in strategic management and management by objectives postulates that the plethora of strategic management is the agency theory in practice at all levels of the strategic management process. He argues 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 an organisation to achieve its organisational objectives.

For the organization to attain its objectives , management by objectives which observes that organization must formulate objectives at all strategic hierarchy levels according to the studies by Henry (2006) which upholds that, for these objectives to be achieved there has to be joined efforts between the managers as agents and the subordinate staff in the organization.

Top managers are required to provide clear and visible support to the strategic management Program. Without that support of the managers as the agent the synthesis between the individual and the organization goals does not develop. Krueger, (2004) upholds that strategic management depends upon a team approach that flows from the corporate level to the functional level of the organisation. Therefore, the process depends on input from all levels of management both (top to bottom and bottom up). The Chief Executive Officer (CEO) as the agent should highly embrace synergy by searching for information resulting in an evaluation of the task to be carried out (strategy formulation) and also to proposes a strategy to the board (principals), for their agreement and then carry out the agreed task (strategy implementation) in order to gain competitive advantage and perform well in relation to other similar firms in the same field of operation.

In conclusion, the Agency theory of strategic management stands to be superior to any other theory of strategy when it comes to strategy management hierarchy. This is an affirmation 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. For the organization to achieve its objectives efficiently and effectively it is therefore prudent to put into consideration that there should be synergy using the Agency theory and proper understanding between the principal and the agent. Hence, the agency theory should be embraced particularly at the strategy formulation stage of strategic management and to the overall process of strategic management generally to enhance the organizational performance. HELB acts as an agent to the government of Kenya in its mandate to the public in providing its services. The government of Kenya acts as the principal. HELB also acts as the agent to its shareholders who include students, banks and suppliers among others.

## Resource Based View Theory

Crook et al, (2008) affirms that firms compete in an ever changing and dynamic business environment. It is through the employees an organization can attain and achieve a sustainable competitive advantage according to Barney (1991). This is usually realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors in the same field of operation. The RBV as a basis of competitive advantage lies mainly in the application of the bundle of valuable resources at the disposal of the firm. Firms usually identify the key potential resources which should fulfill the criteria of being valuable, rare, in-imitable and non-substitutable by the firms' competitors (Galbreath, 2005) in the area in which the firm operates.

The firm's resources are the fundamental determinants of competitive advantage and performance of a firm according to Resource-Based View (RBV). According to (Barney, 1991, Peteraf and Barney, 2003) it adopts two assumptions in analyzing sources of competitive advantage. The model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control. Also it assumes that resource heterogeneity may persist over time reason being, the resources used to implement firms' strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate).The heterogeneity (or uniqueness) of a Resource is considered as a necessary condition for a resource bundle to contribute to a competitive advantage.

The assumption of heterogeneity and immobility is not, however, sufficient conditions for sustained competitive advantage. Barney (1991) states that a firm resource must, in addition, be valuable, rare, and imperfectly imitable and substitutable in order to be source of a sustained competitive advantage. Peteraf (1993) presented four conditions underlying sustained competitive advantage which included superior resources (heterogeneity within an industry), ex post limit to competition, imperfect resource mobility and ex ante limits to competition. The resource-based theory, dynamic capabilities and real options research may develop into a paradigmatic approach to strategic management, an important contribution to the evolving science of organization. Hence, there is clear indication there is a need for rigorous empirical research to establish both the nature and the impact of dynamic capabilities on sustainable competitive advantage. For dynamic business environments capabilities that can prove especially useful are operational and strategic flexibility.

### Participatory Communication Theory

Participatory communication theory holds that development projects and programs success is hinged on their ability to involve the people and ensure that they are part of decision making (Onino et al, 2015: Karl, 2000). Participatory communication calls for inclusive and dialogue in decision making as the only sure way to attain sustainability where communities appreciate the need and owns the project. Karl (2007) asserts that the only way interventions will achieve results is through involving stakeholders and communities (Onino, et al, 2015: Karl 2007). This outlines the importance of entrenching participatory communication systems as well as decentralized institutions to enable communities to have more control and to take active roles in solving their problems (King and Stivers,1998).

Paulo Freire, an educational theorist, in his pedagogy of education focuses on the premise that, in order for communication to achieve its objectives and to be effective, it is important for it to be based on the principles of participation, dialogue and mutual understanding of exchanging views (Freire, 1970). Therefore, in this context, participatory communication is essential in building relationships with the community through genuine engagement at all levels from decision making to implementation (Pedro, 2013).

This implies that HELB calls for consultative fora with the stakeholders who include banks, suppliers, government, credit reference bureaus and also student leaders from various universities and colleges among others. The student leaders are usually invited to give ideas on behalf of other students on their expectations and requests that they need to be addressed by HELB in getting their services. Thus, the interaction of HELB with its stake holders will help the organization to achieve its goals.

## EMPIRICAL REVIEW

### Strategy Implementation Practices

Strategic management practices are the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Gitau(2015) carried out a study on adoption of strategic management practices at Kenyatta University. The research study adopted a descriptive survey approach. This specific study established that it was essential both during and after an organizational change to timely communicate information about organizational developments to all levels. The study also found out that understanding of strategic management, leadership style of managers, customers and staff not fully appreciating the strategy, difficulties and obstacles not acknowledged, recognized or acted upon and the dominant values, beliefs and the norms affected strategic management practices.

Ngugi (2010) carried out a research on factors affecting implementation of strategic plans in Local Authorities in Kenya at Nairobi City Council. The study adopted descriptive survey research design. This study established that most significant factors affecting implementation of strategic plans in local authorities in Kenya were; resource allocation, organizational structures and communication. To strengthen and position employees in an organisation and make them part of the strategy execution /implementation process in an organisation a clear and a formal strategy should be available Bossidy & Charan (2009). The study also upholds that formal and clear strategy formulation can be able to take away all shortcomings associated with strategy implementation and have a successful process. Strategy implementation requires participation of top management and the whole organization due to its complex process. At times it also require people outside the organisation to participate Zaribaf &and Bayrami (2010).

## Commitment of Top Level Management

Top management refer to the key decision makers like the chief executive officer, owners and senior level management in the organisation or the firm. Smith &Kofron(2009) in their study emphasized the importance of senior level managers in every organisation. Interaction and participation process among the top management team of an organisation leads to greater commitment to the firm's strategies and goals after making decisions with seriousness in regard to issues under consideration (Mukhalasie, 2014). Wachira (2009) did a study whose main objective was to find out the major challenges that HELB encounter in striving to fulfill its mandate and what the top management ought to be done to solve the challenges encountered.

The researcher adopted qualitative research and established that there is inadequate fund to finance needy students hence management need to be more vigorous and come up with ways of lobby for more finances for the organisation. It is usually the expectation of middle managers to get direction and support from their top management.Once they receive the guidance they are able to offer the necessary support for the strategy in return. Sterling (2013) argues that failure of some strategy implementation practice is because there is low buy-in of ideas by those responsible in its execution. Main obstacles of a well-formulated strategy are lack of strong and effective pool of skills, human capital and poor management. All these are extremely important resources for strategy success (Cater & Pucko, 2010).

## Resource Allocation

According to Polatajko (2011), resource is the ladder for an organisation to implement, monitor and achieve its strategies. Resources of the firm include money, time, technological, structure, human resource and many others. Mango( 2013) for an organisation to support the implement of its strategies, sufficient funds and enough time is highly required. The cost incurred to committed staff to achieve the goal ,cost incurred from the actual strategy implementation and additional cost incurred above what was expected is the true cost of the strategy. Resources should be matched with departmental and organisational operations so that they can be enough for the strategy implementation. He also outlined in his study that poor resource allocation is among many reasons for failed strategies implemented in an organisation.

Oganda (2016) did a study to investigate factors influencing sustainability of Safaricom foundation educational funded projects in Nairobi County whose main objective was to determine the influence of resource adequacy, influence of training and to determine the extent to which stakeholders' participation influences sustainability of Safaricom foundations educational funded projects. The study used descriptive research design. The study established that adequate resources ensure project sustainability. He recommended that there was a need to: analyse stakeholders' participation , involvement in projects, educate and empower the local communities on the sustainability projects, assess the target beneficiaries and stakeholder capacity to handle and continue running of the projects.

Engede (2015) carried out a study to establish strategies used by HELB in loan recovery from loan beneficiaries. This research indicated that loan collections have consistently improved in regard to the number of the loanees paying, the total loanees and abnormal collections are recorded during the amnesty period but still there are more loanees who have not paid their loans .The research established that HELB had policies and strategies that governed the loan lending. Polatajko (2011) carried out a study to examine the effectiveness of allocating state resources to state public institutions of higher education by comparing results from performance. He analyzed his data by use of Hierarchical Linear Model (HLM).

Upon his analysis between the university and community college institution types, the method of funding was shown to be statistically significant predictor of graduation rate at the initial status for community colleges and retention rate at the initial status for universities. In Kenya, most government institutions lack the right personnel with the required skills to carry out duties effectively. It is the role of an organisation to make sure that it has the right people on board. Most organizations lack adequate funds to implement their strategic management hence taking long to accomplish their projects. Consequently these institutions don't provide adequate training to their work force. If there is any training much of it is offered to the top management. Insufficiency of resources hinders implementation of management practices and performance of an organisation (Onsongo, 2007).

## Effective Communication

According to Simwa (2011), effective communication is where the intended message is successfully delivered, received and understood by two or more persons. Communication involves verbal and nonverbal transmission of information where the sender sends the information to another party who is usually the receiver, who receives the information through a communication channel. Saleemi (2007) in his research he established that for strategy implementation to take place specific channel is required to transfer of information from one person to the other. Most developed countries internationally have succeeded due to effective communication like Singapore according to Shanmugam in his talk in the NS50 appreciation ceremony.

According to (Tsai, & Hsiel, 2009) a successful communication is where the relationship between the sender, the receiver and probable barriers that may interfere during transmission of the message should be understood. According to Rapert et al., (2007) always in strategy implementation information flows in all direction which includes top to down, down to up and literally and employees have strong and open communication atmosphere. Ayusa,(2016) did an in depth study on communication and strategy implementation in telecommunication firms in Kenya. The specific objectives of this research was to determine the forms of communication adopted by telecommunication firms in Kenya and the influence of the channels of communication used by telecommunication firms in Kenya and how they affect strategy implementation.

Descriptive research design was employed in this study. The study established that verbal communication, non- verbal communication and written communication were the main form of communication in use by telecommunication firms in Kenya. Temesi (2012) carried out an in depth investigation of the role of corporate communication in organizational growth at National Oil Corporation of Kenya. This specific study was based on qualitative research methodology and the findings were that corporate communication activities played the four major strategic roles of organizational communication as outlined by the communication paradigm (ECP) model namely aligning, visioning, energizing and constituting. In general there was need for corporate communication function to be enhanced through increased funding and expansion of its scope to include emerging issues of practice such as lobbying and proper positioning with the organization.

Understanding of strategy and knowledge of strategy are two different concepts that have to be integrated for a strategy to be successfully implemented. A well-conceived strategy communicated to an organization is equivalent to an executed strategy while a poorly communicated strategy has strong negative impact to strategy execution (Beer & Eisenstat, 2010).

### Technology

The technical means to solve environmental problems with intentions to improve the surroundings and production of goods and services to satisfy human need is technology. The Strategy implementation and technology is an area where several studies have been carried out both domestically and internationally. Information technology infrastructure is a vital component to achieving business objectives according to (Gulla &Gupta,2012). To wrestle the strategic challenges which will fuel growth in an organization, companies therefore have to be compelled to be technologically able to withstand the force. Hence for an organization to be able to deliver information technology, it requires higher capabilities to do so. Eikebrok and Oslen (2007) argue that development of IT capability is one of the important tasks of e-business in implementation of strategy and the capability of the organization.

## RESEARCH METHODOLOGY

### Research Design

The study adopted a descriptive research design since it allowed a detailed description of all the items under study. According to Donald and Pamela (1998) a descriptive study is concerned with finding out the what, where and how of a phenomenon. Descriptive research design is selected because it enables the researcher to generalise the findings to a larger population. Descriptive research design helps in describing the status of a situation as it is. Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. This will help the researcher understand the situation at the HELB in the strategy implementation. According to Mugenda and Mugenda (2010), it is appropriate to use data where subjects are observed in either natural set up without manipulating the environment. It can be used when collecting information about people's attitude and opinions. It is an efficient way to obtain information needed to describe the attitudes, views and management of staff of Higher Education Loans Board on strategic management practices affecting performance of HELB.

## Target Population

The population was drawn from the Higher Education Loans Board (HELB) because it was a target organization of the study. The study targeted all 134 top management, middle level managers because they are the key decision makers within the organization.

## Sampling Procedure and Sampling Size

The researcher first of all used stratified random sampling technique into various department based on their functions. Then purposive random was then be used to select top and middle level managers in each department at HELB. This is because they are key decision makers and hence have the required information in the study. Simple random sampling was used to select individual respondents within the cadre. This ensured that every respondent within the cadre has equal probability of being selected. According Mugenda and Mugenda (2010), a representative sample should be between 10% and 30% in a descriptive study. This study adopted 30% as the sampling percentage hence the sample size was 40 respondents (30% of 134) as shown in the sampling frame in appendix five.

## Data Collection Instruments and Procedure

Primary data was gathered directly from respondents and for this study, a semi structured, questionnaire was utilized. The research instrument was organized based on the objectives of the study. The questionnaire consisted two sections, where the first part mainly contained information on the organization background, while the second part focused on strategic management practices and performance HELB in financing higher education in Kenya. Secondary data on the core Loan recovery and fund disbursement variables was used in this study. This data was obtained from HELB's database and reports for the period between 20012-2015. The researcher obtained a letter of introduction from the university and research permit from the Ministry of Higher Education, Science and Technology. After this the researcher visited the HELB office to book an appointment with chief executive officer to seek clearance to conduct a research in the organization. The researcher employed drop and pick method as opposed to mailed questionnaires in order to enhance high response rate. The respondents were assured of the confidentiality of their feedback.

### Data Analysis and Presentation

After the field work, the collected data was coded and analyzed. Data analysis was done using both quantitative and qualitative techniques. Quantitative data was analyzed through both descriptive statistics which include frequencies and percentage. Multiple linear regression will be used in order to establish the relationship between dependent and independent variables. This was done with the aid of Statistical Package for Social Sciences (SPSS) computer software. Qualitative data was analyzed using content analysis method. The data was presented using bar graphs, pie charts, tables and figures. The multiple linear regression model adopted in this study is as follows;

$$Y= \alpha_0 +\beta_1 X_1+ \beta_2 X_2+\beta_3 X_3+ \beta_{4+}\varepsilon$$

Where: Y –Performance of Higher Education Loans Board (Dependent variable); X1-n - Strategic management practices (Independent variables) whereby $X_1$=commitment of top level management, $X_2$ =Resource allocation, $X_3$ =Effective communication, $\alpha_0$ - alpha coefficient/constant $\beta_{1,}$ $\beta_2$ and $\beta_3$ are regression coefficients; *e* - error term.

## RESEARCH RESULTS

### Influence of Commitment of Top Management on Performance of HELB

The study established that commitment of top management is very important to strategy implementation practices. In addition to this the top level management must demonstrate willingness to own organisation's strategies in order to have a successful strategy implementation. The lower rank employees lack support and encouragement if top management lack commitment in performing their responsibilities, therefore the top management should act as a guide to the lower management. The top management should spare more effort to persuade the employees to get into their ideas for strategy implementation practices to be effective. According to Kandie et al., (2015) the content factors that affect strategy implementation include stakeholder involvement in strategy development and quality of strategy whereas contextual factors comprise of organization structure, organization culture, organization learning, strategic leadership and alignment of strategy to market conditions. The process covers operational planning, monitoring and review of progress, teamwork, resources allocation, people strategy fit, effective communication, strategic and management control systems and information resources. The factors that affect strategy implementation include organizational structure, culture, resources, top management commitment and communication (Mwangi, 2014).

Lack of teamwork among various levels of management affect strategy implementation practices. Non-alignment of operational strategies with the strategic plans influences the performance of HELB in strategy implementation. There lacks frequency in interaction between top management and lower rank employees hence slow implementation of strategies. Lower rank employees are not well involved in decision making process. There has been no adequate resource required in strategy implementation thus dragging projects. The employees are not well motivated as the strategy performance measurements are not well aligned. Training on managerial and leadership skills has been done but not consistently. Pursuit of personal endeavors in expense of organizational goals and expense has greatly affected strategy implementation. The commitment on employee welfare affects performance of employees and thus should be prioritized by financial support. Also ensuring prudent management of resources entrusted to them at their disposal to maximize value for all stake holders involved. Organisational culture and change management has influences the strategy implementation and overall performance of HELB.

## Influence of Resource Management on Performance of HELB

Availability of adequate resources affects implementation of strategies and performance of HELB. Resources are meant to boost strategy implementation in the organization. Therefore inadequate resources diminish strategies and performance of HELB. HELB must concentrate on company's resources for its strategy implementation practices and performance. This is through recovery of loans issues to students or increased allocation from the treasury. Lack of resources inhibits implementation of strategy. Lack of resources affects employees performance in carrying out their day to day duties to a great extent. According to Ngeche (2017) the institution needs to put aside enough funds that would ensure a successful strategy implementation process. However, proper mechanisms should be put in place to ensure that the funds are used for the intended purpose. Where applicable the institutions should adopt innovative IT strategies and e-business to enhance competitiveness of the firm in the dynamic sector.

Inadequate resources and failure to plan in advance has affected implementation of strategies and therefore affecting the overall performance of HELB. There is a delay in release of resources an approval process for utilization of resources is slow. The allocation of much resource to technical and vocational education training might affect the undergraduate loan leading to fewer funds channeled to cater for undergraduate loans. There are inadequate funds from the government and the scanty budgeting strategy implementation is a challenge. Some staff lack required skills to implement the organizational strategies due to inadequate trainings however human resources should be properly placed as per competencies. Poor budget implementation has affected strategy implementation process which has also been contributed by misuse, pilferage and misdirecting the resources other than the planned activity.

## Influence of Effective Communication on Performance of HELB

Effective communication of information about organizational change before and after about orgnisational developments is very essential at all levels for strategy implementation. Effective communication affects employee's efficiency at HELB, thus influencing strategy implementation. Written communication is the main form of communication used by HELB it is considered faster and formal. The study by Ngeche (2017) revealed that relationship with employees influences goal achievement and communication facilitates achievement of sufficient results. In addition, it was also revealed that utilization of performance contracts was critical in realization of goals and commitment enhanced achievement of sufficient results. Lack of adequate information sharing from the management downwards has affected strategy implementation as staff feels left out in the process.

The system is not yet enabled to communicate to client once the loan mature to reduce penalty charges, this has led to delayed loan recoveries in addition to this the loanee accumulate penalty charges. Delay in decision making process has negatively affected the strategy implementation process. The staff lack of adequate information or sometimes there is a delay in communication. The system downtime has adequately affected strategy implementation in HELB. Delay or lack of quality communication has led to grapevine communication affecting strategy implementation. The management has not effectively engaged staff in accommodating their ideas. Some staff are not competent in information technology used by HELB. The management should therefore train staff continuously on aspect of strategy implementation and review performance as some of the staff lack the adequate skills of strategy implementation. The management should involve employees in decision making so that they are more productive. The content of communication must be clear, precise and detailed

## Influence of Technology on Performance of HELB

HELB uses technology thus an essential tool for strategy implementation practices at HELB. However lack of world class technology affects strategy implementation at HELB. Therefore HELB must concentrate on its technological performance for the strategy implementation and performance. In addition to this technological knowledge of HELB staff affects strategy implementation creating a need for continuous training. The challenges faced in strategy implementation include limited financial resources, negative organizational culture, slow technological advancement, and slow pace in changing of structure to cope with change in strategy, poor organizational communication and coordination. These issues affect the operational efficiency which forms the basis of strategy implementation (Kerubo, 2010). The technology used HELB is unstable thus requirement of a new system that require modification to meet the right customer service. Proper training should be conducted so as to achieve more knowledge and skills. When there is a system down time there is no backup plan. The management should have a backup plan for the purpose of flow of activities. The unstable technology affects performance of an organization and implementation of the strategies. User friendly and up to date technology should be considered for the purpose of management of operations in HELB.

## REGRESSION ANALYSIS

The general objective of this study was to determine strategy implementation practices and performance of Higher Education Loans Board in financing advanced education in Kenya. The specific objective of the study was to determine the influence of commitment of top management, resource management, effective communication and technology on the performance of HELB in financing advanced education in Kenya.

**Table 1: Regression Coefficients**

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| Constant | 0.417 | 0.984 | | 1.101 | 0.017 |
| Commitment of top management | 0.737 | 0.537 | 0.334 | 2.679 | 0.006 |
| Resource management | 0.695 | 0.441 | 0.029 | 3.093 | 0.027 |
| Effective communication | 0.196 | 0.695 | 0.065 | 2.758 | 0.048 |
| Technology | 0.48 | 0.258 | 0.681 | 3.247 | 0.018 |

$p<0.05$,dependent variable; commitment of top management, resource management, effective communication and technology.

From the table 1 above the coefficients of the regression are used to come up with the following regression equation:

$$Y = 0.417 + 0.737 X_1 + 0.695 X_2 + 0.196 X_3 + 0.480 X_4$$

Where: $X_{1,}$ $X_2$, $X_3$ and $X_4$ are commitment of top management, resource management, effective communication and technology respectively.

The study established that taking all the factors at constant at zero, the performance of HELB is 0.417. The findings presented also show that holding all other independent variables at zero, a unit increase in commitment of top management would lead to 0.737 growth in performance of HELB, a unit increase in resource management would lead to 0.695 in performance of HELB. A unit increase in effective communication would lead to 0.196 growth in performance of HELB, a unit increase in technology would lead to 0.48 in performance of HELB.

All the variables positively affect strategy implementation at HELB. However commitment of top management has a strong influence on the strategy implementation and performance of HELB with a coefficient of 0.737, followed by resource management with a coefficient of 0.695, followed by technology with a coefficient of 0.480 and lastly effective communication with a coefficient of 0.196. These results imply that increase in commitment of top management would lead to positive strategy implementation and organization performance. An increase in quality resource management would lead to a positive strategy implementation and organization performance. An increase in effective communication would also lead to positive strategy implementation and organization performance and quality technology would lead to positive strategy implementation and organization performance.

The P values are represented by the last column on the left of the Table 4.7. In this particular case for a variable to be of significance it should be led than 0.05. The significance figures for the constant, commitment of top management, resource management, effective communication and technology are 0.017, 0.006, 0.27, 0.48, 0.018 respectively. This means that all the independent variables are significant to influencing the performance of helb as they are all below 0.05 thus contribute and are of importance in affecting the performance. All the independent variables have a positive influence on the dependent variables. Thus an upgrade of the commitment of top management, resource management, effective communication and technology would lead to positive growth and performance of the organization.

## CONCLUSIONS

The study concludes that all the four independent variables influence strategy implementation practices and performance of HELB in Kenya. Thus commitment of top management, resource management, effective communication and technology influence strategy implementation practices and performance of HELB in Kenya. The top management should ensure commitment so as to act as a support system to the low level staff. Technology should be improved to enhance monitoring and recovery of loans disbursed. Effective communication is important in strategy implementation thus the management should enhance top down and down top communication to pass quality information. Allocation of resources to be upgraded so as to ensure that all the strategies are implemented as per the organisation's plan.

According to Karanja (2014) strategy implementation is an integral part of strategy management which deals with the allocation of available resources to put a chosen strategy in motion, with a view to profit maximization and shareholders wealth. Thus this confirms the findings that there is a positive relationship between strategy implementation practices and the performance. Organisational structure is the most important ingredient for strategy implementation thus ensure that structure is aligned to their strategy which then will lead to improved profitability and reduced costs.

## RECOMMENDATIONS

The study established that the main inhibitor of performance is the system. Management should look for an alternative that is sustainable in the long run. HELB should establish fully functioning regional branches and station marketing and compliance officers in all counties. This is for the purpose of recoveries and responding to various enquires. The treasury should increase the funding due to the upcoming technical and vocational education training loan has raised up the number of client that want to benefit hence more fund required . The students need a higher amount of loan award to cope with current cost of living. The management of

HELB should properly allocate resources that are within the organization. Proper choice of communication should be established and more information should be shared on other funds like Afya Elimu. The employees of HELB should be motivated through trainings, rewards and enhance career progression.

The technology should be advanced to enhance loan recoveries. The management should invest in resources and technology that is cost effective and suitable for work . The marketing structures to be improved in order to create awareness of new products in very remote areas. The employees of HELB to avoid political interference and avoid building personal interest in order to create a positive impact in the Kenya. Adequate and accurate allocation of receipted payments to be enhanced to ensure that all loanees statements are accurate. More flexible mode of payment should be established for the loanees based on the terms of employment. Best practices in credit management should be embraced so as to improve loan collections or recovery process. The management should be fully committed in strategy implementation by effectively involving staff in formulation of strategies. With additional universities the government should give HELB adequate funds. The top management should be supportive in strategy implementation by ensuring that staffs are well trained and aware of their roles. The staff should be well involved in the strategy implementation process. Enough resources should be availed to the organization for the purpose of strategy implementation. This means that the orgnaisation should have sufficient budgetary allocation. The study recommends that communication should both be vertical and horizontal so that information reach all the staff involved in strategy implementation. Quality technology enhances the strategy implementation process. Thus organisations should implement in technology the contribute positively towards the strategy implementation.

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