

STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUNDED PROJECTS IN TAVETA CONSTITUENCY, KENYA

Dr. Naomi N. Shaban

Executive MBA Student, Kenyatta University, Kenya.

Dr. David Kiiru

Lecturer, Kenya University, Kenya

©2021

International Academic Journal of Human Resource and Business Administration

(IAJHRBA) | ISSN 2518-2374

Received: 17th May 2021

Published: 28th May 2021

Full Length Research

Available Online at: http://iajournals.org/articles/iajhrba_v3_i9_515_537.pdf

Citation: Shaban, N. N., Kiiru, D. (2021). Strategic management practices and performance of national government constituency development funded projects in Taveta Constituency, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(9), 515-537.

ABSTRACT

Taveta constituency is among the administrative units that received a disbursement of the constituency development funds from the Kenya National Government. In Taveta Constituency performance of projects is mixed despite of advanced initiatives in management. Organization that adopts strategic management practices has a higher chance of growing and increasing on its performance and output comparing to that organization which does not employ the strategic management practices. The general objective was to determine the influence of strategic management practices on the National Government Constituency Development Funded Projects performance in Taveta Constituency. The specific objectives of the study are: to evaluate the impact of environmental analysis and strategy aspects on the performance of National Government Constituency Development Funded Projects in Taveta Constituency. This study employed four theories – balanced score card theory and the resource-based view theory. The target population was 306 respondents. A stratified sample of more than 30% was carried out to generate 102 respondents. The data was analyzed through descriptive and inferential statistics. This study will

act as an insight to the National government Constituency development committee Taveta constituency on strategic management practices and how the influence on performance. Construct and content validity were used to measure validity while reliability was measured using a Cronbach's alpha. From the results, environmental analysis had the great significant effect on performance of National Government Constituency Development Funded Projects in Taveta Constituency followed by strategy implementation, strategy evaluation and strategy formulation. The study concluded that strategic management practices were significant enablers of performance of National Government Constituency Development Funded Projects in Taveta Constituency. The study recommended that policy makers and strategists working in the National Government Constituency Development Funded Projects in Taveta Constituency should give more weight on environmental analysis when making decisions on strategic management.

Key Words: Strategic Management, Environmental Analysis, Strategy Formulation, Strategy Implementation, Strategy Evaluation and Organizational Performance

INTRODUCTION

Research in performance measurement in institutions has gone through many phases in the past years. It shows that there is an increase in the number of failed projects despite advancement in project management best practice. Numerous project performance studies have pointed to the fact that in Kenya, project performance is mixed despite several initiatives. Organization that adopts strategic management practices has a higher chance of growing and increasing on its performance and output comparing to that organization which

does not employ the strategic management practices. This is because once an organization expands to have huge resources, different levels of management and dynamism in the environment which it operates, it becomes difficult for such an organization to remain true to its goals or set objectives, besides these, there are other challenges which are unforeseen that emerges during the process of formulating as well as implementing their projects.

Globally, in India an equivalent of CDF was introduced by the Government in the name of Member of Parliament Local Area Development Scheme (MPLADS) in 1993 to enable Members of Parliament to recommend development programs in their jurisdictions with the aim of creating local assets based on community needs. The scheme implemented various projects in transport, construction, education and agriculture. However the scheme was marred with challenges ranging from optimum citizen participation, insufficient monitoring and evaluation of sanctioned works among others. In Philippines the Priority Development Assistance Fund allows Senators and Members of Congress to allot funds for their pet projects after the enactment of the Budget Law. It was nullified in 2013 by the Philippines Supreme Court after the uncovering of the Pork Barrel Scam.

Regionally CDF was introduced in Zambia in 1995 to decentralize funds to implement community-based projects aimed at improving the socio-economic well-being of constituents. It accounts for 0.5% of the national budget and distributed equally amongst all constituencies. Some of the projects implemented include water Supply and Sanitation like rehabilitation of wells, boreholes, and construction of drainage systems, roads such as installation of culverts, and rehabilitation of feeder roads, Agriculture Projects, Social Amenities and Education and Health Programs among others. The fund encountered challenges of accountability and transparency, lack of equitable distribution of resources and limited community participation. In Ghana the District Assemblies Common Fund (DACF) was established in 1993 to support local governments and legislators in pro-poor activities in their communities and constituencies. It constitutes 5% of National Income and implemented education fund projects, self-help projects and HIV/AIDS response among others. Opaqueness in the monitoring systems and procedures on disbursement and utilization of funds was one of the challenges.

The National Government Constituency Development Fund in Kenya was introduced with a major aim of poverty reduction and ensuring economic development as well as sustainable development. According to the Kenya National Audit Office report of the Auditor general on the financial statements of the NG-CDF in Kenya (2016), the Auditor general noted that the management of the NG-CDF funds in most constituencies faced a number of challenges that included, mixed performance of projects and lack of supporting documents that were attached to show payments for the purposes of reviewing as well as verification. These flaws that were pointed out by the Auditor general reinforce the complaints that most constituents in Kenya have been raising during the electioneering period. Taveta NG-CDF has undertaken several projects ranging from education, security and health sector among others. In Taveta Constituency some NG-CDF projects have stalled due to; delayed budgetary disbursements from the national government, lack of clear terms of engagements in case of partnerships with other sponsor institutions, and collusion among contractors and project implementation

committee members. It is therefore upon this background that this study aims at critically analyzing whether the strategic management practices employed in the constituency has influenced the performance of National Government Constituency Development Fund Projects in Taveta Constituency.

Environmental analysis is one of the most critical strategic tools. It is a process that identifies all the existing external and internal factors that affects organizational performance. The analysis demands an assessment of the levels of threats and opportunities that the factors might present. Organizations are greatly influenced by their environments, especially in their business operations. Strategy formulation describes the process of selecting the best action course by an organization to help it in achieving its intended goals. The process is key and critical to the success of an organization. Organization that adopts strategic management practices has a higher chance of growing and increasing on its performance and output comparing to that organization which does not employ the strategic management practices. Strategy evaluation describes the assessment actions providing both the managers and the executives with the most appropriate performance information about program and the projects (Anyona, 2015).

Strategic management describes the decisions and events resulting in the formulation and implementation of the various approaches designed to attain the objectives of an organization. It comprises the analysis of decision and activities that an organization undertakes in order to build and endure competitiveness (Agwu, 2018).

Strategic management thus contains classifying of long-term goals, assessment of the working environments, evaluating the structures and resources of the organization, discovering shareholders and developing alliances, prioritizing and putting in place approaches of events and making adjustments to accomplish objectives of performance over time. Strategy formulation describes the process of selecting the best action course by an organization to help it in achieving its intended goals. The process is key and critical to the success of an organization. Organization that adopts strategic management practices has a higher chance of growing and increasing on its performance and output comparing to that organization which does not employ the strategic management practices (Chilui, 2018).

The study will measure performance of the National Government Constituency Development Fund Projects in Taveta Constituency based on project time schedule or timeline, project cost or budget and the quality of the completed or ongoing projects. The study will assess the extent to which the projects are implemented and completed within scope

The National Government CDF was established by the National Government Constituency Development Fund Act, 2013. The primary aim was poverty elimination at local administrative units.

In January 2013, the CDF was repealed and replaced with NG-CDF Act, 2013. There are a large number of projects were initiated in Kenyan schools, both primary and secondary learning institutions and they were intended to be entirely funded by the NG-CDF. However, these projects often come under different names (Ngacho & Das, 2014).

According to the NG-CDF board report of 2016 more than 85000 different projects have been completed across the country in all the constituencies since the beginning of NG-CDF over 200billion Kenya shillings has been disbursed to constituencies for development. In Taveta Constituency some NG-CDF projects have stalled due to; delayed budgetary disbursements from the national government, lack of clear terms of engagements in case of partnerships with other sponsor institutions, and collusion among contractors and project implementation committee members. This has caused huge effects in many sectors such as education, health (6%), water 11% in the education sector students have received bursaries to study, in health sector many health facilities have been constructed and equipped. There has also been an idea of tapping of community labor in the construction of the NG-CDF projects (Ngacho, 2015).

Taveta Constituency was created from Taveta Voi constituency which was represented in the legislative council and later split into Taveta and Voi. It is one of the electoral administrative units in Taita Taveta County located at the located in the Coastal region of Kenya. The administrative unit comprises of five county assembly wards. The constituency was established for the 1966 elections. Thiong'o (2018) in his study asserts that Taita County covers an approximate area of 17,084 Km² with a population of 340,671 people. The county headquarters are located in Mwatate Town. Taita Taveta County has 4 sub counties (constituencies) divided into 20 electoral wards. Taveta constituency is one of the most popular constituencies in the Coast Region because of the cross-border business and mixed community along the border which harbors the famous Tsavo West National Park.

Taveta NG-CDF has undertaken several projects ranging from education, security and health training institutions among others. In Taveta Constituency some NG-CDF projects have stalled due to; delayed budgetary disbursements from the national government, lack of clear terms of engagements in case of partnerships with other sponsor institutions, and collusion among contractors and project implementation committee members. In Taveta Constituency some NG-CDF projects have stalled due to; delayed budgetary disbursements from the national government, lack of clear terms of engagements in case of partnerships with other sponsor institutions, and collusion among contractors and project implementation committee members (Ngacho, 2015).

Some of the projects that the Taveta NG-CDF has financed include Kenya Medical Training College Taveta Campus, improvement of police stations through construction and refurbishment, building of Provincial administration like divisional headquarters and Chief's offices, improvement of education facilities through construction, refurbishment and bursaries. The fund has assisted students and institutions ranging from tertiary and technical colleges, secondary schools and primary schools. Prior to the enactment of the NG-CDF act, Water, agriculture and health facilities projects were done under the former CDF act. The functions have since been devolved (Habwe, 2018).

Statement of the Problem

CDF was introduced in Kenya in 2003 as one of the devolved funds. The Act was amended in the year 2007. The fund is based on 2.5% of the total revenue collected in every year. At its beginning, every constituency was allocated an annual amount of Kshs. 6,000,000 each for its

development activities. Later, the funds were increased and the allocation depended on the population, size, poverty level and geographical size of constituencies. Subsequent increments saw the funds soar up to 24.1 billion for the year 2012/2013. The allocation has been rising steadily every year up to 41.7 billion in the financial year of 2019/2020. The current allocations are shared equally in all the 290 constituencies (Ngacho, 2014).

Audit reports by the Auditor General Office as well as from the civil society indicates that there was an increase in the number of unfinished projects financed by CDF across the entire country. Taveta constituency is among the administrative units that received a disbursement of the constituency development funds from the Kenya National Government. Auditor general noted that the management of the NG-CDF funds in most constituencies faced a number of challenges that included, mixed performance of projects and lack of supporting documents that were attached to show payments for the purposes of reviewing as well as verification.

Kumar (2006) on the other hand identified low citizen participation as a stumbling block to optimal utilization of devolved funds. Despite ongoing reforms and the passage of the Constitution of Kenya (2010) which seeks to promote transparency, local development funds have failed to adopt transparent practices in key areas. Further, despite the existence of planning and harmonization committees such as District Development Committees and District Project Committees (DPC's), the planning and harmonization of the funds is not as effective as envisaged. This is evidenced by duplication of projects, double funding as well as the existence of numerous incomplete but idle projects (Kwon, 2003).

The absence of an overall strategic development framework to guide these expenditures is giving citizens a raw deal in development. Several research studies have been conducted in relation to devolved funds. For instance, Katembu (2010) did a study on the outcomes and challenges of grassroots participation in CDF projects: a case study of Dagoretti Constituency concluded that there were various challenge facing grassroots participation in CDF projects, Sande (2010) conducted a study on factors influencing efficient monitoring and evaluation of CDF projects in Naivasha constituency and Muchiri (2009) did a study on the impact of the CDF in the development of public secondary schools in Mwala constituency.

KIPPRRA report of 2010 indicated that there are internal incompetent strategies in CDF fund management that have made finances not to achieve the intended goals. This led to massive loss of funds. For instance, in the 2011/2012 fiscal year, the National tax payers report showed that 16% of the total allocated funds was poorly absorbed by the projects initiated. A lot of money was misused or unaccounted for due to internal inefficiencies, especially in the process of procurement (National Tax Payers Report, 2012). However, limited study has been conducted on the effects of strategic management practices on the performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya.

General Objectives

To establish the effects of strategic management practices on the performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya.

Specific Objectives

- 1) To establish the effect of environmental analysis on performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya.
- 2) To evaluate the impact of strategy formulation on performance of National Government CDF funded projects in Taveta Constituency.
- 3) To determine the effects of strategy implementation on performance of National Government Constituency Development Funded Projects in Taveta Constituency.
- 4) To assess the impacts of strategy evaluation on performance of National Government Constituency Development Funded Projects in Taveta Constituency

LITERATURE REVIEW

Theoretical Review

The study is guided by the Balanced Score card theory and the Resource Based theory.

Balanced Score Card Theory

The Balanced Scorecard anchors on the concept of Strategy as established by Kaplan and Norton, (1992). It is described as a performance management tool which allows an organization to visualize its vision and strategy turns them into noticeable performance measures. However, its application extends past a mere quantifying device. The tool provides an enterprise view of a firm's entire performance. It achieves this by integrating the organization's financial measures with the other critical performance pointers around internal business processes, customer perspectives, and organizational learning and growth, and innovation.

The tool translates an organization's strategy into performance objectives, measures, targets and initiatives. It is based on four balanced perspectives, and links them together with the concept of cause and effect. A proper balanced scorecard can predict the effectiveness of an organization's strategy through a series of linked performance measures based on four perspectives including finance, customers, internal processes, employee learning and growth. It is a management system that enables organizations to translate the vision and strategy into action. This system provides feedback on internal business processes and external outcomes to continually improve organizational performance and results (Norton, 2006).

The BSC is a framework that integrates measures derived from strategy. BSC introduces the drivers of future financial performance while at the same time retaining past performance. This gives a firm the ability in intangible assets monitoring in order to ensure growth in the future. The BSC adds non-financial perspectives on the financial measures of financial performance (Kaplan & Norton, 1996). The customer aspect identifies and tracks performance related to customers and markets where a firm can compete (Kaplan, 2010). Niven (2008) brings out the need to produce and sell services and products that add value to the customer in order to achieve positive financial results. Kaplan (2010)notes that

the internal process aspect of the BSC measures business procedures that ensure increased customer satisfaction by focusing on aspects of employees like skills and quality based on competencies and technologies for market leadership. According to Kaplan and Norton (2013), learning and growth is key to survival of a firm. This involves continuous training and innovation while at the same time expanding the market. This theory is relevant to the study because it anchors on the dependent variable of performance under study.

Resource Based View Theory

The RBV theory was proposed by Penrose (1959). It suggests that an organization can achieve relevance and be competitive by employing strategic practices such as innovating and delivering products which are superior to customers. This theory puts more emphasis on identifying, developing, and expanding a firm's strategic resources with the aim of enhancing its competitive advantage (Borg & Gall, 2009). Various researchers have tried to explain the successes and failures of a business entity by considering competitiveness of a firm in both local and subsidiaries by measuring their weaknesses and strengths especially in markets that are emerging. Through local knowledge, a subsidiary is able to help a local partnership to become critical resources based on the value according to international standards (Gupta & Govindarajan, 2011).

The RBV theory possesses an intra-organizational model and notes that performance is the outcome of the organization's specific resources and capabilities (Barney, 1991). The basis of the RBV theory is that successful organizations tend to obtain their future competitiveness on their unique and distinguishing capabilities, which are implicit in nature (Teece et al., 1991). These organizations, therefore, make every effort to develop these capabilities. The primary essence of any organizational strategy, therefore, is to define the organization's unique resources and abilities (Rumelt, 1984). The form or an organization should therefore aim to create and sustain a printable market position to enhance maximization of revenues and profits thus high performance (Conner, 1991).

Barney (1991) asserted that if all organizations were indifferent in the aspect of the availability of resources, there would be no or little profitability differences among them. Lack of profitability in such circumstance is occasioned by the ease of strategy implementation by any firm in the same sectoral industries. In such a case, the sustainability of the effects of the competitive positions basically lies on the cost of the resources and capabilities utilized for implementing the strategies. Existing literature indicates that strategic-factor markets are imperfectly competitive. The imperfect competition is as the result of information asymmetries and the unassessed expectations about the future value of a strategic resource. However, the theory of resource-based view of the firm (RBV) omitted the fact that there is lack of a comprehensive framework to show how various parts are interacting over time within the organization to create a new phenomenon which is completely (Nonaka and Takeuchi, 1995).

The Theory of RBV contends that performance results and competitive advantages are consequence of affirms specific resources and capabilities that are costly and not able to be

copied by other competitors in the industry (Barney, 1986a, 1986b, 1991; Wernerfelt, 1984, Rumelt, 1987). The competitive advantages and the resources of a firm are the factors that make an organization superior and aim to increase value, effectiveness, efficiency, rare and imperfectly imitable and impossible substitutable products of an organization (Barney, 1991).

According to Currie (2009) an entity should depend on its unique resources during the production process since they are valuable input which can be categorized in various ways such as physical capital, organization capital, and human capital. From the following descriptions, capability can be viewed as a technically capacitating method that enables organizations to perform a task by utilizing its unique resources. In the modern times, hyper-competitive firms are considered to have capabilities that make it possible for them to manage and generate resources. The end result of such management by unique capabilities is massive profit generation. This shows that various aspects of an organizational operations and performance characteristics are greatly influenced by the unique capabilities they possess and not by the industry's structural characteristics (Currie, 2009).

This theory is relevant to the study because it anchors on the independent variable which helps to understand the organizational strategic resources and how to use it to enhance performance of NG-CDF projects.

Empirical Review

Environmental Analysis and Performance

Environmental analysis is a strategic tool. It is a process that identifies all the existing external and internal factors that affects organizational performance. The analysis demands an assessment of the levels of threats and opportunities that the factors might present. Organizations are greatly influenced by their environments, especially in their business operations. Various studies have been conducted on the effect of environmental analysis on performance. For instance, Makombe (2014) carried out an analysis of such strategies in use in the Zimbabwe poultry value chain. The study recognized that poultry production has increased and it is imperative for poultry value chain in Zimbabwe to step up its environmental analysis practices in order to manage environmental concerns that arise from its expanding operations. The findings revealed that 18% of the firms in the poultry industry are using the reactive strategy whilst 70.3% are using the prevention strategy and only 11% of the companies have the environmental leadership strategy. The study recommended for stakeholders to push for environmental action in the poultry industry and advocate for better environmental practices within the industry. Players in the industry must be educated that environmental management is a step towards sustainable development.

Ombonyo (2018) conducted an investigation on environmental audit and performance of state corporations in Kenya using a case of Nyayo tea zones Development Corporation of Kenya. The study acknowledged that environmental audit measurement systems have been revered as a way of ensuring that public institutions continuously improve in performance. The results indicated that expenditure on environmental audit has a negative and significant relationship with financial performance of Nyayo Tea Zones Development Corporation. The

recommendation of the study was that parastatals should adopt environmental audit because it's an essential instrument providing a stepping stone for competitive advantage for companies.

On the same note, Indris and Primiana (2015) made a study on the external and the internal environment analysis on the performance of small and medium enterprises (SMEs) in Indonesia. The study acknowledged that organizations should identify both the external and the internal strategic factors that significantly influence their capacity take advantage of existing opportunities while avoiding threats. The findings indicated that this practice has a significant effect on the performance of small and medium industries (SMEs) in the country. The study recommended that SMEs in Indonesia which have not adopted internal and external environmental analysis to adopt it as it improves on the performance.

Strategy Formulation and Performance

Strategy formulation describes the process of selecting the best course of action to achieve the organizationally defined goals. The process is key to the success of an organization as it generates a framework for carrying out the required actions, leading to the anticipated results. Njiru (2014) assessed strategy formulation process and performance of public secondary schools in Embu County. A descriptive cross-sectional survey research design was adopted and descriptive statistics used in analysis. The study indicated that the strategy formulation process is faced with several challenges. Most of such challenges relates to the lack finances and lack experts and skills. These challenges lead to poor performance of public secondary schools in Embu County. The study recommended for the secondary schools to identify all the existing challenges facing their operations, before formulating actionable plans to address them. This is suggested to be able to improve the performance of the schools.

Habwe (2018) in a study on influence of strategic planning process on financial performance of insurance companies in Kenya sought to investigate the effects of strategy formulation on financial performance. The study recognized that strategy formulation is a critical decision for survival of a firm. The study employed an exploratory research design and descriptive statistics for analysis. The findings showed that indeed strategy formulation has influence on the performance of insurance firms in Kenya. The study recommended for policy makers in various insurance firms which has not adopted the strategy to adopt strategy formulation practices as it enhances on financial performance of insurance firms.

Nwachukwu, Chladkova and Fadeyi (2018) carried out a study on strategy formulation process and innovation performance nexus in Nigeria. The study which used an exploratory design and descriptive statistics for analysis indicated that the process of strategy formulation a significant positive impact on innovation performance in an organization. It also positively impacts on product innovation performance as well as the marketing innovation performance. The recommendation of the study was that a systematic strategy formulation process be adopted by the firms which have not adopted it. The rationale for the recommendations was that strategy formulation is important for organizations in achieving and sustaining its process product innovation performance, innovation performance, and marketing innovation performance.

Strategy Implementation and Performance

Kyalo (2015) investigated on the influence of strategy implementation on performance of KCB group in Kenya. A case study research design was adopted and descriptive statistics used for analysis. The findings revealed that KCB Group has ensured that all staff are aligned to the strategy implementation and their opinions have been taken into account and that senior management takes the lead in strategy implementation through communication and building consensus. The study recommended that strategic management policy makers should establish the challenges of strategy implementation and look for possible solutions as it enhances on performance.

Chilui (2018) studied on strategy implementation and performance of Kenya Pipeline Company. The study acknowledged that organizations strive to be successful in their respective areas of business hence the need to implement various strategies. The study employed a case study research design and descriptive statistics for analysis. The findings revealed that strategic implementation has direct impact on the performance of company and that KPC had adopted different strategies for the attainment of effective performance. Political interference has been a challenge in implementation of strategy. The study recommended that KPC ought to adopt an excellent state of technology pertaining to tools, infrastructure and expertise.

Tigere and Masamaba (2018) assessed on the impact of strategy implementation on company performance in Zimbabwe. The study acknowledged that Companies all over the world are operating in environment that are characterized by stiff competition, inconsistency policy changes and hyperinflation condition and to be a market giant in such environment require good strategy implementation. A case study research design was employed and descriptive statistics used for analysis. The study found that strategy implementation enhanced the performance of companies in Zimbabwe in terms of market share, profitability and growth in sales. The study recommended that companies in Zimbabwe that have not adopted new strategies to adopt and ensure implementation for them to remain competitive.

Strategy Evaluation and Performance

Mukui (2018) conducted an investigation on strategy evaluation practices adopted by New Kenya Cooperative Creameries Limited. The study recognized that strategy evaluation enlightens the managers about the motives that attribute to the letdown to meet a specific objective, performance standard and/or any other performance display. Strategy formulation describes the process of choosing the most appropriate courses of action to achieve the organizationally defined goals. The process is key to an organization's success. It provides a framework for the actions leading to the anticipated results. Njiru (2014) assessed strategy formulation process and performance of public secondary schools in Embu County. A descriptive cross-sectional survey research design was adopted and descriptive statistics used in analysis. The study indicated that the strategy formulation process is faced with several challenges. Most of such challenges relates to the lack finances and lack experts and skills. The study recommended for the secondary schools to identify all the existing challenges

facing their operations, before formulating actionable plans to address them. This is suggested to be able to improve the performance of the schools.

Habwe (2018) in a study on influence of strategic planning process on financial performance of insurance companies in Kenya sought to investigate the effects of strategy formulation on financial performance. The study recognized that strategy formulation is a critical decision for survival of a firm. The study employed an exploratory research design and descriptive statistics for analysis. The findings showed that indeed strategy formulation has influence on the performance of insurance firms in Kenya. The study recommended for policy makers in various insurance firms which has not adopted the strategy to adopt strategy formulation practices as it enhances on financial performance of insurance firms.

Agwu (2018) on an analysis on the impact of strategic management on the business performance of SMEs in Nigeria sought to investigate the effects strategy evaluation has on business performance. The study acknowledged that strategy evaluation is a source of sustainable competitive advantage. A case study research design was adopted and descriptive statistics used for analysis. The findings revealed that lack of resources, poor management and lack of managerial skills hinder adoption of strategy evaluation in many SMEs in Nigeria. The study recommended that government of Nigeria should come up with policies that compel SMEs to arrange their available resources and capabilities accordingly to gain competitive advantages in relation to their products, competitions and market.

RESEARCH METHODOLOGY

The study applied descriptive research design. The design helps in giving outcomes to the questions in the research. Cooper and Schindler (2003) assert that the design is suited to social scientists which involve observing and describing the behavior of a subject matter without influencing it. The target population was 306 respondents. A sample size of 30% was used to obtain 102 respondents. This is according to Mugenda and Mugenda (2003), who opined that a sample of 30% is more representative in the study.

Table 1: Sample Size

Category	Frequency	Rate	Sample Size
Project Management Committee	66	0.3	20
Project implementation committee	57	0.3	17
Board of members	64	0.3	19
NG-CDF Staff	18	0.3	6
Community Representative	111	0.3	34
Total	306	0.3	102

Source: Author, 2021

The questionnaire was used to collect primary data which was qualitative and quantitative in nature. The data was obtained by the use of structured and unstructured questionnaire in the collection process. The data collected was quantitative and qualitative. Quantitative data was analyzed through descriptive and inferential statistics. Quantitative data collected was presented through means, percentages, range and correlation coefficients, standard deviations, and frequencies. Content analysis was used to analyses qualitative data. Qualitative data was presented in form of themes and narratives. This was done by tallying up responses and applying SPSS (Version 23.0) to for the computations. A regression model analysis was used in testing the effect of strategic management practices and performance of NG-CDF projects in Taveta.

The following regression model was applied:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: -

Y = Performance of NG-CDF

X_1 = Environmental Analysis

X_2 = Strategy Formulation

X_3 = Strategy Implementation

X_4 = Strategy Evaluation

β_0 = Intercept,

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression Coefficients

ε = error term.

RESEARCH FINDINGS AND PRESENTATION

The study targeted 102 respondents drawn from different cadres at the NG-CDF in Taveta constituency. A total of 84 respondents filled in the questionnaires giving a response rate of 82%. A majority (64%) of the respondents were male while 36% were female in the NG – CDF projects implementation teams. On their ages, 39% of the respondents were 41-50 years, 32% were 31-40 years, 23% were over 50 years and 6% were 20-30 years. On level of education attained, 38% of the respondents had degrees, 32% had diplomas, 17% had certificates, 8% had masters and 6% had other levels of education. On period worked with NG-CDF, 67% of the respondents had worked in their organizations for 3-7 years, 23% for less than 3 years and 11% for over 7 years.

Descriptive Statistics

This section is set out to present the analysis of the Likert based questions established on each of the specific independent objective variables that guided the study including environmental analysis, strategy formulation, strategy implementation and strategy evaluation.

Environmental Analysis

The findings of descriptive statistics on environmental analysis as the first independent specific objective variables of the study are as indicated in Table 2.

Table 2: Environmental Analysis

Statement	Mean	Std. Dev
The fund has educated the stakeholders on environmental management	3.738	0.831
The fund has adopted environmental audit policy	3.429	01.027
NG-CDF Taveta has adopted internal and external environment analysis policy	3.629	0.968
The fund advocates for environmental conservation and protection during project implementation	3.921	0.864
The fund conducts PESTEL analysis before project implementation	3.728	0.974
The fund conduct environmental impact assessment before implementation	3.693	0.873
The fund ensures that all projects implemented are approved by NEMA	4.026	0.731
Overall Score	3.74	0.895

The results in Table 4.6 indicate an overall score of 3.74, this implies that respondents agreed that environmental analysis was one of the strategic management practiced that had been embraced by National Government Constituency Development Funded Projects in Taveta Constituency. In fact, the highly practiced aspect of environmental analysis (M=4.026) was the fact that fund ensured that all projects implemented were approved by NEMA. The study went further and requested the respondents to share other information related with environmental analysis. From the findings, respondents disclosed that environmental analysis was aimed at assessing the likely effect of the project activities on the use of land as well as the economic activities of the neighboring communities.

Strategy Formulation

The findings in Table 3 indicate the results of descriptive statistics on strategy formulation as the independent objective variable of the study.

Table 3: Strategy Formulation

Statement	Mean	Std. Dev
The fund has formulated actionable plans to address the challenges facing the operations	4.028	0.838
The projects implemented adhere to fund mission and vision	3.821	0.917
NG-CDF-Taveta involves stakeholders before coming up with a strategy	4.025	0.782

Systematic strategy formulation process has been adopted by our organization	3.727	0.928
Lack of skilled personnel is the challenge that our organization faces in strategy execution	3.381	1.062
Lack of finances and skilled personnel are the challenges our organization faces for efficient strategy formulation	3.919	0.892
The fund borrows from the board strategic plan	4.027	0.797
Overall Score	3.85	0.888

The results in Table 3 shows that the overall score was 3.85, this means that strategy implementation was one of the strategic management practices that had been adopted at National Government Constituency Development Funded Projects in Taveta Constituency. The highly practiced aspects of strategy formulation included the fact that the fund had formulated actionable plans to address the challenges facing the operations (M=4.028), the fund borrowed from the board strategic plan (M=4.027) and that NG-CDF-Taveta involved stakeholders before coming up with a strategy (M=4.025).

Strategy Implementation

The findings of descriptive statistics on strategy implementation were established and summarized as indicated in Table 4.

Table 4: Strategy Implementation

Statement	Mean	Std. Dev
Organization structure affects our fund strategy implementation	3.864	0.852
The fund allocates sufficient resources to strategy implementation	3.431	1.038
The NG-CDF-Taveta has ensured staff are aligned to the strategy implementation	3.729	0.896
The fund ensures staff opinions have been considered in implementation of strategies	3.681	1.058
Political interference has been a challenge in implementation of our organization strategy	3.942	0.841
The fund ensures that the formulated strategies are executed as planned	3.589	0.848
Overall Score	3.71	0.922

The results in Table 4 show that the overall mean was 3.71; this means that National Government Constituency Development Funded Projects in Taveta Constituency had adopted strategy implementation as one of the strategic management practices. The highly adopted aspect of strategy implementation with a mean of 3.942 was the fact that political interference has been a challenge in implementation of our organization strategy.

Strategy Evaluation

The results of descriptive statistics on strategy evaluation were established and summarized as indicated in Table 5.

Table 5: Strategy Evaluation

Statement	Mean	Std. Dev
The fund embraces internal control processes to ensure projects are implemented as planned	3.840	0.782
Benchmarking, orientations and business process redesign are some of the strategic evaluation approaches used by our organization	3.581	0.970
The fund evaluation system provides for an annual assessment results arising from the plan implementation	3.921	0.995
The fund ensures that all projects are implemented based on laid down procedures and processes by the board	3.727	0.893
Strategy evaluation is continuous in the entire project lifecycle	3.906	0.847
Strategy evaluation enhances fund performance and project efficiency	3.894	1.042
Overall Score	3.81	0.922

From Table 5, the overall score was 3.81, which means that respondents agreed that National Government Constituency Development Funded Projects in Taveta Constituency had been embraced as one of the strategic management practices. While most of the respondents (M=3.921) agreed on the fact that the fund evaluation system provided for an annual assessment results arising from the plan implementation, others slightly agreed (M=3.581) on the fact that benchmarking, orientations and business process redesign were some of the strategic evaluation approaches used by their organization.

Regression Results

Regression analysis was conducted to establish the link between strategic management practices and performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya. The results from this included the model summary, the analysis of variance and the regression beta coefficients as summarized in the subsequent sections.

Regression Model Summary

The findings of the model summary were established and summarized as indicated in Table 6.

Table 6: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.773 ^a	.598	.589	1.46833

a. Predictors: (Constant), Environmental analysis, strategy formulation, strategy implementation, strategy evaluation

From the results in Table 4.10, it can be noted that the value of R square is 0.598, which is interpreted to infer that 59.8% change in the performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya is explained by its strategic management practices mainly environmental analysis, strategy formulation, strategy implementation and strategy evaluation.

Analysis of Variance

Table 7 reports the findings of the ANOVA conducted at 5% level of significance.

Table 7: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	596.096	4	149.024	29.358	.000 ^b
Residual	401.013	79	5.076		
Total	997.11	83			

a. Dependent Variable: Performance

b. Predictors: (Constant), Environmental analysis, strategy formulation, strategy implementation, strategy evaluation

The ANOVA findings were established and summarized as indicated in Table 7. From the findings, $F=29.358$ & $p<0.05$. This means that strategic management practices significantly affected the performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya.

Regression Coefficients and Significance

The findings of the regression beta coefficients and the significance as determined through the p-values are indicated in Table 8.

Table 8: Regression Coefficients and Significance

	Unstandardized	Standardized	t	Sig.
--	----------------	--------------	---	------

	Coefficients		ed Coefficients		
	B	Std. Error	Beta		
(Constant)	15.428	1.463		10.546	.000
Environmental analysis	1.104	.088	2.084	12.482	.000
Strategy formulation	.071	.034	.097	2.076	.039
Strategy implementation	.931	.129	.984	7.210	.000
Strategy evaluation	.411	.115	.580	3.585	.000

a. Dependent Variable: Performance

From Table 8, the fitted regression model becomes:

$$Y = 15.428 + 1.104X_1 + .071X_2 + .931X_3 + .411X_4$$

Y = Performance of NG-CDF

X₁ = Environmental Analysis

X₂ = Strategy Formulation

X₃ = Strategy Implementation

X₄ = Strategy Evaluation

β₀ = Intercept,

β₁, β₂, β₃, β₄ = Regression Coefficients

ε = error term.

The first objective of the study was to establish the effect of environmental analysis on performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya. From the results, it was noted that a unit change in environmental analysis holding other factors constant would lead to 1.104 unit improvement in performance of National Government Constituency Development Funded Projects in Taveta Constituency, Kenya. At the same time, the p-value is (p<0.05), this means that environmental analysis significantly influenced performance. This finding contradicts with Ombonyo (2018) who looked at environmental audit and performance and acknowledged that expenditure on environmental audit has a negative and significant relationship with financial performance of Nyayo Tea Zones Development Corporation. However, the result is empirically supported by Indris and Primiana (2015) who carried a study on the external and the internal environment analysis on the performance of small and medium enterprises (SMEs) in Indonesia and indicated that this practice has a significant effect on the performance of small and medium industries (SMEs) in the country.

The second objective of the study was to evaluate the impact of strategy formulation on performance of National Government CDF funded projects in Taveta Constituency. From the results, it was shown that holding other factors constant, a unit change in strategy formulation would lead to 0.071 unit improvements in the performance of National Government CDF funded projects in Taveta Constituency. The study noted that the p-value ($p < 0.05$), this strategy implementation has significant effect on performance.

The study sought to determine the effects of strategy implementation on performance of National Government Constituency Development Funded Projects in Taveta Constituency. The findings showed that when all other factors are held constant, a unit change in strategy implementation would lead to 0.931 unit improvement in performance of National Government Constituency Development Funded Projects in Taveta Constituency. The results showed that the p-value was less than 0.05, thus strategy implementation had significant effect on performance.

The last objective of the study sought to evaluate the impacts of strategy evaluation on performance of National Government Constituency Development Funded Projects in Taveta Constituency. It was noted that when all other variables are relaxed, a unit change in strategy evaluation would bring about 0.411 unit increase in performance of National Government Constituency Development Funded Projects in Taveta Constituency. The results showed that the p-value was 0.05, which was less than 0.05 implying that strategy evaluation significantly influenced performance.

CONCLUSION AND RECOMMENDATIONS

Conclusion

From the findings environmental analysis had a positive regression beta coefficient that was significant. Thus, the study concludes that National Government Constituency Development Funded Projects in Taveta Constituency, Kenya carried out environmental evaluation and this contributed towards its performance.

As per the findings, the regression beta coefficient of strategy formulation was positive and significant. Hence, the study conclude that strategy formulation was one of the embraced aspects of strategic management and it enhanced performance of National Government CDF funded projects in Taveta Constituency.

In view of the regression findings, the beta coefficient of strategy implementation was positive and significant. Thus, the study concludes that strategy implementation is a critical aspect of strategic management that drives performance of National Government Constituency Development Funded Projects in Taveta Constituency.

In line with the regression results, strategy evaluation had a positive beta that was significant. Hence, this study concludes that strategy evaluation significantly drives performance of the National Government Constituency Development Funded Projects in Taveta Constituency.

Recommendations for Management, Policy and Practice

The study recommends that policy makers and strategists working in the National Government Constituency Development Funded Projects in Taveta Constituency should give more weight on environmental analysis when making decisions on strategic management.

The Project Implementation Committee of National Government Constituency Development Funded Projects in Taveta Constituency needs to be instrumental during the implementation of the formulated strategies.

The monitoring and evaluation team working in National Government Constituency Development Funded Projects in Taveta Constituency should improve on the mechanisms and systems of carrying out strategy evaluation.

Strategists working at National Government Constituency Development Funded Projects in Taveta Constituency should improve more mechanisms in place for formulation of strategies.

REFERENCE

- Abrahams, D. (2018). Local economic development in South Africa: A useful tool for sustainable development. In *Local Economic Development in the Changing World* (pp. 131-145).Routledge.
- Agwu, E. (2018). Analysis of the impact of strategic management on the business performance of SMEs in Nigeria.
- Ansoff, I., &McDonnel, J., (1990). *Implanting Strategic Management*. London: Prentice Hall.
- Ansoff, I., (1984). *Implementing Strategic Management*. London: Prentice-Hall.
- Anyona, S., &Rop, B. (2015, May). The character and profile of artisanal and small-scale gemstone mining community in Taita Taveta County, Kenya. In *Proceedings of Sustainable Research and Innovation Conference* (pp. 109-125).
- Beske, P., Land, A., &Seuring, S. (2014). Sustainable supply chain management practices and dynamic capabilities in the food industry: A critical analysis of the literature. *International Journal of Production Economics*, 152, 131-143.
- Bond, P. (2018). Debates in local economic development policy and practice.In *Local Economic Development in the Changing World* (pp. 57-74).Routledge.
- Chang, J. F. (2016). Business process management systems: strategy and implementation. Auerbach Publications.

- Chilui, M. E. (2018). Strategy Implementation and Performance of Kenya Pipeline Company.
- Currie, G. (2009). The influence of middle managers in the business planning process: a case study in the UK NHS. *British Journal of Management*, 10, 141-55.
- Donate, M. J., & de Pablo, J. D. S. (2015). The role of knowledge-oriented leadership in knowledge management practices and innovation. *Journal of Business Research*, 68(2), 360-370.
- Edwards, M., & Hulme, D. (2014). Non-governmental Organisations-Performance and Accountability: beyond the magic bullet. Routledge.
- Gomez-Mejia, L. R., Berrone, P., & Franco-Santos, M. (2014). Compensation and organizational performance: Theory, research, and practice. Routledge.
- Gupta, A.K & Govindarajan, V. (2011). Business unit strategy, managerial characteristics and business unit effectiveness at strategy implementation. *Academy of Management Journal*, 27, 25-41.
- Habwe, E. (2018). Influence of Strategic Planning Process on Financial Performance of Insurance Companies in Kenya.
- Indris, S., & Primiana, I. (2015). Internal and external environment analysis on the performance of small and medium industries (SMEs) in Indonesia. *International journal of scientific & technology research*, 4(4), 188-198.
- Inkinen, H. T., Kianto, A., & Vanhala, M. (2015). Knowledge management practices and innovation performance in Finland. *Baltic Journal of Management*, 10(4), 432-455.
- Kianto, A., Ritala, P., Spender, J. C., & Vanhala, M. (2014). The interaction of intellectual capital assets and knowledge management practices in organizational value creation. *Journal of Intellectual capital*, 15(3), 362-375.
- Kyalo, G. N. (2015). The Influence of Strategy Implementation on Performance of KCB Group in Kenya.
- Lewis, S. (2015). Qualitative inquiry and research design: Choosing among five approaches. *Health promotion practice*, 16(4), 473-475.
- Makombe, V. (2014). Analysis of The Environmental Proactivity Strategies in Use in The Zimbabwe Poultry Value Chain.
- Mbithi, M. (2016). Influence of Strategy Implementation on Performance of Kenya Bureau of Standards. *Unpublished MBA Research Project: University of Nairobi, Kenya.*

- Mukui, J. (2018). Strategy Evaluation Practices Adopted by New Kenya Cooperative Creameries Limited.
- Mwangi, M. R., & Mutiso, J. (2018). Influence Of Stakeholder Involvement On Performance Of Mining Projects In TaitaTaveta County In Kenya. *Journal of International Business, Innovation and Strategic Management*, 1(6), 167-190.
- Ngacho, C., & Das, D. (2014). A performance evaluation framework of development projects: An empirical study of Constituency Development Fund (CDF) construction projects in Kenya. *International Journal of Project Management*, 32(3), 492-507.
- Njiru, N. S. (2014). Strategy Formulation Process in Public Secondary Schools in Embu County, Kenya.
- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2017). *Human resource management: Gaining a competitive advantage*. New York, NY: McGraw-Hill Education.
- Nwachukwu, C., Chladkova, H., & Fadeyi, O. (2018). Strategy Formulation Process and Innovation Performance Nexus. *International Journal for Quality Research*, 12(1).
- Nyariki, B. N. (2016). Influence of Strategy Evaluation Approaches on Performance at KCB Bank.
- Okoth, J. O. (2016). Effect of Stakeholder's Involvement in Strategy Formulation and Implementation On Organizational Performance, Among Tea Warehousing Companies in Mombasa County, Kenya.
- Ombonyo, E. (2018). *Internal Audit, Environmental Audit and Performnce of State Corporations in Kenya: A Case of Nyayo Tea Zones Development Corporation of Kenya* (Doctoral Dissertation, School of Business, University of Nairobi).
- Oribu, W. S., Agwata, J. F., & George, G. E. (2014). Analysis of Environmental Initiatives on Business Performance Sustainability at the Lake Naivasha Ecosystem, Kenya. *Journal of Environment and Earth Science*. 11295, 64583.
- Pfeffer, J. (2014). Business and the spirit: Management practices that sustain values. In *Handbook of workplace spirituality and organizational performance* (pp. 43-59). Routledge.
- Punt, A. E., Butterworth, D. S., de Moor, C. L., De Oliveira, J. A., & Haddon, M. (2016). Management strategy evaluation: best practices. *Fish and Fisheries*, 17(2), 303-334.

- Rop, B. K. (2014). Economic and Job Creation Potential of Artisanal and Small-Scale Mining in TaitaTaveta County, Kenya.
- Sabharwal, M. (2014). Is diversity management sufficient? Organizational inclusion to further performance. *Public Personnel Management*, 43(2), 197-217.
- Sadikoglu, E., &Olcay, H. (2014).The effects of total quality management practices on performance and the reasons of and the barriers to TQM practices in Turkey. *Advances in Decision Sciences*, 2014.
- Shin, D., &Konrad, A. M. (2017).Causality between high-performance work systems and organizational performance. *Journal of Management*, 43(4), 973-997.
- Sýkora, L. (2017). Urban development, policy and planning in the Czech Republic and Prague. In *Spatial Planning and Urban Development in the New EU Member States* (pp. 127-154). Routledge.
- Teece, D. J., Pisano, G., &Shuen, A. (1997). Dynamic Capabilities and Strategic Management.*Strategic Management Journal*, 18, 509-533.
- Thiong'o, R. W. (2018). Influence of Strategy Evaluation Approaches on Performance of Milk Processing Firms in Kiambu County.
- Tigere, M. C. &Masamaba, S. (2018). Assessing the Impact of Strategy Implementation on Company Performance in Zimbabwe
- Wang, K. T. (2015). *Research design in counseling*.Nelson Education.
- Wernerfelt, B. (1984). Maximizing the potential of strategic typologies for marketing strategy research.*Journal of Strategic Marketing*, 1
- Wu, S. P. J., Straub, D. W., & Liang, T. P. (2015). How information technology governance mechanisms and strategic alignment influence organizational performance: Insights from a matched survey of business and IT managers. *Mis Quarterly*, 39(2), 497-518.