

# **Strategic Planning and Management Process: The Case of St. Mary's University College**

**By**

**Woyneshet Nigatu**

**Faculty of Business, Department of Accounting, SMUC**

## **1. Background of the Study**

Achievement of organizational goals and objectives is mainly dependent on the strategic management process. Strategic decisions and their subsequent implementation process affect the long-term well being of the organization. A right implementation enable the organization to translate it vision into reality; a failure will result in total damage to the organization. Strategic decisions, characteristically, have a direct bearing on the well being of the organization. Strategic decisions are irreversible, require commitment of huge amount of resources, build core values and signify long term commitment. Strategic decisions also involve significant changes in the composition of the firm and go beyond the creation of a sustainable competitive advantage. (Thompson and Strickland, 2003).

Cognizant of the fact that an effective strategic management process determines the overall organizational success, the researcher believes that it should be done in line with the theoretical framework. Deviation from the theoretical framework while planning and executing the plan may threaten the success of any organization in a competitive environment. The student researcher, therefore, is highly interested to conduct a research on the strategic management practices of the case organization- St. Mary's University College. By doing so the researcher tried to evaluate the strategic planning, implementation, control and evaluation practices of SMUC against benchmark theories.

Following the issuance of the Education Policy and Strategy Document and after the assessing societal and market needs, SMUC was founded in 1991 E.C. as an outgrowth of St. Mary's Language School, which has been in operation since 1991 E.C. At the

beginning, the college has its head office in Awassa and a branch in Addis Ababa. With only the three study areas of Accounting, Marketing, and Law, a total of 70 students were registered at the two branches. In the same year (1991 E.C.), the college admitted more than 300 students in Addis Ababa and 25 students in Dilla.

Envisaging the trend of development of the conventional mode of learning, the college moved its head office to Addis Ababa in 1999 and opened the Departments of Secretarial Science and Office Management (SSOM), and the Department of Computer Science. In 2003, the college expanded its services and started offering degree programs in Marketing Management and Accounting programs. In the same year it also started new diploma programs in teacher education. After a year it launched a degree program in Computer Science.

## **2. Statement of the Problem**

Among all the things managers do, nothing affects a company's ultimate success or failure more fundamentally than how well its management team sets the company's long-term directions (vision), develops competitively effective strategic moves and business approaches, and day out strategy execution. In the process of evaluation and control the corporate activities and performance results are monitored so that actual performance can be compared with desired performance. Timely and recurring evaluation practices clearly reveal the performance gap –under performance or over performance- for immediate action.

The rational for using the twin standards of good strategy making and good strategy execution to determine whether a company is well managed is, therefore, compelling. The better conceived a company's strategy and the more competently it is executed, the more likely it is that the company will be a stand out performer and exhibit enviable business practice.

Tersely, effective strategic management process is the principal determinant of organizational success. To the contrary ineffective strategic management process will

certainly result in organizational failure. Knowing the tremendous effect of strategic management on organizations' performance, the researcher tried to make preliminary assessments on the strategic management process of SMUC-interviewed some employees, students, and student parents. As a result, among others the following problems are identified at this stage:

- Participation of stake holders, i.e., government authorities, employers/industry, students, students' parents, the community, and others during the preparation of the strategic plan was minimum;
- The vision and mission of the organization are communicated to the staff but not sufficiently communicated to the public.

### **3. Research Questions**

The study will try to give answers to the following basic questions:

1. Is the strategic planning procedure in compliance with theoretical framework/suggestion?
2. How does the management respond to make adjustments in strategic management process?
3. Are there adequate organizational policies to support the execution of SMUC's strategies?
4. Are the strategies crafted taking the available resources of the organization?
5. Does the organization have a well established system of monitoring and evaluation of the strategic plan implementation?

### **4. Objectives of the Study**

The research was conducted with intention of achieving the following specific objectives:

- To review the strategic plan of SMUC;
- To assess the strategic planning, implementation, monitoring and control practices of the organization and;
- To come up with valuable suggestions meant to rectify the outstanding weaknesses in the overall strategic management process.

## **5. Research Methodology**

Descriptive research method was used for the study. The total working population consists of 305 employees of the University College, among which 168 were academic staff and the rest were administrative staff. The researcher took 90 (about 30% of the total population). Questionnaire and interviews were used to collect the primary data. Secondary data was obtained from the strategic plan document covering the years 2007 to 2012. Of the total questionnaires distributed only 72 (80%) were completed and used for analysis.

The data collected using the questionnaire and interview, were categorized, tallied and tabulated. Then, on the basis of the data, the researcher made descriptive analyses. In some cases the researcher made a mere description of facts-descriptive analysis and some other times the researcher made inferences about the population based on the data collected from sample respondents.

## **6. Summary of Findings, Conclusions and Recommendations**

### **6.1 Summary of Findings**

The major findings of the study are presented as follows:

- ﴿ Regarding to awareness of employees about the strategic plan, 67 (93.06%) of respondents know the presence of the strategic plan and 48 (66.67%) know the strategic objectives of the University College.
- ﴿ Participation of employers, students, and government officials in the strategic planning process was rated as 2.97, 3.08 and 3.42 respectively on a 5 point rating scale. An interviewee also indicated that some stakeholders such as HERQA, Abyssinia Bank, Addis Ababa Education Bureau participated in conducting SWOT analysis
- ﴿ About the extent of objectives in meeting the SMART criteria, respondents rated as 4.08, 3.88, 3.97, 3.78, and 3.58 for Simple, Measurable, Achievable, Realistic and

time bound respectively. Interviewees also indicated that they tried to make the objective SMART as they used the government guidelines while setting the strategic objective

- ↳ Concerning environmental analysis, about 39 (54.17%) of the respondents revealed that SMUC has conducted environmental analysis. Interviewees also stated the same.
- ↳ Regarding top managements' commitment, it was rated high as it stands 4 out of 5.
- ↳ Pertaining to the communication system, respondents rated it as 3.51 on a 5 point Likert scale i.e., it is above average.

Relating to Pitfalls in the strategic management process, the following data have been obtained:

- ↳ In aggregate, 46 (63.89%) of the respondents strongly agreed that the strategic planning is done to satisfy the requirements of regulatory bodies.
- ↳ Significant percentage (41.66%) of respondents indicated that the vision and mission are not well communicated to employees.
- ↳ Considerable number of respondents 23 (31.94%) disagreed and strongly disagreed on the top management's intuitive decisions that conflict with the formal plan.
- ↳ Large numbers of respondents, 36 (50.00%) agreed that the top managements uses the strategic targets as basis for measurement of performance.
- ↳ In aggregate, 41 (56.94%) of the respondents agreed that top management is supporting the strategic management process.
- ↳ Participation of key employees is not sufficient as confirmed by significant percentage of respondents. Similarly, considerable number of respondents affirmed that the participation of students' parents is not up to expectation (62.50%).
- ↳ Nearly half of the respondents indicated that the reward system is inadequate. Contrary to this respondents showed that SMUC has a proper organizational structure as confirmed by 52.77%. Interviewees replied that there are good numbers of organizational policies that support the implementation of strategic plan.
- ↳ The interviewees reflected that each and every academic and administrative office in the SMUC prepares and sends annual plan to the top management and CEIRQA.

Performance of each and every department is evaluated against the operational targets that are part and parcel of the strategic targets.

- ↳ With regard to the availability of resources, it was indicated by the interviewees that the institution is in short of resources although the plan is prepared taking the available resources into consideration.
- ↳ About adjustments made on the strategic plan, it was said that under compelling situations changes are allowed to be made.

## 6.2 Conclusions

On the basis of the findings the researcher draws the following conclusions.

- ↳ The awareness of employees about strategic objectives is less.
- ↳ Participation of students, employees and government officials while planning the strategic plan was strong while participation of employers, the community and students' parents was low.
- ↳ The strategic objectives meet the SMART criteria. This indicates that objectives are not defective and serve the institution as valid performance targets, motivate employees and are used as evaluation standards.
- ↳ SMUC has conducted sufficient environment analysis. This enables the organization to know the potential success and failure factors during the implementation period.
- ↳ Top management's commitment is promising. The top management plays important role in the implementation of the strategic plan.
- ↳ Communication system of SMUC is above average, where as, in the open ended question, respondents have firmly stated that the communication system is not up to expectation.
- ↳ Some of the pitfalls in the strategic management process of SMUC are failure to communicate the vision, mission, and the strategies to the employees; insufficient participation of key employees in all phases of planning; and lack of proper reward system.
- ↳ SMUC has a good number of organizational policies. This implies that the activities in the organization are aligned with the strategic directions and are not random.

- ↳ SMUC regularly compares actual performance of its units and departments against the strategic targets. This implies that it promptly identifies performance gap and take remedial actions to fill the gap.
- ↳ SMUC has faced shortage of resources in general. However, while planning resources were taken into consideration.
- ↳ The strategic plan can be considered as flexible because adjustments are possible in the course of action as changes occur in the internal and external environment.
- ↳ Forum/workshops are not sufficiently arranged for employees whereby they comment on the strategic plan before implementation.

### **6.3 Recommendations**

Based on the findings the researcher forwarded the following helpful recommendations.

- ↳ Strategic vision and mission are adequately communicated to the SMUC community. However, the strategic objectives are not adequately communicated to employers. Thus the institution is advised to further aware all employers its vision, mission and objectives.
- ↳ The participation of employers, community and students' parents is minimum. Thus the institution needs to improve the involvement of stakeholders by arranging a focus group discussion, round table discussions, etc with stakeholders.
- ↳ SMUC shall make rigorous environmental analysis while preparing the strategic plan and its implementation.
- ↳ The top management's commitment is admirable, as stated by the respondents. Therefore the management shall sustain this quality for its super performance. The top management shall work hard to create sense of ownership to all employees in order to get the best contribution from them.
- ↳ The University College should involve employees in the strategic management process and reward them on the basis of their performance. The management may think of providing non financial rewards as career development, education opportunities and the like.

- ↳ SMUC has to expand its resource base by searching for sponsors and donors for its resource requirements for the strategic planning, implementation, and evaluation.
- ↳ Forum/workshops shall be arranged to create awareness about strategic issue and deliberate on the entire process.

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