

**INFLUENCE OF FINANCIAL RESOURCE ON SUCCESSFUL  
IMPLEMENTATION OF STRATEGIC PLANS IN THE  
MINISTRY OF LAND, HOUSING AND URBAN  
DEVELOPMENT IN MERU COUNTY, KENYA**

**Awando Philip Ager** 

School of Business and Economics, Meru University of Science & Technology, Kenya  
and Ministry of Land, Housing And Urban Development Meru, Kenya  
[awando@yahoo.com](mailto:awando@yahoo.com)

**Simon Rukangu**

School of Education, Meru University of Science & Technology, Kenya  
[simonrukangu@yahoo.com](mailto:simonrukangu@yahoo.com)

**Charles Njati Ibuathu**

School of Education, Meru University of Science & Technology, Kenya  
[ibuathunjati@gmail.com](mailto:ibuathunjati@gmail.com)

**Abstract**

*The strategic plan is the Ministry of land, Housing and Urban Development guideline for ensuring development effectiveness and it is aimed at aligning the Ministry of land, Housing and Urban Development priorities, expected outcomes and general results, with budget levels. The objective of the study was to establish how financial resource influences successful implementation of strategic plans in the Ministry of land, Housing and Urban Development. The study adopted descriptive research design. The study was conducted in Ministry of land, Housing and Urban Development, Imenti North Sub-County land offices, located in Meru town. The target population of the study consisted of 53 management staff from all the department land offices in Imenti North Sub-County Meru town and they included the land registrar, land adjudication and settlement officers, physical planning officers and land administrators. The*

*study revealed that there was sufficient statistical evidence that there was a significant relationship between financial resources and successful implementation of strategic plan. The study recommended that the government should avail adequate and timely finances for the lands department to be able to implement the strategic plans implementation and allow the use of revenue generated internally.*

*Keywords: Influence, Financial Resource, Successful, Implementation of Strategies, Kenya*

## **INTRODUCTION**

According to Birchall (2008), a strategic plan consist of corporate decisions planning which clarify and determine vision, mission and objectives, defining policies and basic plans for achieving to those goals, defining scope of company's activities and specifying the kinds of economic and human type of the organization. Hence a strategy is a firm's game plan for competition and survival in a turbulent environment. In top management strategic, says that a strategic plan is a comprehensive statement about the organizations mission and the future direction, near and long term performance target and how the management intends to produce the desired and to fulfil the mission given the organization overall situations. Steiner (2009) after investigating the effects of formal strategic plans on overall performance in public organizations in Australia provides a thorough conceptualization of a strategic plan that it is an attitude and an outcome of a process concerned with the future consequences of current decisions Despite the research by Steiner (2009) and others, the key question is if there is a link between strategic plan formulation, implementation and organizational performance even though many researchers have concluded that there is no consistent association between the process leading to strategic plans and performance (Cappel, 2000).

Langley (2010), argues that in Africa, a country like Liberia has provided support for the benefits of strategic plans, identifying some roles of formal planning in public organizations. In the public role, formal strategic plans are intended to impress or influence outsiders. The information role provides input for management decisions. The group therapy role is intended to increase organizational commitment through the involvement of people at all levels of the organization. Finally, the direction and control roles are fulfilled when plans serve to guide future decisions and activities toward some consistent ends. Implementing a strategy, according to Pearce and Robinson (2007), is the process through which a set of agreed work philosophies is translated into functional and operational targets. Kotter and Best (2006) support this position when they state that implementation addresses the who, where, when and how, and it is thus the tactic that drives the strategy of the company. According to Hussey (2010), implementation

follows a six step process namely, envision, activate, install, ensure, and recognize. He further states that the implementation of strategy remains one of the most difficult areas of management. Its success depends both on the selection of an appropriate strategy and converting that strategy into action.

### **Statement of the Problem**

The strategic plan is the Ministry of land, Housing and Urban Development guideline for ensuring development effectiveness and it is aimed at aligning the Ministry of land, Housing and Urban Development priorities, expected outcomes and general results, with budget levels. The Ministry of land, Housing and Urban Development Strategic Plan is anchored on the Vision 2030. In revising the Strategic Plans the Ministry of land employs participatory approach, relying on the consensus of stakeholder groups, including civil society, the private sector and donor partners. As a government requirement, strategic plans have to be linked to the Medium Term expenditure framework's budget process; as well as to human resource planning. This will ensure both financial sustainability and human capacity to facilitate successful adoption and implementation. The Ministry of land, Housing and Urban Development strategic plans are developed as a means of enhancing results based management and efficiency in their operations. Ideally these plans should provide direction in regard to resource targeting and program implementation (GoK, 2012). Strategic management process is a new concept in the public sector in Kenya not to mention the Ministry of land, Housing and Urban Development.

However, there have been concerns expressed by the stakeholders and a big proportion of the public over what they perceive as inadequate strategic planning and implementation in the Ministry of land, Housing and Urban Development (Land Commission 2014). This can be exemplified by low delivery of services in the ministry of land and slow implementation of government policies and programs leading to hue and cry from the stakeholders both internal and external. Despite having strategic plans after every five years, the Ministry of land, Housing and Urban Development has not fully realized its vision of being excellent in land management for sustainable development of Kenya and its mission of facilitating improvement of livelihood of Kenyans through efficient administration, equitable access, secure tenure and sustainable management of the land resource in Kenya.

### **Objective of the Study**

To establish how financial resource influences successful implementation of strategic plans in the Ministry of land, Housing and Urban Development.

## **Study Hypothesis**

**Ho:** There is no significant relationship between financial resource and successful implementation of strategic plan in the Ministry of land, Housing and Urban Development

## **Scope and Limitations**

The researcher limited the study to analysis of the determinants of successful implementation of strategic plans in the Ministry of Land, Housing and Urban Development in Imenti North Sub-County land offices, Meru County. The scope was confined to the following four(4) departments within the land's department;-Land Administration and Planning ,Land Adjudication and Settlement, Physical Planning Services and Survey respectively .Focus was on the departmental heads and the field officers. The researcher faced a challenge of the time taken to return the questionnaires because most of the respondents did not fill them within the expected time. The researcher dealt with this challenge by following up the respondents physically through several visits and through the use of mobile phone. Some respondents were unwilling to provide the required information due to confidentiality. To overcome this limitation, the researcher confirmed to them the study is purely for academic purposes.

## **LITERATURE REVIEW**

### **Resource Based Theory**

The theory states that a firm is able to perform better when it combines it's unique resources to drive all the areas of the organization according to David (2009).This theory asserts that a firm gains sustainable competitive advantage when it implements strategies which cannot be copied by competitors. Resources that qualify to be sources of competitive advantage must be rare, strategic, non-sustainable, appropriate and immobile (Ling &Jaw, 2011). According to Njuguna (2009), the RBT of the firm links the internal capabilities of the organization to strategy formulation to achieve competitive advantage. The strategic objectives identified by the lands department of the Ministry of Land, Housing and Urban Development are to be realized through a number of strategies and activities.

The resources required for implementing the identified strategies are aligned with the Medium Term Expenditure Framework budget which estimates are to enable it achieve all the objectives. This is because the land's department projects are funded by the government of Kenya and other stakeholders such as the Development partners. The Ministry of Lands, Housing and Urban Development has established structures in the headquarters, Nairobi and in the field and in relation to this study was land offices in Imenti North Sub County, Meru County. The established field structures are used to effectively implement its strategic plan. The

strategic plan implementation has been delegated to the departmental heads. The departmental heads are expected to be innovative in the manner they operate. The competencies within the land's department of the Ministry of Land, Housing and Urban Development are necessary capabilities to achieve its stated objectives in its strategic plan.

### **Financial Resource for the Ministry of land, Housing and Urban Development**

According to a study conducted by Muchemi (2005), on strategy implementation, he found that inadequate funds on their own are a major factor hindering the implementation of strategic plans in public organizations. Public organizations need access to finances to enable them to develop as effective and viable strategies. Historically, public organizations have been relying to the government as a source of funds. However, over time their capacity to build up internal sources became eroded, partly by government policies and partly by poor performance resulting from declining margins.

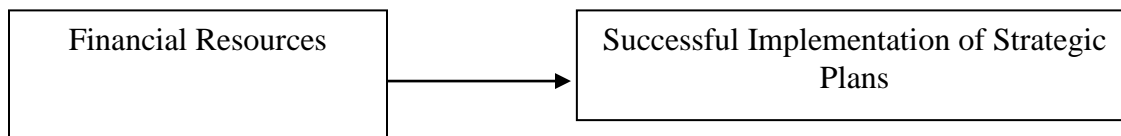
Public organizations increasingly rely on government support for finance. Although given out for recurrent and development expenditure, these are very often not repaid. Public organizations become trapped in a dependency parasitic relationship with government which seriously weakened their ability to develop sustainable activities. This dependency also weakened management strategies. Rebuilding's public organizations as effective member-owned business requires a clear break from this unfortunate historical legacy. Viable public organization today suffer from this legacy in a number of ways; many private organizations still view public organizations as inherently not creditworthy. Many public organizations are weighted down by the presence of delay in financing their projects which makes public projects to be stalled and this reflects poorly in their balance sheets of accumulated debts dating back many years (Mwaura D. 2005).

Sambu (2006) in a newsletter says that over the years, Kenyan public organizations have not catered for the needs of their members and this have led to dissatisfaction of the stakeholders. However, public organizations are facing competition from private organizations which is further compounded by governance and financial constraints. Up to the mid 1990's, a fundamental character of the Kenyan public organization movement was its close association with the state to the point of developing a dependent relationship. This was partly due to historical evolution of this organization in the country. According to development countries recommendation No. 127, the ILO called for government to develop a comprehensive and planned development strategy in which one central body would be the instrument for implementing a policy of aid and encouragement to public sectors.

Saunders (2009) recommended that public organization should be allowed to obtain their finances free of interest from the bank to enhance implementation of policies. These practices put the public organization in greater financial strains as they incur large debts by way of interest on the loans. He concludes that it would appear that the crucial factor in the financial difficulties of the public organizations is mismanagement of funds available rather than the inability of the organization to raise money from elsewhere. The Swedish public sector faces a similar problem especially as the number of the organizations belonging to the government is diminishing, owing to the relative decline of the services from other sectors of the economy. The financial problem of the Uganda public organizations is tied up with the general low levels of per-capital income of their citizens.

Although public organization they are severely handicapped in having ways of raising funds of their own to meet their needs such as strategic implementation, they are in a privileged position in matters of government financial assistance. Public organizations are starting to see the need to diversify in order to survive in a liberalized environment. This is leading to interesting partnership (Saunders 2009).

Figure 1. Conceptual Framework



## RESEARCH METHODOLOGY

The study adopted descriptive research design. According to Kothari (2009), descriptive research is used when the problem has been well designed because this design involves fact findings and enquiries of different variables. The study was conducted in Ministry of land, Housing and Urban Development, Imenti North Sub-County land offices, located in Meru town. This is because Imenti North Sub-County land offices manages three quarters of entire land in Meru County. The Imenti North Sub-County land offices is responsible for drafting the strategic plan and implementation of the strategic plan in Meru County hence its best to use in this study. The target population of the study consisted of 53 management staff from all the department land offices in Imenti North Sub-County Meru town and they included the land registrar, land adjudication and settlement officers, physical planning officers and land administrators. These are the key players in the implementation of the strategic plans in the Ministry of land, Housing and Urban Development. The questionnaire was used to collect the data from the sample. The

results of the reliability test produced an overall correlation coefficient of 0.881. Quantitative data from the questionnaires was analyzed using descriptive analysis with the help of SPSS tool version 22. Pearson Correlation method was used to test where there is significant relationship between the independent variables and the implementation of strategic plans. The analyzed data was thereafter presented using tables, charts, and graphs.

## ANALYSIS AND FINDINGS

### Financial resources to implement the strategic plans

Respondents were asked whether there is reliable funds to implement strategic plans in the lands department. Their responses were as illustrated in table 1.

Table 1: Reliable funds to implement the strategic plans

Responses	Frequency	Percent	Cumulative Percent
Valid Agree	10	22.0	22.0
Neutral	15	33.0	55.0
Disagree	19	45.0	100.0
Total	44	100.0	

Majority of the respondents 45% disagreed that there is reliable funds to implement strategic plans in the lands department while 22% agreed that there is reliable funds to implement strategic plans in the lands department and 33% of the respondents were neutral on the reliability of finances to implement strategic plans. This shows that from majority of respondents, there are no reliable funds for successful strategic plan implementation in the department of lands.

These findings agrees with a study done by Muchemi (2005) on strategy implementation who found that inadequate funds on their own are a major factor hindering the implementation of strategic plans in public organizations.

### Large amount of funds are provided to implement strategic plans

Respondents were asked whether large amount funds is provided to implement strategic plans in the lands department. Their responses were as illustrated in table 2 below.

Table 2. Large amount of funds are provided to implement strategic plans

Responses		Frequency	Percent	Cumulative Percent
Valid	Agree	11	25.0	25.0
	Neutral	3	6.0	31.0
	Disagree	30	69.0	100.0
Total		44	100.0	

Majority of the respondents 69% disagreed that there is large amount of funds is provided to implement strategic plans in the lands department while 25% agreed that there is large amount of funds provided to implement strategic plans in the lands department and 6% of the respondents were neutral. This implies that from majority of respondents, there is no large amount of funds for strategic plans implementation is provided in the department of lands. These findings agrees with a study done by Muchemi (2005) that inadequate funds on their own are a major factor hindering the implementation of strategic plans in public organizations.

### **There is delay in financing the implementation of strategic plans**

Respondents were asked whether there is delay in financing the implementation of strategic plans. Their responses were as illustrated in table 3 below.

Table 3. There is delay in financing the implementation of strategic plans

Responses		Frequency	Percent	Cumulative Percent
Valid	Agree	23	52.8	52.8
	Neutral	7	16.7	69.4
	Disagree	13	30.6	100.0
Total		44	100.0	

Majority of the respondents 52.8% agreed that there is there is delay in financing the implementation of strategic plans in the lands department while 30.6% disagreed that there is there is delay in financing the implementation of strategic plans in the lands department in the lands department and 16.7% of the respondents were neutral. This implies that from majority of respondents, there is delay in financing the implementation of strategic plans in the department of lands. These findings agrees with a study done by Mwaura (2005) who found that public organizations are weighted down by the presence of delay in financing their projects which makes public projects to be stalled and this reflects poorly in their balance sheets.



### Respondent level of Satisfaction on Sources of Finance

Respondents were asked whether they were satisfied with the sources of finance level for successful implementation of strategic plans in the land's department of the Ministry of land, Housing and Urban Development. Their responses were as indicated in table

Table 4. Respondent level of Satisfaction on Sources of Finance

Responses	Frequency	Percent	Cumulative Percent
Valid Satisfied	8	17.2	17.2
Neutral	3	7.8	25.0
Dissatisfied	33	75.0	100.0
Total	44	100.0	

Majority of the respondents 75% were dissatisfied with the sources of finance for strategic plans implementation while 17.2% of the respondents were satisfied and 7.8% of the respondents were neutral. This implies that from majority of respondents are dissatisfied with sources of finance which is from the government's exchequer for strategic plans implementation in the lands department. These findings agrees with a study done by Sambu (2006) who argues that public organization have not catered for the needs of their members and this have led to dissatisfaction of the stakeholders.

### Suggestion on what should be done to Improve Sources of Funds

The study established what the respondents thought should be done to improve on the sources of funds to implement strategic plans. Majority of the respondents 75% argued that the ministry should source for donors to supplement the funding while 25% of the respondents argued that they should have good financial proposals and also priorities funding for strategic plan implementation. These findings concurs with those of Saunders (2009) who argued that in public organization should be allowed to obtains their finances free of interest from the bank to enhance implementation of policies.

### Test of Hypothesis

There is a weak positive relationship between source of finance and implementation of strategic plans in Lands department as indicated by correlation of 0.325 (Table 5). The p-Value of 0.001 is less than the acceptable significance level ( $\alpha$ ), hence the null hypothesis that there is no relationship between availability of finance and implementation of strategic plans in Lands department is rejected. This shows that the sampled data can be applied to the general

population at 95% confidence level since the acceptable significance level is 0.05% hence we accept that there is a relationship between availability of finances and successful implementation of strategic plan.

Table 5: Correlations Analysis

		<b>Financial Resources</b>
Implementation of Strategic plans at lands department (Y)	Pearson Correlation ( r )	.325*
	Sig. (2-tailed)	.001

## CONCLUSION AND RECOMMENDATIONS

The study revealed that there was sufficient statistical evidence that there was a significant relationship between financial resources and successful implementation of strategic plan at 0.325. The p-value of 0.001 is less than the acceptable significance level ( $\alpha$ ), hence the null hypothesis that there is no relationship between financial resources and successful implementation of strategic plan in lands department of the Ministry of Lands, Housing and Urban Development is rejected. This is in line with a study conducted by Recklies (2008) in which he was of the opinion that only programmes that have the highest returns should be funded after the key actions have been identified. Further, the Resource Based Theory states that a firm and in this study the Ministry of Lands, Housing and Urban Development is able to perform better when it combines its unique resources to drive all the areas of the organization. Lands department is a critical sector in Kenya.

This study concludes that successful implementation of strategic plan has taken root among government agencies within which lands departments' falls in. This is informed by the fact that setting and signing of strategic plan in lands department is an annual event and most of the lands department objectives are anchored in the strategic plan. Also, it has been demonstrated that implementation of strategic plan is an active principle in the operations of lands department, and that the achievements of the department is a contribution and as a result of strategic plan implementation in the department.

The study recommends that the government should avail adequate and timely finances for the lands department to be able to implement the strategic plans implementation and allow the use of revenue generated internally.

## REFERENCES

- Birchall, P., (2008). Human Resource Practice. Kogan-Page Limited Publishers, London.
- Barajas, K., et al. (2007). Exploring Corporate Strategy. Dorling Kindersley (India) P. Source: PVt Ltd, New Dehli.

- Caprio, S., (2010). The Effects of Growth of in Public sectors. College publishers, New York
- Cole, G., (2004). Management Theory and Practice (6th Edition) Book Power Publishers, London
- Ibid, S., (2012). Maximizing the public sector performance: Washington Economics Institute, Boulder, Colorado.
- Langley, D., (2010). Essentials of Managerial in 20th Century. CBS College Publishers, New York.
- Herrbiniak, W., et al. (2009). Factors Affecting the Performance of Public Service in India. PVT, New Dehli.
- Hanson, M., (2010). Assessment of Factors Influencing performance of public Organizations; A Case Study Ministry of education Kenya. Unpublished MBA thesis.
- Hussey, J., (2010). Exploring Corporate Strategy. Dorling Kindersley (India), New Dehli.
- Kibera, P., (2008). Public Sector Handbook on strategy implementation: An Institutional and Management Perspective, Washington, DC: World Bank.
- Mwaura, K., (2011). Organization Performance in Kenya. A Case of Public hospitals in Mombasa Ltd.
- Ncebere, R., (2000). Excelling in Business. The Entrepreneur's Handbook; R.N Publishers, Nairobi.
- Ouma J. (2011); Governance and Performance of Public Institutions; Institute of Development Studies, University of Sussex, UK.
- Pearce, S., and Robinson, P., (2007). Strategic Management. McGraw Hill Publishers, New York.
- Sambu, A., (2006). Principles of corporate Governance in Nairobi, Kenya.
- Saunders, W., (2009). Private sector Initiative for corporate Governance, Nairobi,
- Steiner, A., (2009). Maximizing the outreach of services in government: Washington
- Wong, M., (2010). The public sector planning scheme in Kenya.
- Zarruk, C., (2008); Excelling in Business. The Entrepreneur's Handbook; R.N Publishers