

ABSTRACT

According to the Human Capital Report 2015, Kenya's overall human capital index was 57.54, indicating that public universities contribute to economic success. However, Kenya Audit Report 2012/2013 indicated public universities were in a financial crisis with Western Kenya universities leading. This suggests ineffective adoption of strategy orientation, implementation and fit. Past studies have focused on reduced funding, lack of innovation, ineffective systems and customer dissatisfaction but failed to consider extent of adoption of strategy orientation, implementation and their effect on performance of public universities in Western Kenya. Moreover, no known studies have focused on strategic fit, which ensures compatibility of strategies during implementation for improved performance. The study purpose was to analyze the role of strategic fit on performance of these universities. The objectives were to establish extent of adoption of strategy orientation and implementation; examine effect of strategy orientation and implementation on performance; analyze effect of strategic fit on performance. The study applied contingency theory and adopted a cross-sectional survey design of 4 public universities in Western Kenya. The population comprised 191 staff with 13 used for piloting. The remaining 178 comprised 166 senior managers including deans; chairs of departments; registrars; finance officers; librarians and 12 top managers including Vice-Chancellors and their deputies. The response rate was 84%. Primary data were collected using structured questionnaires and interview schedules. Pre-validated questionnaires had reliability alpha for strategy orientation $\alpha=0.69$, implementation $\alpha=0.805$ and performance $\alpha=0.92$. Findings revealed that extent of adoption for each strategy orientation were: prospectors (31.4%), analyzers (27.9%), defenders (25%) and reactors (15.7%). Implementation had mean $M=2.88$ ($SD=0.086$). Strategy orientation and implementation significantly contributed to performance ($\beta=.420$, $p=.000$) with significant adj. $R^2=0.171$ and ($\beta=.522$, $p=.000$) with significant adj. $R^2=0.267$ respectively. Moderation perspective revealed strategic fit ($\beta=.089$, $p=.022$) and interactive effect ($\Delta R^2=0.027$, $p=0.022$). The findings implied that extent of adoption was highest for prospectors; implementation practices are adopted, 1 standard deviation in strategy orientation and implementation will result in a change of 0.420 and 0.522 standard deviation units in performance and interactive effect of strategic fit improved performance by 2.7%. It is concluded that universities are prospectors, predisposed to be innovative; implementation practice is prioritized; an increase in strategy orientation and implementation will lead to improved performance; strategic fit contributes to positive performance. The study recommends need for universities to invest more on prospector strategy. Public universities can be enlightened on benefits of aligning strategy orientation with implementation practices.