



**EFFECT OF STRATEGY FORMULATION PRACTICE ON PERFORMANCE OF PUBLIC INSTITUTIONS IN RWANDA
CASE STUDY OF MINISTRY OF LOCAL GOVERNMENT RWANDA**

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ABSTRACT

This study investigated the effect of strategy formulation practice on the performance of public institutions in Rwanda, with a specific focus on the Ministry of Local Government. Effective strategy formulation is a crucial element in the achievement of organizational goals and the delivery of services to citizens. The study was based on Strategic Fit Theory. The research employed a descriptive survey design to systematically gather quantitative data from representative samples within the Ministry of Local Government, allowing for a quantitative description of the prevailing practices, beliefs, and attitudes related to strategy formulation. The population under consideration comprised the present workforce of 136 individuals employed at MINALOC. The study employed a methodology known as stratified sampling. The participants were instructed to complete questionnaires and participate in planned interviews in order to provide the majority of the data for the study. The aforementioned sources constituted the primary information reservoirs for the conducted study. Additionally, this study utilized secondary data, notably sourced from annual reports published by MINALOC. The analysis of the acquired data was conducted using SPSS. Percentages, rates, and counts are illustrative instances of descriptive statistical tests, while inferential statistical tests encompass the utilization of multiple regression. Once the qualitative data has been analyzed using a thematic framework, relevant quotations from respondents were incorporated into the narratives. The results of the study indicated that there was a strong positive correlation between the Strategy planning practice ($\beta=0.559$, $t=1.558$, p value = 0.000) emerged as the most notable and favorable factor impacting the performance of public institutions in Rwanda. In conclusion, this study's findings have important implications for our understanding of how strategic planning affects Rwanda's public institutions. The results of the regression analysis showed a strong and positive relationship between the strategic planning approaches implemented by the aforementioned public institutions and their performance outcomes. Strong correlation was found by correlation analysis, adding weight to the positive connection. Consistent evidence from a variety of analytic approaches shows that strategic planning is positively correlated with the success of Rwanda's public institutions. This indicates that businesses can significantly and measurable increase their overall performance if they make conscious efforts to improve their strategy planning methods, concentrating on variables such as external orientation, internal orientation, and functional integration. Further research in the area of strategy planning practice and its impact on organizational performance could take several directions. Investigating the moderating variables that might influence the relationship between strategy planning practice and performance could provide a deeper

understanding. Factors such as organizational culture, leadership styles, and external environmental factors might play a significant role in shaping this relationship and warrant more in-depth exploration.

Keywords: Strategy Formulation Practice, Performance of public institutions, Rwanda, Ministry of Local Government

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INTRODUCTION

Globally, Strategic Management Practices (SMP) are vital in enhancing the performance of public institutions, regardless of their size or nature (Kim *et al.*, 2018). According to Kim and Lee (2021), effective strategic management practices are necessary for public institutions to achieve their objectives, cope with emerging challenges, and respond to changing circumstances. Strategic management practices help public institutions to allocate resources, manage risks, and improve their operational efficiency (Bozeman & Sare, 2017).

Strategic management practices are critical in shaping the performance of public institutions globally. According to Arreola-Risa and Garcia-Sanchez (2018), SMP improve the performance of public institutions by ensuring that they align their resources and activities with their strategic goals. Strategic management practices involve setting goals, developing strategies, and monitoring progress towards achieving the goals (Osei-Kyei & Chan, 2018). The implementation of strategic management practices has resulted in improved service delivery, increased efficiency, and enhanced accountability in public institutions.

Kim, Lee, and Park (2021) performed study on public sector strategic management techniques and found that effective SMP improved organization performance in a variety of countries, including Korea, Japan, and the United States. Strategic management approaches like strategic planning, performance management, and organizational learning were found to improve the efficiency of government agencies. Public sector organizations in

Iran benefit greatly from strategic management methods like strategic planning, performance evaluation, and employee empowerment, as discovered by Hajiheydari, Zarei, and Mokhtari (2019).

Budhwar and Mellahi (2019) found that strategic management approaches are strongly linked to enhanced performance within government agencies, offering a long-term competitive advantage. Their research highlights that these strategic practices significantly increase the effectiveness of public organizations. Additionally, Chan *et al.* (2018) underscores how strategic management practices enable public institutions to make well-informed decisions, ultimately optimizing their resource utilization and thereby contributing to improved financial performance.

The implementation of these strategies had a significant and positive influence on the operational effectiveness of the organizations under study, as demonstrated in the research carried out by Kessy and Komba (2019) regarding the impact of strategic management approaches on the efficiency of public institutions in Tanzania. The achievement of desired outcomes within an organization may be attributed to three fundamental elements: effective leadership, strategic planning, and comprehensive performance evaluation. According to Nziku and Karugia (2018), strategic management practices, including strategic planning, performance monitoring, and resource allocation, have contributed to the enhanced effectiveness and efficiency of public institutions in Kenya. The effectiveness of strategic management approaches in public institutions has been enhanced

by the presence of robust leadership, transparent communication channels, and active involvement of important stakeholders. The aforementioned research highlights the significant impact of strategic management practices on the performance and efficiency of public institutions in Tanzania and Kenya. It emphasizes the crucial role of leadership and effective communication in successfully implementing these practices (Kessy & Komba, 2019; Nziku & Karugia, 2018).

Strategic management approaches have improved the efficiency of government agencies in Rwanda, according to research by Nsengiyumva and Mukama (2021). The research showed that organizations used strategic management approaches had a better chance of reaching their targets, providing better service, and boosting their overall performance. The favorable correlation between strategic management and the effectiveness of Rwanda's public institutions was also found in a study by Rurangirwa, Turyakira, and Kagame (2018). Better allocation of resources, higher quality decisions, and increased responsibility were all recognized as positive outcomes of adopting strategic management approaches.

Strategic management practices have been shown to positively affect the efficiency of public organizations (Cepeda-Carrión, 2019; Maleque *et al.*, 2017). Strategic planning, performance management, and involving stakeholders are all examples of such actions. Public institutions can benefit from these methods by using them to set goals, allocate resources effectively, track progress, and include constituents in decision-making.

MINALOC, the Ministry of Local Government in Rwanda, has proactively implemented a range of measures to promote the adoption of strategic management practices within public institutions. These measures encompass the development of comprehensive guidelines and training programs centered on strategic planning and performance management, the establishment of performance targets and relevant indicators, and the facilitation of stakeholder engagement mechanisms.

Statement of the Problem

Maintaining Rwanda's socioeconomic success depends on the government's institutions operating well. Although it is often known that strategic management can improve an organization's performance, little is known about how strategic management is actually applied in the public sector of Rwanda. This knowledge gap needs to be closed if Rwanda is to maximize the effectiveness of its public institutions and support the country's larger development objectives. Comparatively little research, nevertheless, has been done to examine how these same tactics affect Rwanda's public institutions' performance. Given the pivotal role that public institutions have played in the development of the nation, it is critical to understand how strategic management strategies affect the effectiveness of these institutions' operations.

Furthermore, existing research in Rwanda has mainly focused on factors affecting service delivery in state-owned enterprises, neglecting the detailed examination of strategic management practices (Nsengiyumva, 2019; Ngarambe & Musunguzi, 2020). This gap necessitates a comprehensive analysis, encompassing various aspects of strategic management, including leadership, resource allocation, and stakeholder engagement. The absence of such research hinders our ability to tailor strategic management strategies to the specific context and challenges faced by public institutions in Rwanda (Mintzberg *et al.*, 2009; Sambasivan & Fei, 2015).

Moreover, while studies have explored the impact of leadership on organizations more broadly, there is a dearth of literature examining the influence of leadership on the adoption and implementation of strategic management practices in the Rwandan public sector. This is a significant oversight given the unique environment and challenges faced by public institutions in Rwanda (Yukl, 2013; Ntawuruhunga *et al.*, 2021; Nsengiyumva & Nkundabanyanga, 2021).

Finally, the research also points out the need for more comprehensive studies assessing the long-term viability of strategic management approaches

in Rwanda's public institutions. While some research has examined short-term impacts, the effectiveness of these approaches in achieving sustained efficiency, effectiveness, and service delivery improvements remains largely unexplored (Rothaermel, 2022; Jaskyte & Dressler, 2015). This research gap underlines the importance of conducting more extensive and in-depth studies on the subject.

LITERATURE REVIEW

Empirical Review on Strategy Planning and performance

The study conducted by Olsen and Eadie (2014) investigated the association between strategic planning and performance within the public sector. The study's results indicated that government agencies that dedicated resources and effort towards strategic planning demonstrated superior performance compared to their counterparts that did not engage in such practices. According to a study conducted by Chen, Wu, and Chen (2018), empirical evidence suggests that the implementation of strategic planning has been associated with enhanced operational efficiency at public hospitals in Taiwan. Research has indicated that public hospitals that engage in strategic planning demonstrate superior levels of operational efficiency, financial performance, and service quality compared to their peers that do not engage in such planning.

A study by Castrogiovanni (2022) found that strategic planning positively influences organizational performance in small and medium-sized enterprises (SMEs). Similarly, a longitudinal study conducted by Langabeer and Napiewocki (2018) identified a strong positive correlation between the extent of strategic planning and hospital performance. These findings align with the argument put forth by Dess and Beard (2014), who highlight the role of strategic planning in enhancing organizational performance by providing a clear sense of direction and focus.

Furthermore, research by Sharma and Mohan (2013) explored the impact of strategic planning on the

financial performance of firms in India, revealing a significant positive relationship between strategic planning and financial performance. Additionally, a study by Simerson (2014) investigated the influence of strategic planning on public sector performance and reported that effective strategic planning is associated with better public sector performance outcomes. These empirical findings collectively underscore the importance of strategic planning as a fundamental factor contributing to improved performance in organizations, irrespective of their size, sector, or geographic location.

Thompson and Strickland (2019) found that organizations that engage in formal strategic planning tend to outperform those that do not. A study by Langabeer (2018) conducted in the healthcare sector showed a positive correlation between comprehensive strategic planning and better financial performance. Similarly, McKinney and Howard (2018) demonstrated in their research that organizations with well-defined strategic plans were more likely to achieve their performance objectives. These empirical findings emphasize the importance of strategic planning in driving improved organizational performance, aligning with the theoretical framework proposed by Mintzberg (2014) and Kaplan and Norton (2016) that strategic planning can be a source of competitive advantage.

A study by Chenhall (2015) delves into the relationship between the content and quality of strategic planning and organizational performance. The research findings indicate that the quality of strategic planning, characterized by factors like goal alignment, monitoring and adaptation, plays a pivotal role in influencing organizational performance. Empirical work by Hrebiniak (2016) also highlights the need for strategic planning to be dynamic and adaptable, aligning with the dynamic environment in which organizations operate. This adaptability, as suggested by Dess and Davis (1984), allows organizations to react effectively to changing circumstances, ultimately affecting performance outcomes positively. The empirical literature collectively underscores the significance of not just

having a strategic plan but also ensuring that it is well-structured, flexible, and consistently monitored and adjusted to optimize performance.

Theoretical Literature on Strategy Planning

Several studies have been conducted with the purpose of examining the impact that strategic planning has on the efficiency with which public organizations carry out their day-to-day operations. An increasing body of data lends credence to the idea that public sector performance might benefit from the implementation of sound strategic planning practices. This study bolsters the argument that effective strategies for predicting the future of public institutions can improve their operational efficiency. Several studies (Bryson, 2018; Poister & Streib, 2015) have found that companies who have produced and implemented thorough strategic plans have a higher chance of financial, operational, and service success than those who do not.

Bryson (2018) highlights the significant impact of comprehensive strategic planning on firms' success in achieving their goals and objectives. His research reveals that companies that engaged in thorough strategic planning exhibited a greater tendency for success compared to those that did not. This conclusion is reinforced by Poister and Streib (2015), whose findings collectively emphasize the essential role of strategic planning in guiding and enhancing the outcomes of both private and public sector entities, underscoring its relevance for achieving organizational goals and objectives.

In addition, strategic planning can assist public institutions in enhancing their levels of accountability, openness, and stakeholder involvement, all of which can lead to improved performance outcomes (Bryson, 2018; Poister & Streib, 2015). Institutions can establish plans that are more in line with the expectations of stakeholders if they involve stakeholders in the planning process. This allows the institutions to obtain a better grasp of the stakeholders' requirements and preferences.

Recently, researchers Al Awadhi and Al-Saifi (2014) looked into how strategic planning impacts the

performance of public hospitals in Kuwait. They found that hospitals with more comprehensive strategic plans performed better across the board. This was determined by looking at patient satisfaction rates and other quality indicators.

In general, the findings of these studies indicate that strategic planning may be a useful tool for enhancing the performance of public institutions; however, the specifics of how this tool is implemented may differ depending on the setting of the organization. In conclusion, the evidence demonstrates that the application of strategic planning approaches has the potential to have a favorable impact on the functioning of public institutions. Institutions can improve their financial, operational, and service-related outcomes, as well as their accountability, transparency, and stakeholder engagement if they develop and implement effective strategic plans. These improvements can be made through the process of developing and implementing strategic plans.

Strategic Fit Theory

According to the Strategic Fit Theory, a company's success hinges on how well its internal resources and capabilities mesh with its external environment. According to Strategic Fit Theory, successful businesses share common strategic management techniques. According to this theory, companies can improve their performance by adjusting their strategies to better take advantage of their capabilities and the conditions in which they operate. According to the Strategic Fit Theory, a company's success is increased when its strategy is in sync with its external environment and internal resources. Because of this harmony or compatibility, the company can adapt faster to new circumstances and seize more chances as they occur. Strategy, environment, and capabilities are said to work together to determine an organization's success or failure. A sustainable business, for instance, might tailor its approach to comply with environmental laws and meet the demand for eco-friendly goods from customers. The company would be in a stronger position to compete in the market and

reach peak performance with this strategy in place. Better service delivery, greater efficiency, and happier customers are only some of the performance outcomes that may be possible, according to this idea, when public institutions employ sound strategic management approaches.

Yang, Zhang, and Wang's (2018) research is one example of a study that looks at how strategic management methods affect the efficiency of government agencies. Their research looked into how different strategic management techniques in Chinese public hospitals affected patient outcomes. Public hospitals in China were shown to benefit from strategic management approaches, according to the study.

Schilke, Hu, and Helfat's (2018) research is one example of a study that looks at the connection between strategic fit and the success of an organization. Strategic fit was found to have a positive correlation with organizational performance in a meta-analysis of 120 research. They also discovered that in unstable environments the link between strategic fit and organizational performance is less.

The Strategic Fit Theory has been backed by studies in a variety of fields (Wang & Ahmed, 2017; Kunc & Morecroft, 2019; Saggi & Singh, 2014). In today's dynamic and complicated economic world, however, several scholars have pointed out that the theory's emphasis on alignment may not be enough to achieve sustained competitive advantage

(Ramaswamy, 2019). Rwandan researchers Muvunyi and Nzayirambaho (2018) used the Strategic Fit Theory to analyze how different strategic management methods influenced the efficiency of government agencies. Strategic planning, monitoring and evaluation, and performance management systems were singled out as particularly useful strategic management methods that boosted the effectiveness of Rwanda's public institutions. Study findings indicated that Rwandan government agencies could benefit from further adoption and implementation of strategic management practices. The Strategic Fit Theory provides a conceptual framework for understanding the relationship between strategic planning practices and the performance of public institutions in Rwanda. Effective strategic planning ensures that public institutions align their strategies with the dynamic internal and external factors they face, ultimately leading to enhanced performance and the achievement of national development goals.

Conceptual Framework

According to Imenda (2014), conceptual frameworks are the outcome of integrating various interconnected concepts to elucidate a phenomenon and enhance comprehension of the issue under investigation. The depiction is commonly presented inside a theoretical framework, aiding researchers in establishing the conceptual basis of their inquiries and informing the development of hypotheses and study inquiries.

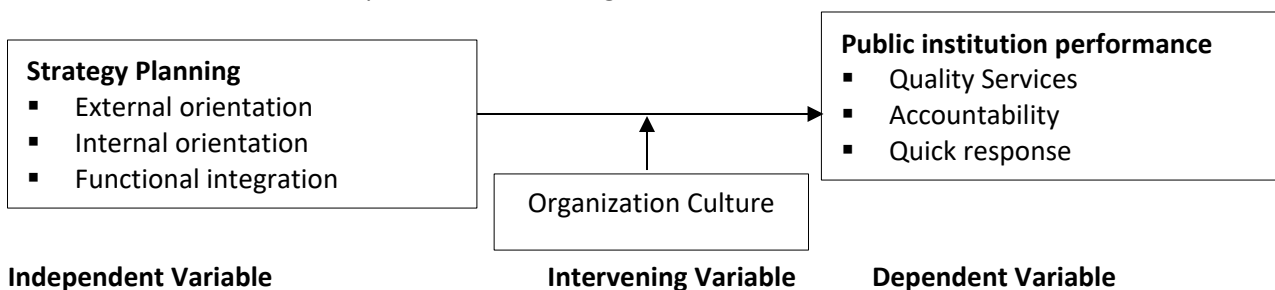


Figure 1: Conceptual framework
Source: Researcher, 2023

METHODOLOGY

The researcher opted for a descriptive research strategy to explore the relationship between the

variables of interest. Descriptive research is a well-established approach that enables the systematic and quantitative description of specific patterns,

beliefs, and attitudes within a defined group or population. As explained by Saunders (2017), this method involves collecting data from representative samples of the group's members, allowing researchers to gain a comprehensive understanding of the prevailing conditions or characteristics.

This study's population consisted of 136 MINALOC's management and all key personnel, with an emphasis on those who hold senior management positions. These includes 136 managers (MINALOC, HR Department).

A sample is defined as a subset of the population, comprising selected people from the larger population (Burns & Burns, 2014). The primary objective of research is to examine a representative sample and afterwards extrapolate the findings to the larger population. This approach is necessitated by the impracticability of testing and interviewing every individual within the population, owing to its vast size and dispersed nature. A straightforward formula for determining sample sizes is provided by

Kothari (2014). The research sample size is determined using this formula, which allows for the possibility of an error.

$$n = \frac{N}{1 + N(e)^2}$$

In sample size determination, 'n' represents the desired sample size, 'e' denotes the probability of error, which signifies the desired precision or margin of error (e.g., 0.05 for a 95% confidence level), and 'N' corresponds to the estimate of the population size. The selection of an appropriate sample size is crucial in statistical analysis as it directly influences the accuracy and reliability of research findings, allowing researchers to balance the trade-off between cost-effectiveness and the precision required to draw meaningful inferences about a larger population from a representative subset.

$$n = \frac{136}{1 + 136(0.05)^2} = 102$$

Table 1: Sampling Frame

Level of management	Target Population	Sample Size
Senior Managers	24	18
Middle Level Managers	60	45
Functional managers	52	39
Total	136	102

Source: (MINALOC, HR Department).

The approach outlined by Kothari (2014) involves the random selection of a subset from the target population in each of several homogeneous strata. By considering potential variations within the population, this methodology guarantees that the sample accurately represents the entire population.

In order to analyze results and provide answers to research issues, researchers use a wide range of data collection strategies (Sharma & Kaur, 2021). Surveys, interviews, observations, experiments, and secondary analysis are all examples of such techniques. In order to get information from a sizable population, surveys are frequently employed. They can take place in person, over the phone, or on the internet. However, interviews provide a more

concentrated opportunity to delve deeply into a subject. Conversations might happen in person or over the phone. Experiments methodically modify variables to explore cause-and-effect linkages, while observations entail systematic viewing and recording of behavior or events. Analyzing information that has already been gathered and stored in a database, archive, or other repository is known as secondary data analysis (Orodho, 2013).

Research questions, features of the sample population, and available resources all play a role in determining the best methodology to use. In order to guarantee the authenticity and trustworthiness of the data acquired, it is crucial to give serious consideration to the method of data collecting.

Questionnaires were utilized as a research technique to acquire primary data through interviews. Using the drop-off and pick-up-later procedure, a semi-structured questionnaire was distributed.

Questionnaires were crucial for collecting diverse responses in the study. Responses, assessed with a 5-point Likert scale (ranging from strong disagreement to great agreement), formed a key component in evaluating the study's overall effectiveness. Within each of the surveys administered, a distinct segment denoted as "A" was allocated specifically for the purpose of collecting demographic data through a series of inquiries. The study objectives were organized in a sequential manner, commencing with section B, which focused on the practice of strategy planning. This was followed by section C, which delved into the practice of strategy formulation. Section D then explored the practice of strategy implementation, while section E continued the examination with the practice of strategy control. Finally, section F scrutinized the performance of public institutions in Rwanda. The data was assessed utilizing nominal and ordinal scales, correspondingly. The variables under consideration were nominal in nature, namely pertaining to gender and age. When employing an ordinal scale, the arrangement of the values was scrutinized, and a 5-point Likert scale was provided

numerical values to facilitate quantitative calculations.

Burns and Burns (2014) assert that documents are tangible resources that contain pertinent information pertaining to a specific phenomenon that researchers aim to investigate. This study utilized many sources, including articles (books, journals, and website sources) and reports from MINALOC, to gather supplementary information regarding success stories.

As a result, eleven managers from MINECOFIN participated in a study designed as a pilot. The selected managers concur with the findings of Mugenda and Mugenda, who discovered that only 10% of the pilot research can be relied upon. According to Hair *et al.*, (2014), an evaluation of the level of consistency between various estimations of a variable is needed in order to determine whether or not unshakable quality exists.

Table 2 below displays the results of the reliability test. Table 3.3 displays that all of the Cronbach alpha coefficients were above the cutoff value of 0.7, with values of 0.723 for strategy planning practice and 0.887 for the performance of public institutions in Rwanda. As a result, we found that the items' reliability and acceptability on a 5-point scale for measuring the research components were satisfactory.

Table 2: Reliability Analysis

Variable	Cronbach's Alpha
Strategy planning practice	0.723
Performance of public institutions	0.887

Source: **Primary data**, (2023).

Prior to entering the raw data into SPSS, a thorough examination was conducted to identify any incomplete questionnaires, which were then excluded from the analysis. The data in this study was examined utilizing both descriptive and inferential statistics. Frequency counts, averages, and Chi-square analyses were utilized as components of the descriptive statistics employed in the study. The researchers employed multiple linear

regression as a statistical technique to analyze the relationships and interactions among the variables in order to derive meaningful results. The multiple linear regression model was utilized to examine the interrelationships among the primary variables of the investigation, hence enhancing the comprehension of the research outcomes.

$$Y = \alpha + \beta_1 X_1 + \mu$$

In the context of a regression analysis model, the dependent variable Y reflects the performance of a public institution. The error term μ , the constant α , and the coefficients β are also included in the model. The independent variables are represented by the following notations: The term X1 is used to denote the process of strategy planning, The β coefficients offer valuable insights into the magnitude and direction of the associations between these variables and the performance of the institution.

RESULTS AND FINDINGS

Strategy planning practice on performance

The main aim of this study was to examine the impact of strategic planning methods on the functioning of public institutions in Rwanda. In order to accomplish this goal, the study aimed to provide a thorough understanding of the perspectives around the impact of strategic planning methods on the functioning of public institutions in Rwanda. This was done using a 5-point Likert-type weighted scale. The findings of this evaluation are displayed in Table 3.

Table 3: Descriptive Analysis for Strategy planning practice

Statements on strategy planning practice	SD	D	N	A	SA	Mean	Std Dev.
The ministry's vision and goals serve as a source of motivation for its various stakeholders.	0 0.0%	0 0.0%	1 1.1%	45 47.9%	48 51.1%	4.50	.52
The efforts that are put into strategic planning direct the activities that are necessary to adapt to the concerns of the environment in order to realize performance within the institution.	0 0.0%	0 0.0%	14 14.9%	41 43.6%	39 41.5%	4.27	.71
Including our staff in strategic discussions enables us to create procedures that show greater social responsibility towards internal stakeholders.	0 0.0%	3 3.2%	16 17.0%	30 31.9%	45 47.9%	4.24	.85
Study of internal capacities gives data that prompts us to act on projects within the institution.	0 0.0%	1 1.1%	26 27.7%	27 28.7%	40 42.6%	4.13	.86
The difficulties faced by internal stakeholders might shed light on the steps needed to demonstrate responsible employee care.	0 0.0%	7 7.4%	12 12.8%	33 35.1%	42 44.7%	4.17	.92
Effective ministry initiatives are the product of cross-departmental collaboration to improve the level of service provided to customers.	0 0.0%	0 0.0%	15 16.0%	35 37.2%	44 46.8%	4.31	.73

Source: **Primary data**, (2023).

After conducting an analysis of the primary statement, "The vision and goals of the ministry serve as a source of motivation for its various stakeholders," it is noteworthy to highlight that a significant percentage (51.1%) of respondents exhibited a high level of agreement (SA) with this statement, while 47.9% expressed agreement (A), indicating a substantial degree of consensus. The

mean score for this statement is 4.50, with a relatively low standard deviation of 0.52. This finding suggests a notable consensus among the participants in terms of perceiving the ministry's vision and goals as highly motivating for stakeholders.

The second assertion, which posits that strategic planning endeavors provide guidance for addressing environmental issues and attaining institutional performance, was similarly met with a favorable response. Specifically, 43.6% strongly agreed and 41.5% agreed with this statement. The mean score for this statement is 4.27, with a standard deviation of 0.71, indicating a substantially lower level of consensus compared to the original statement.

The third proposition, which posits that engaging our employees in strategic dialogues enables the formulation of protocols that exhibit heightened social responsibility towards internal stakeholders, received a substantial level of agreement. In particular, the statement received high agreement from 47.9% of the participants, while 31.9% indicated their agreement. The mean score for this statement is 4.24, with a standard deviation of 0.85, suggesting a moderate level of agreement, but slightly lower than the previous two statements.

The positive response was elicited by the fourth statement, which proposes that the analysis of internal capacities yields valuable insights that drive decision-making and implementation of institutional initiatives. More precisely, 42.6% of the participants exhibited a strong agreement with the given statement, whilst 28.7% expressed agreement. The mean score for this statement is 4.13, with a standard deviation of 0.86, indicating a lower level of agreement compared to the previous statements.

The reception towards the fifth assertion, which proposes that the difficulties faced by internal stakeholders might offer valuable insights into the necessary measures for demonstrating responsible employee care, was rather positive. In particular, a notable proportion of 44.7% of participants expressed a strong concurrence with the aforementioned remark, whereas 35.1% indicated

agreement. The mean score for this statement is 4.17, with a standard deviation of 0.92, suggesting a significant degree of agreement among the participants.

The statement that "The development of successful ministry initiatives is the outcome of collaborative endeavors among various departments with the goal of improving the quality of service provided to customers" received a considerable level of agreement, with 46.8% strongly agreeing and 37.2% agreeing. The mean score for this statement is 4.31, with a standard deviation of 0.73, indicating a significant level of consensus among participants.

The findings presented here align with previous research conducted by Bryson (2018) and Poister and Streib (2015), which indicate that organizations that develop and execute comprehensive strategic plans are more likely to achieve financial, operational, and service-related success compared to those that do not.

Regression Results for Strategy planning practice versus performance of public institutions

According to the model summary presented in Table 4 the bivariate analysis indicates a weak association between the variables, as evidenced by a R value of 0.254. Furthermore, the R-squared coefficient, with a value of 0.064, suggests that the model has a low level of explanatory capability. This assertion is supported by the modified R-squared coefficient of 0.061, indicating that a meager 6.1% of the variability in the performance of public institutions in Rwanda can be attributed to differences in the independent variable, namely strategy planning practice. The performance variation, which accounts for 93.9% of the total, remains unexplained and is ascribed to factors that were not taken into account in this study. This highlights the intricate nature of performance dynamics inside public institutions.

Table 4: Model summary for Strategy planning practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.254 ^a	.064	.061	.52115

a. Predictors: (Constant), Strategy planning practice
b. Dependent Variable: Performance of public institutions

Source: **Primary data**, (2023).

The model indicates that Strategy Planning Practice significantly affects the performance of public institutions ($F(1, 93) = 120.048, p < .001$). The regression model accounts for 30.929 units of variance, while the residual error variance is 75.230, with a mean square of 0.476. Overall, the model explains a substantial portion of the variance in

performance ($R^2 = 0.291$), suggesting that Strategy Planning Practice is a significant predictor of public institution performance. The results of this study indicate that the implementation of strategic planning has a notable impact on the functioning of public institutions in Rwanda, hence rejecting the null hypothesis (H_0).

Table 5: ANOVA results for Strategy planning practice ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	30.929	1	30.929	120.048	.000 ^b
1 Residual	75.230	93	.476		
Total	106.159	94			

b. Dependent Variable: Performance of public institutions

c. Predictors: (Constant), Strategy planning practice

Source: **Primary data**, (2023).

The unstandardized coefficients indicate that the constant term (intercept) is 2.050 with a standard error of 0.152, yielding a t-statistic of 13.529, and it is statistically significant ($p < 0.001$). The unstandardized coefficient for strategy planning practice is 0.408, with a standard error of 0.037, and a t-statistic of 10.957, also highly significant ($p < 0.001$). The standardized coefficient (Beta) for strategy planning practice is 0.561, suggesting a

positive and strong relationship between strategy planning practice and the performance of public institutions. These results demonstrate that as organizations engage in better strategy planning practices, there is a significant improvement in the performance of public institutions.

$$\text{Performance of public institutions in Rwanda} = 2.050 + 0.408 \text{ Strategy planning practice}$$

Table 6: Coefficient results for Strategy planning practice Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.050	.152		13.529	.000
	Strategy planning practice	.408	.037	.561	10.957	.000

a. Dependent variable: Performance of public institutions

Source: **Primary data**, (2023).

The findings align with existing research. For example, Uwambaye's (2018) study on the Rwanda National Police found that strategic planning positively influences organizational performance. Similarly, Munyayirambere and Ngarambe's (2021) research on the Rwandan public sector discovered a significant positive correlation between strategic management practices and improved organizational performance.

CONCLUSIONS AND RECOMMENDATIONS

In conclusion, this study's findings have important implications for our understanding of how strategic planning affects Rwanda's public institutions. The results of the regression analysis showed a strong and positive relationship between the strategic planning approaches implemented by the aforementioned public institutions and their performance outcomes. Strong correlation was found by correlation analysis, adding weight to the

positive connection. Consistent evidence from a variety of analytic approaches shows that strategic planning is positively correlated with the success of Rwanda's public institutions. This indicates that businesses can significantly and measurably increase their overall performance if they make conscious efforts to improve their strategy planning methods, concentrating on variables such as external orientation, internal orientation, and functional integration.

To enhance performance in public institutions, it is imperative to prioritize and strengthen strategy planning practices. Effective strategy planning serves as the cornerstone for aligning organizational goals with action, facilitating resource allocation, and promoting a clear roadmap for decision-making. To achieve this, it is recommended that public institutions in Rwanda, such as the Ministry of Local Government, should:

- **Invest in Comprehensive Strategic Planning:** Public institutions should commit to a robust strategic planning process that involves key stakeholders, including employees, leadership, and external partners. This collaborative approach ensures a holistic understanding of the institution's mission and objectives, allowing for the development of well-informed and relevant strategies.
- **Regular Monitoring and Evaluation:** Implement a continuous monitoring and evaluation framework to assess the progress of strategic plans. Regularly measuring and analyzing key performance indicators allows institutions to make timely adjustments, ensuring that the strategies remain aligned with evolving goals and priorities.
- **Capacity Building:** Invest in the training and development of employees and leadership to foster a culture of strategic thinking and planning. Equipping staff with the necessary skills and knowledge empowers them to actively contribute to the strategic planning process and ensures its effective execution.
- **Embrace Technology:** Leverage modern

information technology and data management systems to support the strategic planning process. These tools enable efficient data collection, analysis, and reporting, providing timely and accurate information for decision-making.

- **Stakeholder Engagement:** Foster strong engagement with stakeholders, including local governments, citizens, and development partners, to ensure that strategic planning reflects the needs and expectations of the community. Engaging with stakeholders not only enhances the relevance of strategies but also builds trust and support for the institution's initiatives.

By implementing these recommendations, public institutions, like the Ministry of Local Government in Rwanda, can improve their strategy planning practices, leading to more effective performance outcomes and better service delivery to the public. Effective strategic planning not only aligns an institution's efforts with its mission but also enhances its adaptability in an ever-evolving environment.

Suggestions for Further Studies

Further research in the area of strategy planning practice and its impact on organizational performance could take several directions. First, investigating the moderating variables that might influence the relationship between strategy planning practice and performance could provide a deeper understanding. Factors such as organizational culture, leadership styles, and external environmental factors might play a significant role in shaping this relationship and warrant more in-depth exploration.

Second, comparative studies across different public institutions or various countries can offer valuable insights. Analyzing the nuances and variations in the implementation of strategy planning practices in diverse contexts can help identify best practices and adaptability of strategies in different settings, contributing to a more comprehensive understanding of this relationship.

Moreover, longitudinal studies could be beneficial in assessing the long-term effects of strategy planning practice on performance. Investigating how organizations sustain or adapt their planning practices and how this impacts performance over time could provide valuable insights into the dynamics of this relationship.

Lastly, the qualitative aspects of strategy planning, such as the decision-making processes and the involvement of stakeholders, deserve more attention. Qualitative research methods, including in-depth interviews and case studies, can help delve into the intricacies of strategy planning and its impact on performance, offering a richer perspective on this critical subject.

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