

**STRATEGIC PLANNING PRACTICES AND PERFORMANCE OF LIBERTY  
LIFE ASSURANCE IN KENYA**

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REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
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## **DECLARATION**

This project is my original work and has not been presented for the award of a degree in this University or any other Institution of higher learning for examination.

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**D61/67586/2013**

This project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

This project is dedicated to my family members for their support and encouragement.

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I express my sincere gratitude first and foremost to the Almighty God for the strength, courage and guidance throughout this study programme, I would not have accomplished it without His help. I would also wish to recognize the institution, University of Nairobi for the resources and assistance they afforded me, and to all my lecturers for very ably imparting their knowledge. Thank you. I thank and appreciate my supervisor, Prof. Martin Ogutu, who was inspirational never retired and was always at hand to offer professional help in the efforts of guiding me in the development of the topic, research proposal and subsequently project writing. Thank you. I seize this opportunity to extend my sincere gratitude to Liberty Insurance in Nairobi for allowing me to undertake the research.

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>iv</b>
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.1.1. The Concept of Strategy.....	2
1.1.2. The Concept of Performance.....	3
1.1.3. Insurance industry in Kenya.....	4
1.1.4. Liberty Life Assurance Kenya .....	5
1.3. Research Objectives.....	7
1.2. Research Problem.....	6
1.4. Value of the Study.....	7
<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>9</b>
2.1 Introduction .....	9
2.2 Theoretical foundation .....	9
2.2.1 The Resource Based Theory.....	9
2.2.2 Contingency Theory .....	10

2.3 Strategic Planning Practices in organizations .....	11
2.4. Strategic Planning Practices and organizational Performance .....	13
2.5. Empirical Studies and Knowledge Gaps .....	14
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>17</b>
3.1 Introduction .....	17
3.2 Research Design .....	17
3.3 Data Collection.....	17
3.4 Data Analysis .....	18
<b>CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION.....</b>	<b>19</b>
4.1. Introduction .....	19
4.2. Demographic Information .....	19
4.3 Strategic Planning Practices .....	20
4.3.1 Strategic Planning Practices at Liberty Life Assurance .....	20
4.3.2 Respondents Involvement in the formulation of the strategic planning.....	20
4.3.3 Conducting an Expert Analysis.....	21
4.3.4 Criteria for Selecting the Strategic Planning Practices .....	21
4.3.5 Respondents involvement in the Choice of the Strategic Planning Practices ..	21
4.3.6 Strategic Planning Practices Assistance in Achieving the Set Objectives of Liberty Life Assurance.....	22

4.4 Strategic Planning Practices and Organization Performance .....	22
4.4.1. Comparison of Liberty Life Assurance Performance with other Insurance Companies .....	22
4.4.2. Rating the performance of Liberty Life Assurance Performance in relation to other Insurance Companies .....	23
4.4.3. Performance Benefits Attained by the Strategic Planning .....	23
4.4.4. Strategic Planning and Efficient and Effective Decision Making Policies .....	24
4.4.5. Extent to which Application of Strategic Planning Practices improves the Organization .....	25
4.5. Discussion of findings .....	25
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS. 28</b>	
5.1 Introduction .....	28
5.2 Summary of findings .....	28
5.2.1 Strategic Planning Practices .....	28
5.2.2. Strategic Planning Practices and Organization Performance .....	29
5.3. Conclusion.....	30
5.4. Recommendation.....	31
5.5. Limitations of the Study .....	32
5.6. Recommendations for Further Research .....	33

<b>REFERENCES .....</b>	<b>34</b>
<b>APPENDIX .....</b>	<b>39</b>
Appendix: Interview Guide .....	39



## **ABSTRACT**

Strategic planning can be useful for motivations behind; gathering, breaking down, and combining data to consider its strategic essentialness and casing conceivable decisions; creating considered judgments among key leaders about attractive, attainable, faultless, and satisfactory missions, objectives, systems, and activities. The point of the examination was to look at the impact of strategic planning rehearses on execution of Liberty Life Assurance in Kenya. This research study used a case study research design to address the objectives of the study. The research used an interview guide to collect data. The interview guide targeted senior staff involved in strategic planning in the head office at Liberty Life Assurance. This was done by using semi-structured open-ended questions to give the research a qualitative approach. The interviewers consisted of seven senior staff Liberty Life Assurance. The data collected was analyzed using the content analysis technique. The examination built up that strategic planning practice to incorporate expanding income accumulation through advancing consistence with Kenya's duty, exchange and outskirt enactment and control by advancing the guidelines set out in the Taxpayers Charter and mindful implementation by profoundly energetic and proficient staff. The study further established that that Liberty Life Assurance conducts expert analysis before choosing a strategic planning exercise but in rare cases. The study established that that strategic planning in the organization resulted in efficient and effective decision making policies that led to organization performance. The study built up that the advantage of a strategic planning discipline is that it encourages powerful basic leadership, better determination of strategic alternatives and cooperation. The study additionally settled that strategic planning in connection to the different insurance agencies yielded a finish of abnormal state of understanding since every one of the methods were over the upper quartile which shows assention. The study inferred that the advantage of a strategic planning discipline is that it encourages powerful basic leadership, better determination of strategic alternatives and collaboration. Likewise, respondents showed that strategic planning helps in obviously characterizing the reason for the association and to building up practical objectives and destinations predictable with that mission in a characterized time allotment inside the association's ability for usage which helps in compelling basic leadership strategies. The study suggested that Strategic planning is the key and guide to be copied by any insurance agency that needs to prevail in the unforgiving business atmosphere.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

There is a direct correlation between strategic planning and performance of an organization. Strategy focused enterprises are more likely to post better results than similar enterprises whose management do not embrace strategic planning; who view planning as secondary in an organization. Simerson (2011) posits that planning is as critical to organizations as it is to individuals, in that it provides a clear and distinctive direction to an organization. Without clear strategy, the purpose of an organization may become blurred to its employees, misunderstood by stakeholders; resources might be misapplied and in totality, the organization will perform sub optimally. In the current market trends, organizations need clear strategy to enable them to enter new markets successfully, as well as maintain the existing market share by quickly adapting to new technology.

This study was guided by various theories which include resource-based view of a firm (RBV) theory and contingency theory. The resource based view of the firm (RBV) has shown that nearly all companies have adequate assets that can be converted to liquid assets with a specific end goal to increase upper hand. As per the contingency theory there is nobody or single most ideal approach to oversee associations. Associations should then create administrative procedure in light of the circumstance and condition they are encountering. The theory suggests that management principles and practices are dependent on the situation.

Most Insurance companies in Kenya face cut throat competition and may end up liquidating if they perform poorly. This study sought to bring out the correlation between strategic planning and association execution, offering regard for the strategic planning steps including association's corporate reason and the environmental factors that affect the insurance industry. Through adoption of strategic planning as a method for enhancement, insurance companies choose a course that will enhance growth and development. Strategic planning is therefore essential in making sure that there is continued excellent business development and only those organizations that practice some form of strategic planning will survive.

Insurance industry in Kenya has experienced huge losses due to poor strategic planning (Vintila and Nenu, 2016). Thus poor strategic planning in the Insurance industry in Kenya poses major challenge which adversely affects the overall performance. If not properly managed, poor strategic planning may lead to severe consequences in the institution (Marozva, 2015). It is for this reason that Liberty Life Assurance needs to adopt effective strategic planning practices to ensure that they are able to compete and survive in this turbulent environment. In work environments, business planning is adopted in a generally more systematic, disciplined approach.

### **1.1.1 The Concept of Strategy**

The main focus of the strategy is the lasting bearing and scale of a group. The strategy also brings out the actual way in which the organization indents to position itself in the market especially during competitive eras. This means, it is purposed to create a competitive edge for the company, which gives the company sustainability over time,

not by technological maneuvering but through a long-term view (Johnson & Scholes, 2002). The word strategy in many ways have been defined and used differently by many different scholars who generally feel quite open to use it distinctively.

Based on the Game Theorists, a strategy is a concrete measure or rule for picking the kind of reactions that a company should demonstrates during harsh conditions. The strategy can be of help even in “high-level” or “long-term” planning, whereas to others is just as referring to broad issues of “mission” (Capon, 2008). A strategy entails an exclusive technique that works under vision used in performing business.

The strategy also brings out the actual way in which the organization intends to position itself in the market especially during competitive eras. This means, it is purposed to create a competitive edge for the company, which gives the company sustainability over time, not by technological maneuvering but through a long-term view (Johnson & Scholes, 2008). It clearly spells out the company’s direction, current position and how it gets there in the defined period. However, a company must develop strategies that will help it to counter its rivals as well as internal weaknesses (Barney, 2001).

### **1.1.2 The Concept of Performance**

The concept of performance measurement tries to respond to the question of how much input is required to achieve a particular output. A firm performance is tried against the dedication that the organization made in its structure framework. It gauges the administration plans of whether social, efficient and environmental goals are being accomplished. Many organizations are employing multiple measures of performance as opposed to a single measure that might have been used in the past. Organization

performance can be done by introducing organization management system. According to Albrecht (2011), drivers of organizational performance include Strategic focus, leadership, knowledge management, and others, which are all key considerations in growth of business. Two organizational performance dimensions that are dominant in this study are profitability and market share. Profitability may be measured in terms of increased surplus revenues, and market share be measured in terms of increased sales, as well as an increased revenue base.

### **1.1.3. Insurance industry in Kenya**

Insurance can be said to be a contract between the insurer (insurance company) and the insured. The insured pays a certain amount of money to the insurer and in return promised to be compensated against the risk of financial loss. Resulting from this the policy holders gets peace of mind and can therefore concentrate with their core business. Insurance companies operate under various principles but of great interest is indemnity that is to restore one to his original financial position. Insurance companies are also financial institutions and they are under ministry of treasury, they do provide financial services thus they are an important sector of the economy. The insurance industry has members' association known as the Association of Kenya Insurers (AKI). The functions of IRA as per the Act are supervision, development and regulation of the whole industry in Kenya. The industry total assets went up by 19.2% that is from 359 billion shillings in Dec of the year 2013 to 425 billion Kenyan shillings Dec 2014. Assets for generating income also went up to 353.5 B KSH, this being 19.25% increase. As in most cases with African countries, the insurance market in Kenya is greatly made

by the non-life segment. The segment of medical has been steadily penetrating over the past few years but majority of people have not given it a priority.

In the Swiss Re (2015) report non-life contributed 66.3% of all premiums. This percentage is however low compared to 69.5% it contributed in the year 2013. Its evidence that the major component of non-life at 41% is car insurance where 25% is commercial car while 16% are private one. Medical class constitutes 23% while on the other hand fire has got slightly over ten percent. The industry realized 21.3% growth in gross premium up to 157.89 billion Kenyan shillings in 2014 compared to 131.1 billion KSH in 2013. The income from premium under life segment was 56.55 B Ksh. It's clear that non-life is the major booster for the industry. Re-insurance was also not left behind since premiums rose to Ksh 16.42 billion compared to 12.49 billion previous years. This was a 31.66% increase.

#### **1.1.4. Liberty Life Assurance Kenya**

Liberty Life Assurance Kenya Limited is a disaster protection supplier that has been giving applicable items to Kenyans to the last 50 years. It was already known as CFC life before it rebranded itself. Liberty is an expansive based riches administration bunch gaining practical experience in disaster protection, resource administration, retirement and speculation planning, property administration and improvement, wellbeing plans and organization. The organization has resources of over Kshs. 21 Billion and gives an extensive variety of protection items including customary life, assemble life and annuity (CFC life, 2015). Liberty is dominant part possessed by Standard Bank Group (working as CFC Stanbic Bank in Kenya), the biggest budgetary administrations assemble in Africa which thus is 20% claimed by the biggest bank on the planet, ICBC of China.

Liberty has an impression that spreads 15 nations in Africa under the Liberty and STANLIB marks dominantly.

## **1.2. Research Problem**

For an organization to accomplish its wanted objective and boost benefits it needs to take after the progression of corporate strategic planning which includes characterizing the authoritative vision and mission, natural checking, setting of goals, producing strategic alternative, assessing and settling on the strategic techniques to screen advance. Performance is ensured and a clear vision is set that avoids confusion between the activities of the business.

Insurance agencies are progressively grasping the act of strategic planning in expectation this would mean enhanced performance. This study looked to inspect the connections between strategic planning and association execution, offering thoughtfulness regarding the strategic planning steps including association's corporate reason and the natural factors that influence the protection business. Strategic planning is in this manner key in guaranteeing preceded with great corporate execution and just those associations that training some type of strategic planning will survive.

Several studies have been done in Kenya on strategic planning practices. Ongaki (2014) directed a study on strategic administration activities at Jubilee insurance where he addressed how insurance firms can deliver appropriate insurance appropriate insurance products on a large scale to the uninsured in East Africa. Sheikh, (2000) conducted a study on strategic response by insurance companies following linearization and concluded that the companies in the industry consider strategic management practices to be important. Murega (2010) did a study on the Strategic Planning Practices at the

Barclays Bank of Kenya and established the need for strategic planning in the banking industry.

Despite all the studies that have been done with regard to the topic no study has been done on strategic planning practices and performance of liberty life assurance, Kenya. This creates a knowledge gap that exists in this field. This study aims at filling the gap by answering examining effect of strategic planning practices on performance of liberty life assurance, Kenya.

### **1.3. Research Objectives**

The research objective was to examine the influence of strategic planning practices on performance of Liberty Life Assurance in Kenya.

### **1.4. Value of the Study**

The study will also come in handy for firms in the insurance sector in Kenya. It will enable management to improve their strategic planning processes where they exist, or to successfully introduce the same where they don't. As a consequence, it is hoped that personnel in management position in the sector will improve firm performance through the strategic planning processes. This will enable the insurance firms to perform better and to grow their businesses and maintain a competitive advantage and make Kenya the most preferred place for business diversification. The sector will also benefit from superior insurance services.

It may help the Employees will find this study useful and will appreciate the best strategic planning that can meet their daily operations in the insurance. AKI will utilize the findings to appreciate the extent in which the strategic planning practices affects their company's financial performance. The Insurance Regulatory Authority (IRA) will



find this study useful in putting measures that will be practical in apprehending the vice.

The general public is the immediate beneficiaries of insurance products.

This chapter has discussed the background of the study which comprises of the concept of strategy, strategic planning practices, organization performance, strategic planning practices and organization performance, insurance industry in Kenya, and liberty life assurance Kenya.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter reviewed literature on strategic planning practice and its relationship with performance. It gives insight into the theoretical foundations, strategic planning, strategic planning practices, challenges of strategic planning, benefits of strategic planning and strategic planning practices and organization performance.

### **2.2 Theoretical foundation**

Among the theories that form the foundation of strategic management include; the resource based theory, the agency theory and the contingency theory. Here we look at two of them, the resource based theory and the contingency theory.

#### **2.2.1 The Resource Based Theory**

The Resource-Based View Theory (RBV) of Wernerfelt (1984), prescribes that power can be creatively passed on preferred customers. The surviving written work bases on the fundamental conspicuous evidence and use of assets by a firm to build up an oversaw high ground (Borg and Gall, 2009). Overall, business researchers in like manner elucidate the accomplishment and disillusionments of firms by contemplating the forcefulness of their reinforcements or neighborhood conspiracies in creating markets. Neighborhood learning gave by reinforcement or close-by union transforms into an indispensable asset for conceptualizing a motivation as indicated by the adjacent necessities (Gupta et al., 2011).

Okumu's (2013) distinguished eleven factors normally specified by other research structures that affect strategy implementation and result. These factors are; strategy

improvement, ecological vulnerability, hierarchical structure, authoritative culture, administration, resource designation, correspondence, individuals, control and the result. Albeit early contributions to resource based view theory and dynamic capacities originated from the discipline of economic, the business field of strategic management has made huge commitments to resource dependence theory and dynamic abilities. Penrose (1959), gave a general theory of the development of the firm, a theory of enterprise in light of the subjective opportunity set of the firm, extension in view of indivisibility nature and the adjust of procedures, a resource based view theory of strategic management, and a theory of extension through acquisition and merger.

Penrose gives a theory of the cutoff points to the rate of the development of the firm, specifically, contending that the coupling requirement on the organization's rate of the development is given by the limits of its current management the supposed Penrose impact. Penrose (1959) was concerned about the development of firms and just by chance with the size of the firm. Penrose contends that firm size is just a byproduct of the procedure of development and that there is no ideal, or even most beneficial, size of the firm. Penrose is principally concerned about a hypothetical examination of the development procedure of the firm. The services that assets yield rely upon the limits of the general population utilizing them; however, the advancement of the limits of individuals is not completely formed by the assets they deal with. The two together make the unmistakable, subjective, profitable opportunity set of a specific firm.

### **2.2.2 Contingency Theory**

The contingency theory draws there is nobody or single most ideal way to deal with organizations. Organizations should then create administrative procedure in view of the

circumstance and condition they are encountering. To put it plainly, amid the procedure of system definition, execution and assessment, these principle strategic administration hypotheses will be appropriate to administration of association as apparatuses to help them in settling on strategic and guided administrative choice.

Contingency theory recommends that administration standards and practices are reliant on situational suitability. The required leap forward for administration theory and practice can be found in a contingency approach. The data it conveys should associate with the diverse strategic plans which are not quite the same as organization to organization. It identifies with the strategy for development of the strategic plan and its succeeding utilization. The reasonable utilization of an organization observation or theory is therefore subject or reliant on an arrangement of factors that enable the client to fit the theory to the states and specific issues.

### **2.3 Strategic Planning Practices in organizations**

Strategic planning practices includes concocting the organization vision and statement of purpose, execution of circumstance analysis lastly technique definition and decision (Pearce and Robinson, 2008). Strategic choice decides the authoritative relations to its outer condition, include the whole association, relies upon contribution from the majority of the utilitarian zones in the association, impact the managerial and operational exercises, and are imperatively critical to the long haul wellbeing of an association (Shirley, 1982). A valuable model, which frames the reason for the rest, is the one created by Johnson and Scholes (1993) and is utilized generally. It comprises of three principle components, each of which has three noteworthy areas. These

components, which are interlinked, are: strategic analysis; strategic decision; and methodology usage.

A strategic plan is normally set by the best administration and has a period skyline predictable with the filtering capacities of the association and set at the hazard level that planners feel is fitting for their associations. The essential objective of the planning is direct the association on the degree, asset necessities, upper hand, quality desires, social duty issues, and cooperative energy (Henry, 2004). Henry (2004) clarifies that no measure of elaboration will ever empower a formal procedure to replace administrators who are completely occupied with their operations, or so far as that is concerned supplant the basic and imaginative feeling that is important to make novel and creative systems.

As indicated by Bresser and Bishop (2003), strategic planning practice is the result of the best personalities inside and outside the partnership. The procedure thinks about future ramifications of current choices, alters plans to the developing business condition, deals with the business systematically, and interfaces, coordinates, and controls complex ventures through a reasonable, working administration framework. Albeit strategic planning is essential, what is most critical is the manner by which it is novel from other association's procedures. Numerous associations continue rethinking their central goal and vision articulations, compose classes and incorporate experts to define systems in order to accomplish upper hand.

As indicated by Bryson (2004), strategic planning is a restrained push to deliver principal choices and activities that shape and guide what an association or other element is, the thing that it does and why it does it. Strategic planning looks forward

towards wanted objectives. Strategic plan characterizes execution to be measured, while execution estimation gives input against the planed target (Dusenbury, 2000).

#### **2.4. Strategic Planning Practices and organizational Performance**

No organization exists in a vacuum; every single one of them fits in with a particular domain to which it is inseparably associated. This condition gives a few foundations which have differing suggestions on the firm and its performance. Steiner (1979) noticed that strategic planning invigorates the future on paper and it empowers and allows a director to see, assess and acknowledge or dispose of a far more noteworthy number of option strategies than he may some way or another consider. Organizational performance is tied in with making an incentive for the essential recipients of the organization.

Strategic plan comprises of plan forms that are attempted in firms to make procedures that may raise their performance. The fundamental target of strategic plan is to concentrate on the long haul, custom, the utilization of plan instruments, and incessant control of plans. Strategic plan can add to performance by producing significant data, by making a superior comprehension of the critical condition, and by decreasing vulnerability (Schwenk and Shrader, 2003). While the analysis of the performance effect of strategic plan has to a great extent been limited with regards to bigger firms (Bracker et al., 2008; Schwenk and Shrader, 2003), its relationship with regards to littler firms has not been given much consideration in existing exploration. While there is some proof in help of a positive connection between strategic plan and performance in littler endeavors, different examinations discover no relationship or even a negative relationship.

Because of studies featuring the effect of strategic planning on firm performance late examinations have seen a more noteworthy concentrate on the strategic procedure as opposed to just on the system content that (Godiwalla, Meinhart and Warde, 1981) proposed in their initial study. There is however a great deal of writing on the benefits of planning, particularly on its capacity to enhance the connection between the organization and its outer condition (Godiwalla, Meinhart and Warde, 1981). Others have contended that planning helps in the ID of future advertising dangers and openings, draws out a target perspective of administrative issues, makes a system for interior correspondence, advances ground breaking and urges an ideal state of mind to change (Hausler, 1968).

Doorman (2004) clarifies that the business condition is perplexing, dynamic and aggressive. To set up your business inside an industry to a performing level the organization need to strategize and utilize strategic planning practices as key angle towards situating themselves strategically in the market. Strategic planning practices is the device for empowering an organization build up a remarkable position to gain an extraordinary upper hand. Strategic planning gives every one of the workers' clear prerequisites and rules with regards to the fate of the organization.

## **2.5. Empirical Studies and Knowledge Gaps**

Thune and House (2010) studied 36 manufacturing companies in the United States across six sectors namely the food, oil, drugs chemicals, steel and machinery industries. Covering both formal and informal planners, their method involved analyzing the performance of each organization prior and then afterward formal strategic planning was started. The factors which were utilized to gauge performance were deals; stock costs;

profit per share; return on value and profit for capital utilized. The findings from the study showed that those who employed formal planning outperformed their informal counterparts on all performance measures used.

Efendioglu and Karabulut (2010) in their study concentrated on the nature and routine with regards to strategic planning in Turkish organizations by inspecting the appropriation and use of different technique analysis devices like the PESTEL analysis, the Value Chain analysis, the Growth Share Matrix (BCG) and their impact on the relative performance. The performance measures utilized were normal benefit every year, normal deals development every year and normal fare development every year. The findings of the study uncovered that an extensive number (over 86%) of the organizations in the specimen had a strategic procedure set up. Be that as it may, the fundamental inquiry on the effect of the utilization of strategic apparatuses on performance stayed unanswered in light of the nine normal devices of procedure analysis explored just three were considerably emphatically associated to the performance of the firm.

Kathama (2012) researched the connection between strategic planning practices and performance of state companies in Kenya. The examination found that the enterprises started various strategic planning practices that positively affected performance of organizations yet the effect was not noteworthy at 5% level of certainty. The study in this way neglected to build up a huge impact of strategic planning on firm performance however the model was fit at a similar level of certainty. This may suggest that some of the practices could have shown significant impact had the researcher modeled the



strategic planning practices individually rather than lump all the practices together into one variable while running the regression model.

Arasa, et al (2012) inspected the effect of representative association on the apparent connection between's strategic planning and strategic planning results. The study was done inside the protection part. An organized poll was utilized to assemble the required data from 31 firms. The exploration findings demonstrated that representative cooperation demonstrated a positive connection between's strategic planning and strategic planning results and this impact was factually huge. This study is essential as it demonstrates the directing impact that support of workers had on the connection between strategic planning and firm performance.

Ong'ayo (2012) sought to establish the employee's perception on the effect of strategic planning on organizational performance in the Ministry of Foreign Affairs (MFA). The research found that the employees perceived strategic planning to have led to achievement of various performance measures such as customer satisfaction, customer loyalty, among others.

This chapter has examined the hypothetical establishments that will grapple the study which includes the resource based theory and the contingency theory. It has additionally looked into the writing accessible on strategic planning practices in organizations and strategic planning practices and organizational performance. The chapter drew out the real contrasts between this study and past investigations which have been done both locally and universally. The following chapter will concentrate on the exploration approach that will be utilized.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the research method and the study blueprint that was used in conducting the research study. It specifically provided the research design adopted, data collection tools and strategies used in the collection and data analysis that was applied in the study. In addition, stated why they were the most suitable for the research study and thus, gave the researcher a platform to identify the factors that influence strategic planning practices on performance of Liberty Life Assurance in Kenya.

### **3.2 Research Design**

This refers to the methodological approach adopted for purposes of answering research question and outlines an effective system to be followed in the study (Kerlinger, 1973). For purposes of this study the research adopted a case study research design whereby data concerning the relevant strategic planning practices was obtained. The design was appropriate to obtain information about the subject of the study (Yin, 2003). The study gave an insight into Liberty Life Assurance challenges and benefit in its strategic planning practices. Using a case study therefore was useful for investigating how the practices change over time perhaps as a result of different circumstances or interventions.

### **3.3 Data Collection**

The systematic and orderly way of gathering data base on the research objective is called data collection. Data collection instruments can be questionnaires, interviews, schedules and available records (Orodho, 2003). The research used an interview guide to collect data. The interview guide targeted senior staff involved in strategic planning in the head

office at Liberty Life Assurance. This was done by using semi-structured open-ended questions to give the research a qualitative approach. The interviewers consisted of seven senior staff Liberty Life Assurance. These are heads of corporate planning, human resources, quality service delivery, investigation and enforcement, internal audit, revenue collection, and finance department. These heads of departments were selected because they were responsible for strategic planning, strategy formulation, control and implementation. The researcher personally interviewed the interviewees.

### **3.4 Data Analysis**

The data gathered was investigated utilizing the content analysis procedure. Babbie (2001) noticed that the content analysis measures the specific issue in the information. Its broadness makes it an adaptable and colossal device that might be utilized as a remain solitary approach or as an issue particular strategy. Content analysis fits in with three essential standards of logical strategy and in this manner favored. They are; objectivity, which implies that the analysis is sought after on the premise of express standards, which help differing scientists to acquire similar outcomes from a similar archive or messages; orderly; the incorporation or rejection of content is finished by some reliably connected issues (Franzosi, 2004). This chapter displayed the techniques that were utilized to do the examination. It concentrated on the examination outline that was utilized as a part of the investigation particularly contextual analysis explore plan. The chapter has likewise clarified how data was gathered and how it was broken down.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1. Introduction**

This chapter reports the results and interpretation of the findings. The focus was on investigating the information gathered from every one of the respondents in the association and giving an unmistakable elucidation of the outcomes. The principle center of the investigation was to decide the strategic planning practices and execution of Liberty Life Assurance, Kenya, to achieve this; information was gathered by utilization of an interview guide which contained open ended inquiries that helped in gathering of as much information.

#### **4.2. Demographic Information**

The study aimed at collecting information from the senior staff involved in strategic planning in the head office at Liberty Life Assurance. They each had different but quite long working periods with majority having worked for a period of 15 years and above at Liberty Life Assurance. They worked at various limits in various divisions in this manner gave clear data on strategic planning hones at Liberty Life Assurance and the way the same is applied in every one of the offices. Majority of them were in the department of strategic planning and implementation.

### **4.3 Strategic Planning Practices**

The study asked the interviewees various questions relating to strategic Planning practices adopted by Liberty Life Assurance and obtained various responses. This was meant to indicate how implementations of strategic planning practices, amid major varied challenges are successful.

#### **4.3.1 Strategic Planning Practices at Liberty Life Assurance**

The respondents were kindly asked to indicate strategic planning practices adopted by Liberty Life Assurance. They indicated strategic planning practices to include maximizing revenue collection through promoting compliance with Kenya's tax, trade and border legislation and regulation by promoting the standards set out in the Taxpayers Charter and responsible enforcement by highly motivated and professional staff. They further indicated strategic planning practices at Liberty Life Assurance to include: performing market research, analysis of investment opportunities, customer services, efficiency of operating process, and analysis of financial strengths and weaknesses.

#### **4.3.2 Respondents Involvement in the formulation of the strategic planning**

The study sought to establish whether respondents were involved in the formulation of the strategic planning. The findings indicated that majority of the respondents felt that they were involved in the Strategy Planning process, that their opinions were sought and taken into consideration in the planning process and are conversant with the organization's opportunities and threats within the plan.

#### **4.3.3 Conducting an Expert Analysis**

Interviewees were kindly requested to state whether their organization conducts an expert analysis before choosing a strategic planning exercise. Respondents agreed that Liberty Life Assurance conducts expert analysis before choosing a strategic planning exercise but in rare cases. Expert analysis is finished by chiefs at various branches with assistance from the workers from everywhere throughout the nation where Liberty Life Assurance is available. Everybody is engaged with somehow since the systems been embraced in various divisions are because of the input given by representatives in their cooperation with customers. Worker Opinion Survey is ordinarily directed to comprehend representatives' sentiments and feelings toward technique improvement. Natural examination is completely led by recognizing distinctive patterns and relating them with the data accumulated from all the branches in the country.

#### **4.3.4 Criteria for Selecting the Strategic Planning Practices**

The study revealed that strategic planning practices are selected if; objectives and goals are reflected in the company's strategic plan, the mission and vision of the company are clearly stated and can be understood by both employees and clients, liabilities and assets of the company were put into consideration before the drawing up of the current strategic plan, flexibility and the SWOT of the company are well mitigated in the strategic plan of the company

#### **4.3.5 Respondents involvement in the Choice of the Strategic Planning Practices**

The study sought to determine from the respondents whether they were involved in the choice of the strategic planning practices that are now being used at Liberty Life

Assurance. According to the respondents, relative to the type of strategic planning practices; every concerned employee/manager is involved in strategic planning practices, with clearly defined leadership and scope.

#### **4.3.6 Strategic Planning Practices Assistance in Achieving the Set Objectives of Liberty Life Assurance**

The respondents were also asked to point out whether the strategic planning practices applicable in the Liberty Life Assurance assist towards achieving the set objectives of Liberty Life Assurance. Respondents retorted that the plan clearly outlines the Vision and Mission Statements. All the respondents state that the plan clearly outlines the organization's strengths and weaknesses and agreed that the plan had clearly stated objectives.

#### **4.4 Strategic Planning Practices and Organization Performance**

The study asked the interviewees various questions relating to strategic planning practices and organization performance at Liberty Life Assurance and obtained various responses. This was meant to indicate how strategic planning practices influence performance during its reinvention. This will help the corporation's future planning managers and also benefit other organizations in Kenya and indeed the region.

##### **4.4.1. Comparison of Liberty Life Assurance Performance with other Insurance Companies**

The study sought to determine the comparison of liberty life assurance performance with other insurance companies. The various aspects of strategic planning in relation to the

various insurance companies yielded a conclusion of high level of agreement since all the means were above the upper quartile which indicates agreement. The net income ratio was also deemed important among the companies in the generation of profits and also the level of market share was suggested to affect the performance of the various companies. The trends witnessed in policy sales growth had a majority of them showing a decrease while claims settlement speed was seen as a factor that would impact the performance of insurance companies.

#### **4.4.2. Rating the performance of Liberty Life Assurance Performance in relation to other Insurance Companies**

The interviews were asked to rate the performance of liberty life assurance performance in relation to other insurance companies. The study established that the ranking system adopted by Liberty Life Assurance indicated a drop in profitability from 2011 to 2013 with an increase in non-profitability in the same years. An organization can be deemed as performing well in relation to the number of branches it has in existence and how far in geographical location they are spread thus the more the number of branches, the better placed a company is while also the number of employees is a key determinant of what an organization requires to meet the needs of its clients; the more the number of employees the broader and more dynamic a strategic plan should be.

#### **4.4.3. Performance Benefits Attained by the Strategic Planning**

The study sought to establish the benefits attained by the strategic planning. From this examination, it was obvious that the execution of whole association depended intensely on the plan which was set accordingly it is an essential procedure that is given more



prominent help by every one of the supervisors. Also the study established that strategic planning helps in effective decision making and clarity of purpose. The study established that there is improved profitability, market share and increased revenue collection as a result of effective strategic planning.

#### **4.4.4. Strategic Planning and Efficient and Effective Decision Making Policies**

The interviewees were requested to indicate whether strategic planning in the organization resulted in efficient and effective decision making policies that led to organization performance. The examination set up that the advantage of a strategic planning discipline is that it encourages viable basic leadership, better choice of strategic choices and cooperation. Furthermore, respondents demonstrated that strategic planning helps in plainly characterizing the motivation behind the association and to building up sensible objectives and goals reliable with that mission in a characterized time period inside the association's ability for execution which helps in compelling basic leadership arrangements. The head working officer demonstrated that strategic planning expands viability. He expressed that successful strategic planning requires just a modest bunch of methods. That is; Start by connecting with duty, Purpose guides everything, Analyze the association in its specific situation, support systems and Evaluate plan execution.

Some of the respondents stated that strategic planning provides a clear focus by producing more effectiveness and efficiency. They also stated that strategic planning increases effectiveness by building strong teams in the board and staff. One of the respondents added that strategic planning keeps the board together. Strategic planning according to the respondents also increases productivity and solves major problems in the organization

#### **4.4.5. Extent to which Application of Strategic Planning Practices improves the Organization**

The study aimed at finding out which application of strategic planning practices improve the organization. The respondents stated that the application of strategic planning practices has influenced the organization performance in positive ways such that it has made the firm to be more competitive than before, it has increased the productivity of the firm which has improved the market share thus increasing the profits. The respondents further indicated that the organization has expanded in terms of growth that is more branches have been established, employee base has also increased leading to overall increase in performance of Liberty Life Assurance. The study established that a link exists between strategic planning and organization performance in that a plan is always initiated to improve the performance of an organization. The study further established that a plan happens when the organization performance has deteriorated to an extent of incurring losses in its operations.

#### **4.5. Discussion of findings**

The findings indicate that Liberty Life Assurance conducts expert analysis before choosing a strategic planning exercise but not all the time. Expert analysis is finished by chiefs at various branches with assistance from the workers from everywhere throughout the nation where Liberty Life Assurance is available. Everybody is engaged with somehow since the systems been embraced in various divisions are because of the input given by representatives in their cooperation with customers. Worker Opinion Survey is ordinarily directed to comprehend representatives' sentiments and feelings toward

technique improvement. Natural examination is completely led by recognizing distinctive patterns and relating them with the data accumulated from all the branches in the country.

These findings are reliable with those of Rap, (2004), who contends that every association has its own particular culture through which it conducts master analysis before picking a strategic planning exercise. The corporate culture makes and thusly, is made by the nature of the inside condition. Thusly, culture decides the degree of collaboration, level of devotion, and profundity of strategic speculation inside an association. Therefore, different advancement specialists have now set out to urge governments to strategically plan and reveal an organized and far reaching procedure to outfit their business potential as a turn for development (Bryson, 2004).

The examination additionally settled that strategic planning in the association brought about productive and compelling basic leadership strategies that prompted association execution. The investigation set up that the advantage of a strategic planning discipline is that it encourages successful basic leadership, better determination of strategic alternatives and cooperation. Furthermore, respondents showed that strategic planning helps in unmistakably characterizing the motivation behind the association and to building up reasonable objectives and goals predictable with the mission. The head working officer expressed that viable strategic planning requires just a modest bunch of systems. That is; Start by drawing in duty, Purpose guides everything, Analyze the association in its unique circumstance, decide techniques and Evaluate plan execution.

A portion of the respondents expressed that strategic planning gives a reasonable concentration by delivering more viability and productivity. Bryson, (2004) additionally settled that the most conclusive portrayal of the strategic planning comprises of eight broadly perceived advances; an underlying understanding or plan for planning; recognizable proof and elucidation of commands; mission definition; outer environmental appraisal; interior asset evaluation; strategic issue ID; methodology improvement and a depiction of the association later on its vision of progress.

The examination built up that the advantage of a strategic planning discipline is that it encourages viable basic leadership, better determination of strategic alternatives and cooperation. Also respondents showed that strategic planning helps in unmistakably characterizing the motivation behind the association and to building up sensible objectives and targets steady with that mission in a characterized time period inside the association's ability for usage which helps in powerful basic leadership strategies. Ryals and Rogers, (2007) likewise recognized that the advantage of a strategic planning discipline is that it encourages successful basic leadership, better determination of strategic choices and it prompts a higher likelihood of accomplishing the proprietors' or partners' objectives.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This section provides the summary of findings, conclusions and recommendations from chapter four of the study. It further provides a recommendation on the areas for further studies.

#### **5.2 Summary of findings**

This section presents the summary of findings which are discussed in subsequent headings:

##### **5.2.1 Strategic Planning Practices**

The study established that strategic planning practices to include maximizing revenue collection through promoting consistence with Kenya's duty, exchange and fringe enactment and control by advancing the benchmarks set out in the Taxpayers Charter and dependable authorization by exceptionally energetic and proficient staff. They further indicated strategic planning practices at Liberty Life Assurance to include: performing market research, analysis of investment opportunities, customer services, efficiency of operating process, and analysis of financial strengths and weaknesses.

The study further established that that Liberty Life Assurance conducts expert analysis before choosing a strategic planning exercise but in rare cases. Expert analysis is

finished by supervisors at various branches with assistance from the workers because of the criticism given by representatives in their communication with customers.

The examination additionally settled that Liberty Life Assurance conducts master investigation before picking a strategic planning exercise yet not generally. Master investigation is finished by chiefs at various branches with assistance from the workers from everywhere throughout the nation where Liberty Life Assurance is available. Everybody is engaged with somehow since the techniques been embraced in various offices are because of the criticism given by representatives in their collaboration with customers. Worker Opinion Survey is ordinarily directed to comprehend representatives' emotions and feelings toward technique improvement. Ecological examination is completely led by recognizing diverse patterns and relating them with the data assembled from all the branches the nation over.

### **5.2.2. Strategic Planning Practices and Organization Performance**

The study established that that strategic planning in the organization resulted in efficient and effective decision making policies that led to organization performance. The study established that the benefit of a strategic planning discipline is that it facilitates effective decision making, better selection of tactical options and teamwork. In addition, respondents indicated that strategic planning helps in clearly defining the purpose of the organization and to establishing realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation which aids in effective decision making policies. The study further established that strategic planning in relation to the various insurance companies yielded a conclusion of

high level of agreement since all the means were above the upper quartile which indicates agreement.

The net income ratio was also deemed important among the companies in the generation of profits and also the level of market share was suggested to affect the performance of the various companies. The trends witnessed in policy sales growth showed a majority decrease while claims settlement speed was seen as a factor that would impact the performance of insurance companies.

The study established that strategic planning help in effective decision making and clarity of purpose. The study established that there is improved profitability, market share and increased revenue collection as a result of effective strategic planning. In addition, it was found that strategic planning helps in clearly defining the purpose of the organization and to establishing realistic goals and objectives consistent with that mission in a defined time frame.

### **5.3. Conclusion**

The investigation presumed that Liberty Life Assurance conducts master examination before picking a vital arranging exercise however in uncommon cases. Master investigation is finished by supervisors at various branches with assistance from the workers from everywhere throughout the nation where Liberty Life Assurance is available. The examination presumed that the advantage of a key arranging discipline is that it encourages powerful basic leadership. Moreover, respondents showed that vital arranging helps in plainly characterizing the motivation behind the association and to setting up reasonable objectives and goals.

At last the investigation closed execution of whole association depended intensely on the key arrangement set and in this way it is a critical procedure that is given more prominent help by every one of the directors. Likewise, the examination set up that vital arranging help in compelling basic leadership and lucidity of reason. There is enhanced benefit, piece of the pie and expanded income accumulation because of successful vital arranging. The examination found that the advantage of a key arranging discipline is that it encourages compelling basic leadership, better choice of strategic choices and cooperation.

#### **5.4. Recommendations**

The study made the following recommendations:

There ought to be improvement of a strategic plan procedure to guarantee suitable concentrate on both the pre-and post-usage challenges and should manufacture representative trust and pick up their sense of duty regarding the center esteems and targets of the association. The examination prescribes authoritative duty and hierarchical culture of workers inside the association ought to be analyzed. This is to enhance responsibility inside the association so workers can relate to their association and its objectives, and convey the administrations all the more adequately and effectively.

The measure of performance of insurance companies should not just be on their profitability but should also include aspects like levels of customer satisfaction, speed of claims settlement and also quality of underwriting services. Strategic planning is the key and road map to be emulated by any insurance company that wants to succeed in the harsh industry climate; consumers are evolving and have new preferences and options



for better products thus an insurance company that wants to remain competitive should be in the business of identifying why consumers would choose one product or service over the other and meet this need.

The speed at which claims are settled as proven to be a corner stone in determining whether companies will retain and get new customer or lose them. Insurance companies should ensure that their underwriting is done promptly and accurately to ensure that consumers get their claims settled on time and in a professional manner.

### **5.5. Limitations of the Study**

There was lack of finances to carry out the study on more interviewees and use of more research instruments and the study further experienced time constraints since the project was to be done within a short time frame. The study was however done on a few interviewees due to time constraint and used a comprehensive research instrument so as to capture as exhaustive data as possible on the strategic planning practices at the Liberty Life Assurance.

There was also lack of cooperation with some of interviewees who were uncooperative to fill the interview guide. The study was also limited by suspicion by the Liberty Life Assurance on what the information will be used for but this was overcome by persuasion that the information would only be applicable for academic issues only.

## **5.6. Recommendations for Further Research**

The researcher conducted a case study of the Liberty Life Assurance only and therefore recommends that for a more generalized conclusion to be made on the strategic planning practices for Kenyan organizations, a study should be done or conducted for the other organizations.

Rehearsal reviews, will also offer a particular preferred standpoint as they empower us to catch the net impact changes. By rehashing the review at an alternate time and making genuinely comparative inquiries, it empowers us to gather data that can without much of a stretch be looked at.

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## **APPENDIX**

### **Appendix: Interview Guide**

#### **Strategic planning practices at Liberty Life Assurance**

##### **Section A: Demographic Information**

1. Name of the respondent (Optional)
2. What is your position in the organization (Liberty Life Assurance)?
3. In which department are you working?
4. How long have you worked at Liberty Life Assurance?
  - a. Less than 5 years ☐
  - b. 5 to 9 years ☐
  - c. 10 to 14 years ☐
  - d. 15 years and above ☐

##### **Section B: Strategic Planning Practices**

5. Which are the strategic planning practices undertaken in your organization?
6. Were you involved in the formulation of the strategic planning in the organization?
7. In your own view do you think the strategic planning practices applicable in the Liberty Life Assurance assist towards achieving the set objectives of Liberty Life Assurance

##### **Section C: strategic planning practices and Organization Performance**

8. How is your performance compared to that of other insurance companies in Kenya?



9. Compared to other insurance companies in Kenya, how would you rate your company performance?
10. Which are the performance benefits that may be attained by the strategic planning in your organization?
11. Will strategic planning in your organization result in efficient and effective decision making policies that will lead to organization performance?
12. To what extent will the application of strategic planning practices improve your organization