

**STRATEGIC PLANNING PRACTICES BY DAIRY FARMERS IN  
ELGEYO MARAKWET COUNTY IN KENYA**

**BY**

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**DECLARATION**

I, the undersigned declare that this research project is my original work and has not been presented for a degree or any other examination in any other university.

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Signed..... Date.....

**SUPERVISOR**

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

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**MAY THE ALMIGHTY GOD BLESS YOU ALL!**

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## **ABSTRACT**

Strategic planning is a management process aimed at creating and executing long term strategies and goals which may also extend to the control mechanisms that guide the implementation of strategies. The concept of strategy refers to the scope and direction of an organization over the long term. This makes it an invaluable necessity to organizations and without it, they lose purpose and direction. Mission and vision statements aid organizations in developing valuable and sustainable objectives and core values that reflect their intent and core values. The strategic planning process, on the other hand, enables organizations to match their capabilities and limited resources to the environment. As such strategic planning establishes an organization's long term direction and coupled with its mission and vision, the organization looks into the future with a proactive posture. The dairy industry has had an upward trajectory since it was introduced in the country and has gone through rigorous changes in the production, processing and marketing sectors. This has thus increased the competition in the industry with major players coming up. Strategic planning has gone a long way to enable the industry's organizations in growth and to maneuver the complexities in the industry. This study sought to identify the various strategic planning practices by dairy farmers in Elgeyo Marakwet County, Kenya. The target population was all dairy farmers in Elgeyo Marakwet County that produce over 100 liters of milk in a day. The researcher sampled 40 dairy farmers operating in the county in 2017. The study obtained a total of 30 completed questionnaires that represented a 75% response rate. The primary data collected was through a semi structured questionnaire that targeted farm owners or farm managers of the various farms visited. This was on the assumption that the farm owners or managers were responsible for the strategy formulation and implementation processes in the farms. The questionnaire was administered through drop and pick-later method and one on one interview to the target population. The data was coded and entered into Statistical Software for Social Science (SPSS) and a descriptive analysis ran. Measures of central tendency were applied on the data and findings, conclusions and recommendations were summarized in the study. The data was presented using frequency tables, and percentages.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the study**

Strategic planning is currently one of the most critical components in business success. The inclusion of the different aspects of strategic planning; vision, mission and unconventional thinking create a mix that outlines the direction of a business and measurable goals that needed to achieve success. The current marketplace is a dynamic and ever-changing environment that requires the use of strategic planning as a tool for guiding the decision making. The increasing need for organizations to develop valuable and sustainable mission and vision statements in line with their intent and strategic relevance shows a common requirement trend in today's marketplace. A strategic plan enables an organization to match its limited resources and capabilities to the dynamic business environment. An organization's long term direction is therefore dependent on the management's strategic planning that goes to assume a proactive future. Organizations should have the foresight to anticipate change and develop the necessary strategies needed to navigate through the unforeseeable turbulence. (Lawlor, 2010)

Strategic planning can also be considered as planning for the future with consideration of the most appropriate strategies and anticipation of directional strategic changes (Thompson, 1993). Strategic planning also enables firms and organizations to come up with visible, viable and sustainable strategies that enable organizations to achieve their objectives, vision and mission. Thompson (1993) was also of the view that strategic planning is one of the most important management tools an organization can have as it provides the overall direction and also ensuring the adequate distribution of limited resources throughout the organization.

Strategic planning gives organizations the opportunity to match their capabilities with the turbulent and dynamic environment. An organization needs to match its strategic plan to the

factors; both internal and external, affecting the environment. These factors may include technological, economic, legal, and social factors.

### **1.1.1 Concept of strategy**

The concept of strategy refers to the long term scope of an organization that achieves an advantage for an organization through its resource configuration within a dynamic environment with the aim of meeting market needs and fulfilling expectations of stakeholders (Johnson & Scholes, 2005).

According to Johnson and Scholes (1998), a strategy is the long term directional scope that enables an organization to effectively utilize resources within a dynamic and rapidly changing environment. The achievement of long term goals by organizations is dependent on good strategies that map out long term objectives and goals that result in survival during turbulent times.

A strategy is the integrative pattern of an organization's major policies, action sequences and goals into one. Good strategies are those that are long-term, consistent and simple born from a good understanding of the environmental turbulence and dynamics (Quinn, 2006). A good strategy acts as a guiding tool for organizations to good performance through the establishment of a competitive advantage and the bridge between policies and activities within the organization.

### **1.1.2 Strategic planning in organizations**

Strategic planning may also be termed as the systematic entrepreneurial management procedure that puts a basis of a firm's future strategy on the assessment of novel alternatives (Ansoff and McDonnell 1987). Inferenceing from this, strategic planning gives organizations or firms the ability to continuously analyze strength both through the internal and external environments.

In organizations, strategic planning combines accumulated creativity and experience with critical analysis enabling the management to develop the necessary capacity needed to address change. The process of strategic planning in organizations secures commitments of the majority of the members since it depends on the level of commitment and participation. Strategic planning in organizations seeks to answer the following questions; where is the organization? Where does the organization want to go? How can the organization get there? How does the management ensure the organization gets there?

However, it is important that organizations understand the limitations of strategic planning and its possibilities. Senior management responsible for coming up with strategic plans must understand that a strategic plan is not a marketing tool, a report card or a wish list. It is not a quick cure for all that happens in an organization. An organization's strategic plan sheds light on its strengths and weaknesses, creating an opportunity to pinpoint possible new opportunities or various causes of projected or current problems. The board and staff must be fully committed to the implementation of the strategic plan and work with the management to ensure its realization. A strategic plan involves seven essential elements namely; a mission, vision, objectives/goals, plans, policy, environment and strategy.

A mission is an organization's final aim, why it exists, and what makes it different from other organizations. Therefore, an organization's mission statement tells of its fundamental purpose, concentrates particularly on the present and informs of its desired performance level. It also aims to serve its stakeholders; investors, customers and employees.

An organization's visions are beliefs that the organization is emotionally invested in, describing a futuristic identity it wants to achieve. Unlike the mission statement, a vision statement describes the organization's desired future position. The two elements; mission and vision

statements, are combined to give an organization's statement of goals, purpose and values. They combine to communicate an organization's values and purpose to its stakeholders, create a goal for strategy development, and provide a guide to objectives and goals that will show success or failure of objectives stated in the mission.

Goals are the strategic objectives set to establish an outline of expected outcomes and to guide organizational efforts. They also seek to justify a company's existence and activities, act as behavioral incentives, and define performance standards.

Plans are the activities that seek to set priorities strengthen operations, focus resources and energies and ensure that the whole organization is working towards a common goal of intended results or outcomes. Plans are essential in determining the best areas organizations need to build human capital, spend time and its finances.

A policy is an organization's the basic guiding philosophy and guiding strategy to its employees. It strongly emphasizes the management's words that detail , specify and define the expectations of employees while specifying how the management will meet its employees, customer's and stakeholder's needs.

The environment refers to an organization's internal and internal conditions that influence it in one way or another. There are two types of environments; the internal and external environments. The internal environment is that which has direct impact on the organization such as resources, facilities, people/personnel. These environmental factors can be controlled by the organization and be modified in such a way that it suits the management's plans and policies. The external environment however, is that which has an indirect impact on the organization and are uncontrollable. These factors, such as suppliers, financiers, the public, legal factors, political

factors and the government often affect the manner in which an organization conducts its business but are out of its control.

A strategy as discussed is the long term directional scope that enables an organization to effectively utilize resources within a dynamic and rapidly changing environment. It is also the long term scope of an organization that achieves an advantage for an organization through its resource configuration within a dynamic environment with the aim of meeting market needs and fulfilling expectations of stakeholders

### **1.1.3 Strategic planning practices**

A strategy is the long term scope and direction an organization that allows an organization to effectively utilize its resources to fulfill its stakeholder's expectations in a constantly changing environment (Johnson and Scholes, 2003). Young (2003) defines strategic planning as a flexible and formal process that determines the position an organization currently is and its future position. These definitions allude to the process by which firms continuously undertake both external and internal environmental analysis to identify opportunities, weaknesses, strengths and threats facing their businesses.

According to Pearce and Robinson (2004), strategic planning involves five steps; creation of a mission statement, creation of a vision statement, situational and performance analysis, formulation of a strategy and choice. Strategic planning practices promote an organization's long term growth and sustainability by the improvement of its fiscal performance, improving its competitive edge against its industry's competitors and satisfying its stakeholders' expectations. Therefore, a proper strategic plan will enhance a business' long term performance.

There are three levels at which strategic planning is undertaken. The cooperate level consists of a chief executive and the top level management team who define goals, allocate resources, provide

leadership, formulate and implement strategies for the organization (Hill & Jones, 2007). The business level consists of division or department heads in an organization where they transform the general statements of intent and direction from the corporate level management to viable strategies for their business units. The third level is the functional level manager that oversees particular business functions such as sales, and human resource. These managers' roles are to implement the strategies formulated at the corporate level and broken down at the business level.

#### **1.1.4 Dairy industry in Kenya**

The Kenyan dairy industry has been robustly developing and reviewing its policies since the early 1950s. Enacted in 1958, the Dairy Industry Act has gone a long way to liberalize and protect the dairy market. In the same year, the Kenya Dairy Board was established by an Act of Parliament that sought to protect the interests of dairy farming, with particular focus being on large scale commercial farming. In the same period of time, the dairy market was divided into scheduled and non-scheduled categories, and the Kenya Co-operative Creameries (KCC) appointed as Kenya Dairy Board's sole marketing agent in charge of dairy produce.

New policies aimed at consumption subsidization and cost sharing were introduced in the 1980's. The policies included privatization and commercialization of dairy support service, the dairy market's liberalization, and price controls. This resulted in the near collapse of KCC as new industry players emerged and the competition they brought (Dairy Mail, 2008). The 1990's saw the industry become more liberalized, resulting in the upsurge of raw milk business in the informal sector. After a severe drought in the late 1990's that resulted in the importation of milk products, the industry bounced back in 2001 that resulted in the increase of milk production from 2.365 million litres per day in 2000 to 2.984 million litres per day in 2004 (Kenya dairy Board, 2010).

With a current estimated annual production of 5 billion litres, Kenya stands as one of Africa's largest and most sophisticated. Milk and milk products have traditionally been positively perceived by the Kenyan population that has seen the industry contributes about 6% - 8% to the country's Gross Domestic Product (GDP). The industry is also said to have created over 1 million jobs at the farm level, Over 500,000 in direct employment and a further 750,000 in support services. In figures, the industry contributes an estimated 2 billion USD to the country's GDP.

### **1.1.5 Dairy Farming in Elgeyo Marakwet**

Elgeyo Marakwet is elevated at 2400 meters above sea level in the highlands. This elevation coupled with its fertile lands ensures a good ground for farming and dairy farming in particular. The County experiences an annual rainfall of about 500 to 1,500 mm making it one of the areas that receive the most rainfall in the country. The county is majorly reliant on mixed farming, but an increasing emphasis on dairy farming has been witnessed. In recent times, there have been efforts to emphasize the importance of medium scale dairy farming as opposed to small scale dairy farming in the county.

Although most farmers are still small scale farmers that produce less than 20 litres of milk a day, there are increasingly those who are scaling up production to surpass 100 litres a day. These types of farmers mostly sell their produce to milk processors at a pre determined price, but there are a few who either sell raw milk directly to the market or process the milk to produce products such as yoghurt, ghee and cheese for sale. The county has particularly stepped up its efforts in the promotion of dairy farming with the current County government coming up with measures that will ensure the long term increase in the county's milk production. The aim of the county government is to create a radical shift from subsistence dairy farming to a more economic form



of dairy farming. In line with this, sensitization and educational measures are also being promoted in the county.

## **1.2 Research Problem**

Strategic planning is an essential part of any business enterprise. A sustainable strategy is an outcome of successful and proper strategic planning practices. Dairy farmers can match their strategies and capabilities to the various factors affecting the industry and environment. The factors affecting dairy farmers may be from the external or internal environment such as; competition, political factors, resource constraints, legal factors, social factors, the environment, technological factors, access to necessary resources among others.

Dairy farming has seen various changes on the industry that directly affect its practice particularly concerning the liberalization of the market and environmental challenges. The turbulence and unpredictability of the environment in recent times has brought out challenges previously not experienced by dairy farmers. The competition created by the entrance of new industry players born from the liberalization of the industry has benefitted farmers in several ways. The membership of Kenya in regional trade blocks such as EAC and COMESA also means that competition is growing within the industry due to improving dairy farming practices in member countries. This therefore means that farmers need to adopt various strategic planning practices if they are to survive the increasingly competitive and liberalized environment. This study will seek to determine the various strategic planning practices adopted by farmers in Elgeyo Marakwet County and the improvements that can be made, thereby adding on to the existing bodies of knowledge in the strategic planning domain.

Several research studies have been carried out in the larger dairy industry and the factors affecting dairy farmers in other parts of the country but none has focused on the strategic

planning practices by dairy farmers in Elgeyo Marakwet County. Gitau (2013), for example, put special focus on the factors influencing milk production among small scale dairy farmers in Mirangine in Nyandarua County and Mauche in Nakuru County, Kenya. Kimunge (2016), on the other hand, focused on strategic planning practices and performance of Kenya Dairy Board. Other studies have also been carried out on strategic planning practices in Kenya (Asewe, (2009); Murega, (2011); Kahindi, (2006)), that have suggested that strategic planning is being practiced by organizations in the country. All such studies have focused on various areas other than the dairy sector with Asewe (2009) focusing on Strategic planning at Harambee Co-operative Savings and Credit Society Limited. Murega (2011) conducted a research on the Strategic Planning Practices at the Barclays Bank of Kenya. Kahindi (2006) focused on Strategic planning practices and challenges involved in strategic planning in Microfinance institutions in Kenya. It is on this basis that this study seeks to answer the questions; what are the strategic planning practices adopted by dairy farmers in Elgeyo Marakwet County and how do such practices enhance performance of the dairy farmers?

### **1.3 Research Objective**

The objective of this study was to determine the strategic planning practices adopted by dairy farmers in Elgeyo Marakwet County.

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

This study will be valuable to various strategic planners and practitioners in the dairy industry, with the primary focus being dairy farmers. It will provide an understanding of the strategic planning processes that lead to a positive review of the existing frameworks. This study will also be a guide on ways farmers can improve their milk production and processing.

The findings will be expected to be of use to the different stakeholders in the dairy industry. The challenges facing dairy farmers in Elgeyo Marakwet County shall be understood on a bigger scale from the outcome of this study. The findings from this study will contribute to the existing body of knowledge concerning the strategic planning activities practiced by dairy farmers all over Kenya. It will also be a source of reference for various future research conducted on dairy farmers.

New and upcoming dairy farmers will find the information in this study useful on how to adopt and integrate a range of strategic planning practices and position their operations in a way that will ensure success. The literature in this study will be available to researchers and academicians for academic purposes in learning the strategic planning practices adopted by dairy farmers in Elgeyo Marakwet County.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter is a presentation of previous studies that have been carried out and theories advanced on various strategic planning practices by scholars, authors, researchers and analysts.

The chapter is thus broken down into various sub-topics including;

### **2.2 Theoretical foundations of the study**

Being one of the major perspectives in an organization's management process, it is not an event but a process that is informed by theories. These theories explain the concept of strategic planning in organizations, firms and industries. The theories are; Dynamic Capability, Resources Based View (RBV) and Goal-Setting theories.

#### **2.2.1 Dynamic Capability theory**

Dynamic capacity is a firm's ability to form, coordinate and reconfigure its internal and external abilities so as to address fast evolving and changing situations. It is also a process by which a firm distinguishes singular or authoritative capacities that seek to empower the organization's efforts to construct and maintain esteem improving principles of separation (Tecce, 2009). Dynamic capacities are precursor vital and hierarchical routine with which administrators get and shed assets, adjust their asset bases, incorporate and consolidate them. By doing this, they create new methodologies of making esteem, authoritative outlines and administration frameworks meant to keep the organization abreast to dangers and circumstances.

#### **2.2.2 Resource Based View**

This theory emphasizes the importance of organizational resources as an important part of performance as they allow organizations to achieve and sustain their competitive advantage (Rothaermel, 2012). The theory also requires for the right quality and quantity of an

organization's resources are necessary for strategic planning and implementation. Additionally, Barnley (1995) asserts that under this theory, organizations with uncommon, profitable and matchless assets have the ability of achieving predominant execution. He adds that assets are major contributors to an organization's creation procedure and can be separated into either being property or learning based. Assets

### **2.2.3 Goal-Setting Theory**

This theory's main goal is that objectives and the troublesome ones in particular prompt higher executions than when people endeavor to just give a average effort. The implementation advantages of individual, testing objectives directly influences the execution of employees and additionally the whole organization. People can be encouraged to focus their consideration on individual targets, increase their efforts to accomplish these tasks, endure difficult times and formulate new methodologies to better manage situations by the motivating and boosting effect as a result of setting goals (Wood & Locke, 1990). Additionally, challenges in goals also enable people to refine and guide their performance particularly by providing the standard and direction by which progress can be benchmarked against. Valuable rewards such as increase of revenue or income, promotions and recognition are often as a result of goal setting. The pillars of goal setting hypothesis are that there has to be criticism, ideal level of test and objective clarity (Locke & Ladham, 2006). Challenging objectives usually result in higher rates of execution than simple objectives.

### **2.3 Strategic Planning Practice and Organizational Performance**

An organization should take part in arranging rehearses that typifies destinations and survey both the outer and the inward circumstance to come up with procedure, pinpoint methodology, assess the advancement and make the necessary conformities as vital to remain on track. Important

arranging practice is a learnt push to deliver activities and crucial choices that guide and shape what an association particularly is, the thing it accomplishes and why (Bryson, 2004). Although organizations have individual distinctiveness, there are some basic similarities found in the planning process of most organizations. Strategic planning practice involves steps that are aimed at achieving an organization's long term objectives and thus the need to be broken down to long term and short term objectives and goals (Wendy, 2011).

According to Bryson (2004), one of the advantages of strategic planning practice is that it instills an air of discipline in managerial level leadership to have vision, express objectives, distribute assets accordingly and support various timelines that come with the facilitation of fleeting arrangements. It also benefits management by allowing it to do an evaluation of future alternative and assumptions and makes the management also focus on viewing the organization as a whole block as opposed to focusing on individual units. Additionally, another advantage of strategic planning practice is the organization's board's ability to make informed decisions that are aimed at bringing long term success and to control the long term directional scope of the organization. The key importance of strategic planning practice is the beneficial value it brings to the customer in using products creatively and innovatively thought through as a result of the quality framework taken up by firms resulting from thorough mental exercise involved in the process of strategic planning. Strategic planning results in creativity and innovation results in cost effectiveness that yields better deposit and interest rates while concurrently realizing safety, customer business and soundness of the business (Locke & Ladham, 2006).

## **2.4 Challenges of Strategic Planning Practice**

Strategic planners face challenges that may be classified as technological, economical, technical, socio-cultural, structural and political. While there are monumental benefits of strategic

planning, if not well checked, the limitations could destroy its success. One of the major source of challenges in organizations is born from the political nature of the strategic decision making process. The threat of strategy to the status quo is monumental especially when power relationships are involved. Most would naturally choose to fight against this perceived threat as opposed to confronting the environmental challenge as a whole. This is a major threat to the success of the strategic planning process (Ansoff & McDonnell, 1990).

Opportunistic planning is an alternative to formal strategic planning that presents a more reactive approach to the likely occurrence of unexpected threats of threats and opportunities. Strategic planning capabilities are dependent on formal structured planning resulting in a situation where an organization is vulnerable when it faces an unexpected event not previously foreseen in the parameters of the strategic planning process (Hax & Majful, 1996).

Organizations should therefore find a critical balance between formal strategic and opportunistic planning so as to provide a broad framework that allows for corrective and responsive actions to be taken instead of binding all actions in the organized framework. Strategic planning practice is also very expensive in terms of money and time. The necessary time costs involved in the strategic planning process by participants could prove negative in cases of absenteeism.

According to Murega (2011), one major challenge faced by organizations is a failure of understanding throughout the organization of the exact meaning of strategic planning and the processes of carrying it out to the degree the top management desires. It is crucial that everyone in the organization understands the meaning of strategic planning and be involved in the implementation process according to the commitment levels of the top management. A collective consensus among the managerial staff becomes another challenge in addition to fear of change throughout the organization. These factors often lead to resistance to change thus posing a risk of

failure and creating the need of executives to convince their staff of the need for change. Managers should therefore be thoroughly trained to balance their duties between operational and strategic activities.

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

In the 1960s, strategic planning developed as an improvement of long range planning (Ansoff and McDonnell, 1990). Since then, strategic planning has been closely associated with strategic management. Strategic planning has been termed as an event guided and informed by several different theories that may best explain it. These theories include Goal setting, Resources Based View and Dynamic Capability Theories. Strategic planning has historically also known under different labels such as “corporate planning”, “strategic planning”, “strategic management” and “long range planning”.

Strategic planning became necessary due to the inadequacy of long range planning which has been claimed to be a firm’s response to various pressures such as size, rapid growth and complexity. These factors’ configuration led to a situation where it was impossible for organizations to rely solely on long range planning and budgeting to prepare for future expansion needs and challenges and therefore the need arose for strategic planning. Thompson (1993) suggested that long range planning continued to be undesirable to an organization’s future planning as it put its basis on past trends. Today, the business environment is extremely competitive and thus long range planning based on budget is insufficient for an organization’s survival.

The principal of exact study was led by Thune and House (1970) in which key arranging in 36 American firms from mechanical gatherings; apparatus, steel enterprises, medicate, oil, substance and nourishment reported that formal or strategic planners among the ventures



performed superior to casual arrangers. A Kenyan study by Arasa and K'Obonyo (2012) discovered that there is a vital relationship between arranging and organizational execution. Additionally all the arranging steps were identified with firm execution.

The observational writing involving planning practices particularly in Kenya demonstrates that there have been few studies led to investigate the impact of such practices in the operations associated with of dairy farming. Of the above mentioned studies, Gitau (2013) and Wendy (2011) are the only researchers that have studied factors of vital arranging in the dairy industry, demonstrating the gap in the field. In this respect evenhandedly, it is necessary that more observational studies with regard to strategic planning be empowered in driving the Kenyan dairy industry.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

In this chapter, the methodology that was used in the study is presented. The description of the research design, the population to be used, data collection, data analysis, interpretations and reporting procedures to be used in the study are provided.

### **3.2 Research Design**

A research design is the blueprint for the collection, measurement and eventual analysis of data. A descriptive survey study was undertaken on a cross sectional survey design with the aim of establishing the strategic planning practices by dairy farmers in Elgeyo Marakwet County. A descriptive study is aimed at finding out the; what where and how of a particular phenomenon (Burnett and Moore, 2002). Additionally, Kothari (2004) explains that the main aim of a descriptive research is to describe a current state of affairs and that surveys are most appropriate for descriptive studies. It is with this view that a cross-sectional survey design was preferably chosen and hence the data was collected from the target population at a defined time.

### **3.3 Population**

A population is a collection of objects in which a study is conducted for the purpose of achieving a particular objective (Castillo, 2009). The population needs to have several common characteristics that conform to particular specifications. In this case, the target population of the study was dairy farmers in Elgeyo Marakwet County. The study sought to gather information from 40 dairy farmers.

### **3.4 Data Collection**

This is the process of collecting empirical evidence for answering the research questions formulated at the beginning of the research and understanding a particular phenomenon. In this

study, primary data was relied upon with targeted respondents being farm managers and owners involved in strategy formulation and implementation in dairy farms.

A semi structured questionnaire was used to collect the primary data needed for the study. A questionnaire is a set of written questions designed for research purposes by gathering targeted respondents' information (Kothari, 2004). A questionnaire is advantageous over other types of survey instruments since it is cheap, may have standardized answers for simplicity of data compilation and does not need as much effort as telephone and verbal surveys. In large samples, questionnaires are also more reliable as the results are more reliable and dependable. The questionnaires were administered through one on one interviews and drop and pick-later methods.

### **3.5 Data Analysis**

The data was coded and run through the Statistical Software for Social Science (SPSS) and also a descriptive analysis was run. The use of descriptive statistics was mainly to summarize data that included frequencies and percentages. Tables and percentages were used appropriately to present data collected for analysis and ease of understanding. The explanations to the tables and analysis of the open ended questions were done in prose. Measures of central tendencies such as percentages and mean for quantitative variables were applied.

## CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

### 4.1 Introduction

This chapter covers the analysis, and presentation of the findings. The data analysis is split into six sections namely; general information, mission and vision, policy setting, objectives' setting, situational and environmental analysis, and future plans and strategic planning process. The research targeted 40 dairy farmers and 30 responded, representing a 75% response rate.

### 4.2 General Information

In this section, the study wanted to find out general characteristics of the respondents. The information included the age, gender, education level, working experience at the farm and at which capacity and the farm's milk production capacity.

The study requested respondents to state their gender; 19 of them were male respondents, representing 63.3% of the respondents and 11 were female respondents were female, representing 36.7% of the respondents as illustrated in Table 1 below.

Table 1: Gender of respondents

Gender	Frequency	Percentages
Male	19	63.3%
Female	11	36.7%
Total	30	100%

The study requested the respondents to state their age. Table 2 shows that there were no respondents below the age of 25 years, those between the ages of 25-35 years were represented by a percentage of 13.3%, 35-45 years by 20%, 46-55 years by 40% and 26.7% of the

respondents were over 55 years of age. We can therefore conclude that a majority of the respondents interviewed were between the years of 46 and 55 years.

Table 2: Age of the respondents

Age (Years)	Frequency	Percentages
Under 25	0	0%
25-35	4	13.3%
36-45	6	20%
46-55	12	40%
Over 55	8	26.7%
Total	30	100%

The study requested respondents to specify their highest academic qualifications. The respondents, as shown in Table 3 with a high school qualification had a percentage of 46.67%, those with a diploma had a percentage of 26.67%. Respondents with an undergraduate qualification were 6.67% and those with a post graduate qualification were 20% of the respondents as shown in Table 3 below.

Table 3: Highest education achieved by the respondents

Education Level	Frequency	Percentages
High School	14	46.67%
Diploma	8	26.67%
Undergraduate	2	6.67%
Post Graduate	6	20%
Total	30	100%

The study sought to find out the amount of work experience that the respondents possessed in the farms. As can be seen in Table 4, 53.33% of the respondents had less than 5 years of experience, 36.67% had 6-10 years of experience, 3.33% had 11-15 years of experience, and 6.67% had 16-20 years of experience. None of the respondents had over 20 years of experience.

Table 4: Work experience of respondents

Experience in Years	Frequency	Percentages
5 years or less	16	53.33%
6-10 years	11	36.67%
11-15 years	1	3.33%
16-20 years	2	6.67%
Over 20 years	0	0%
Total	30	100%

The study also requested the respondents indicate the number of years that they have been working at their current capacities. The study established that 29 out of 30 of the respondents were owners of their farms and the results of their responses were the same as the number of years they have worked at the farms. Half or 50% of the respondents had 5 years or less of experience at their current capacities, 40% had 6-10 years of experience, 3.33% had 11-15 years of experience and 6.67% had 16-20 years of experience at their current capacity. None of the respondents had over 20 years of experience at their current capacity as shown in Table 5.

Table 5: Experience at current capacity

Experience in Years	Frequency	Percentages
5 years or less	15	50%
6-10 years	12	40%
11-15 years	1	3.33%
16-20 years	2	6.67%
Over 20 years	0	0%
Total	30	100%

The study required the respondents to state their current milk production capacity. The farmers that were interviewed produced between 5 and 2300 litres per day in their farms. The study, therefore, covered dairy farmers with diverse production capacities, providing a generalized view of the findings.

#### **4.3 Mission and Vision Statements**

The study sought to find out the existence of mission and vision statements, who was responsible for its formulation, its modes of communication and the challenges faced in the formulation of the mission and vision statements.

The study also sought to find out whether the dairy farmers had mission and vision statements.

Table 6 indicates the results of the study. The study found that 50% of the dairy farmers had mission and vision statements while 50% did not. Therefore, half of the dairy farmers interviewed had mission and vision statements.

Table 6: Existence of a mission and vision statement

Existence of a mission and vision statement	frequency	Percentage
Yes	15	50%
No	15	50%
Total	30	100%

The study further asked the respondents to indicate who is responsible for setting the mission and vision statement. Since a majority of the respondents were the owners of their farms, the respondents who responded in the affirmative were the ones responsible for setting their farm's mission and vision statements. Table 7 shows that 93% of the mission and vision statements were set by the owners and 7% were set by farm managers.

Table 7: Setting of a mission and vision statement

Who is responsible for setting the mission and vision statement	Frequency	Percentage
Owner	14	93%
Manager	1	7%
Total	15	100%

The study also sought to find out the mode by which the mission and vision statements were communicated in the farms. Table 8 below shows that 40% of the respondents communicated their mission and vision statements through staff meetings and 10% communicated their mission and vision statements through verbal communication. There were no respondents who communicated their mission and vision statements through emails, memos, letters, notices and circulars.



Table 8: Mode of communicating Mission and Vision Statements

Communication channel	Frequency	Percentages
Staff meetings	12	80%
verbal communication	3	20%
Circulars	0	0%
Emails	0	0%
Memos	0	0%
Letters	0	0%
Notices	0	0%
Total	15	100%

The respondents were requested to state the extent to which particular factors hindered the process of the development of mission and vision statements. The respondents were requested to rank different factors from the least important to the most important (From 1-5). A majority of the respondents said that economic/financial factors were the major hindrance to the development of their mission and vision statements by a mean of 4.8. other factors included; environmental/ climatic factors that scored a mean of 4.1, cultural factors with a mean of 1.2, political factors with a mean of 1.44, competition from other dairy farms that scored a mean of 3.73, and social factors that scored a mean of 1.13 as shown in Table 9.

Table 9: Factors that hinder the formation of a mission and vision statement

Score	1	2	3	4	5	Mean
Economic/Financial factors	0	0	0	3	12	4.8
Environmental/Climatic factors	1	1	1	5	7	4.1
Cultural factors	14	0	0	1	0	1.2
Political factors	9	3	1	2	0	1.44
Competition from other dairy farms	2	1	2	4	6	3.73
Social factors	14	0	1	0	0	1.13

#### 4.4 Policy Setting

The study sought to find out the whether the dairy farmers had any policies in place and the process of policy setting in their farms. The information requested from the respondents included the existence of policies, the persons responsible for setting the farm's policies, if the policies are in line with the mission and vision statements and if the policies in place are set in consultation with the farm's various stakeholders. Table 10 below shows that 70% of the respondents had policies in place in their farms while 30% did not.

Table 10: Presence of Policies

Presence of a policies	Frequency	Percentage
Yes	21	70%
No	9	30%
Total	30	100%

The respondents were also requested to indicate who was responsible for setting the farm's policies. Table 11 shows that 95.24% of the respondents, majority of them being owners of their farms, said that they, the owners made policies for their own farms. A minority, 4.76%, of the respondents said that farm managers made policies for the dairy farms. This showed that a majority of farmers set their own policies.

Table 11: Responsibility for setting policies

Responsibility for setting policies	Frequency	Percentage
Owner	20	95.24%
Manager	1	4.76%
Total	21	100%

The respondents were further requested to indicate whether the policies were set or created in consultation with the farm's stakeholders. Of the respondents who had policies in place, 85.7% said that set made policies in consultation with the farm's stakeholders and 14.3% said that they did not set the policies in consultation with stakeholders as shown in Table 12. This showed that a vast majority of the farmers set policies in consultation with their stakeholders.

Table 12: Percentage of respondents that set policies in consultation with stakeholders

Policies set in consultation with stakeholders	Frequency	Percentage
Yes	18	85.71%
No	3	14.29%
Total	21	100%

#### 4.5 Objectives' Setting

The study sought to find out the farmers' process of setting objectives. The information that was requested from the interviewees included what the farmers' objectives were, the farmers' main products, and who participates in setting objectives. The study also sought to find out the time periods that the objectives covered and how often the objectives were reviewed

The respondents each stated their farm's objectives that differed from farm to farm depending on the cisions that the farmers had. The respondents were requested to state their main products that showed that all or 100% of the respondent's main product was milk. The respondents who also produced yoghurt as one of their main products were 10% and 6.67% of the respondents produced cheese as shown in Table 13. This shows that most dairy farmers in the county produce milk as the main product in their farms.

Table 13: Farmers' main product

Main product	Frequency	Percentage
Milk	30	100%
Yoghurt	3	10%
Cheese	2	6.67%
Ghee	0	0%

The respondents were also asked whether their dairy farms raised calves exclusively for sale to which 90% responded that they did not and 10% responded that they did as shown in Table 14. This led to the conclusion that a majority of farmers in the county do not raise calves for sale.

Table 14: Percentage of farmers that raised calves exclusively for sale

Does the farm raise calves exclusively for sale	Frequency	Percentage
Yes	27	90%
No	3	10%
Total	30	100%

The study also required the respondents to state the various time periods that their objectives covered. The study found that 3.33% of the respondents said that their objectives cover the 1<sup>st</sup> quarter of the year, 16.67% said that their objectives cover half the year, no respondents had objectives covering the third quarter of the year and 80% of the respondents said that their objectives covered a year as shown in Table 15.

Table 15: Time periods covered by objectives

Time Period (Year)	Frequency	Percentages
1 Quarter	1	3.33%
2 Quarter	5	16.67%
3 Quarter	0	0%
4 Quarter	24	80%
Total	30	100%

The study also inquired of the respondents how often the objectives were reviewed. As Shown in Table 16, the study found that 16.67% of the respondents stated that they continuously reviewed their objectives, 26.67% of the respondents indicated that they reviewed their objectives semi-annually and 56.66% of the respondents indicated that they reviewed their objectives annually.

None of the respondents said that they reviewed their objectives monthly, quarterly or every two years.

Table 16: Frequency of reviewing objectives

Review	Frequency	Percentages
Continuously	5	16.67%
Monthly	0	0%
Quarterly	0	0%
Semi-Annually	8	26.67%
Annually	17	56.66%
Every Two Years	0	0%
Total	30	100%

The respondents were then requested to describe the main challenges they faced while developing their objectives. Although there were a wide range of responses, of note were financial challenges that a 93.33% of the respondents noted as being the most important.

#### **4.6 Situational and Environmental Analysis**

The study sought to find out the status of the environment that the farms were located in. As summarized in Table 17 below, 50% of the respondents indicated that their environments were very stable, 23.33% of the respondents indicated that their environment was stable and 10% indicated that their environment was fairly stable. However, 13.33% of the respondents indicated that their environments were turbulent and 3.33% indicated that their environments were extremely turbulent.

Table 17: External environment evaluation

Environment that the respondents' farms are located in	Frequency	Percentages
Extremely turbulent	1	3.33%
Turbulent	4	13.33%
Fairly stable	3	10%
Stable	7	23.34%
Very stable	15	50%
Total	30	100%

The study further sought to establish the respondents' strengths and weaknesses to which they stated different considerations. The respondents stated reasons such as the ability of farms to sustain themselves, good breeds in their farms and good support structures as their strengths. As to their weaknesses financial constraints, climatic conditions, time taken to produce pedigree breeds and lack of good water supply in their farms as weaknesses. The respondents were also requested to state who they considered as their competitors, their strengths and weaknesses. A majority of the respondents identified neighbouring farmers as their major competitors with schools also mentioned as some major competitors. The respondents' cited major strengths of and weaknesses of their competitors as the opposites of their own. This could be attributed to the view of their weaknesses as a disadvantage that their competitors do not grapple with and their strengths as weaknesses that their competitors have to overcome.

The respondents were further requested to indicate the threats they saw in the dairy sector. As shown in Table 18, 100% of the respondents considered high prices of inputs such as dairy feeds and low prices of milk as threats to the dairy farming. Additionally, 20% of the respondents considered saturation in competition as a threat to dairy farming and 10% of the respondents

considered government regulation as a threat to dairy farming. Therefore, high prices of inputs and low prices of milk are the biggest challenges to dairy farmers in the county of Elgeyo Marakwet.

Table 18: Threats to the dairy sector

Threats to the dairy sector	Frequency	Percentage
high prices of inputs	30	100%
low prices of milk	30	100%
saturation in competition	6	20%
government regulation	3	10%

#### **4.7 Future Plans and Strategic Planning Process**

The study sought to find out the future plans and the strategic planning processes adopted by dairy farmers in Elgeyo Marakwet County. The information that was requested from the respondents include the existence of short and long term plans, existence of a strategic plan, the persons who participate in the development and communication of the strategic plan, and the factors influencing the strategic planning process.

The study sought to investigate the existence of short and long term future plans. The respondents indicated their various plans, both short term and long term, all aiming to improve the productivity of their farms. The study then sought to find out the existence of strategic plans in the farms. As shown in Table 19, 66.67% of the respondents said there were no strategic plans in their farms while 33.33% said that there were strategic plans in their farms.



Table 19: Existence of a strategic plan

Existence of strategic plans	Frequency	Percentage
Yes	10	33.33%
No	20	66.67%
Total	30	100%

The study also found that 90% of the respondents' strategic plans were set by the owners of the farms and 3.33% were set by managers of the farms as shown in Table 20. This was because most of the respondents interviewed were the owners of the dairy farms and were responsible for the day to day running of their farms.

Table 20: Participation in the development of a strategic plan

Participant	Frequency	Percentage
Owner	9	90%
Manager	1	10%
Total	10	100%

The respondents were asked to indicate the type of strategic plan in use that was denoted by its time span in number of years. The findings as presented in Table 21 below shows that 40% of the respondents had a 2-3 year plan, 30% of the respondents had a 1 year plan and 30% had an over 5 year plan. None of the respondents had a 4-5 year plan. The results showed that a majority of the respondents had a 2-3 year plan.

Table 21: Type of strategic plan

Type of strategic plan	Frequency	Percentage
1 year plan	3	30%
2-3 year plan	4	40%
4-5 year plan	0	0%
Over 5 year plan	3	30%
Total	10	100%

The study further sought to find out the communication methods used by farmers in relaying the strategic plans to their farm's employees. Table 22 shows that 80% of the respondents indicated that the communication of strategic plans were through staff meetings. Additionally, 20% indicated that communication of strategic plans was verbal. Staff meetings were therefore a preferred mode of relaying strategic plan to employees throughout the farm.

Table 22: Communication of strategic planning process

Communication channel	Frequency	Percentages
Staff meetings	8	80%
verbal communication	2	20%
Circulars	0	0%
Emails	0	0%
Memos	0	0%
Letters	0	0%
Notices	0	0%
Total	10	100%

The study further sought to establish the various characteristics in the strategic planning process in the dairy farms. As shown in Table 23, the study revealed that 50% of the respondents stated that a particular individual was tasked with the responsibility of the strategic planning process and 30% indicated that they used informal meetings in the strategic planning process. A further 10% indicated that there was a planning body tasked with formulating the strategic plan and a further 10% stated that formal planning meetings were used in the strategic planning process. Therefore, a majority of the respondents relied on a particular individual in their farms to come up with a strategic plan.

Table 23: Characteristics of the Strategic Planning Process

Strategic Planning Process	Frequency	Percentages
Formal planning meetings	1	10%
Informal planning meetings	3	30%
Planning by an individual tasked with the responsibility	5	50%
Existence of a planning body/ department	1	10%
Total	10	100%

The respondents were asked to rank various factors; economic trends, political factors, legal factors, competitors, technological changes/advancement, socio-cultural factors, market trends, farm's internal resources, and climatic trends according to the levels considered in the strategic planning process. Table 24 below summarizes the various responses. The data findings show that the most highly considered factors were economic trends that scored a mean score of 4.5, market trends that scored 4.3, farm's internal resources with a mean score of 4.2 and technological

changes that scored a mean score of 4.1. The other factors were not highly considered were competitors that got a mean score of 3.1, political factors that scored a mean of 2.3 and socio-cultural factors was the least considered with a mean score of 1.5. The results showed that economic trends and market trends were the most important factors to the respondents in making their strategic plans.

Table 24: Factors that Influence the Strategic Planning process

	Not considered			Highly considered		Mean
	1	2	3	4	5	
<b>Score</b>						-
Economic trends	1	0	0	1	8	4.5
Political factors	6	0	1	1	2	2.3
Legal factors	5	1	2	1	1	2.2
Competitors	2	1	1	6	0	3.1
Technological changes/advancement	1	0	0	5	4	4.1
Socio-cultural factors	7	1	1	1	0	1.5
Market trends	1	0	1	1	7	4.3
Farm's internal resources	2	0	0	0	8	4.2
Climatic trends	1	0	0	4	5	4.1

The study sought to find out the factors that led to the failure of strategic planning by the dairy farmers. The factors listed in Table 25. The factors were ranked from 1 (not sure) to 5 (extreme extent) and the respondents were required to indicate the level they ranked the factor at. A majority of respondents cited the inability to predict environmental patterns as a major factor as shown by a mean score of 4.9. Unforeseeable circumstances and unexpected occurrences also scored highly among the respondents, both scoring a mean of 4.8. Other factors ranked as follows; inadequate financial resources showed by a mean score of 4.5, failure to follow up on the strategic plan and a lack of understanding of the strategic plan both scoring a mean of 3.6, failure to coordinate shown by a mean of 3.4, poor communication and worker resistance both scoring a mean of 3.3, and failure to

understand the market needs shown by a mean score of 3. The factors that scored the lowest mean scores are failure implement strategic plans shown by a mean of 2.9, lack of senior management commitment shown by a mean of 2.2 and change of management that scored the lowest mean of 1.2.

Table 25: Factors contributing to the failure of strategic planning

	Not sure	Never	Moderate extent	Great extent	Extreme extent	Mean
<b>Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>-</b>
Lack of understanding of the strategic plan	0	3	4	2	2	3.6
Failure to coordinate	0	1	5	3	1	3.4
Lack of senior management commitment	0	9	0	1	0	2.2
Poor communication	0	2	3	5	0	3.3
Failure to understand the market needs	0	5	2	1	2	3
Failure implement strategic plans	0	5	3	0	2	2.9
Worker resistance	0	1	2	5	1	3.3
Failure to follow up on the strategic plan	0	1	4	3	2	3.6
Inability to predict environmental patterns	0	0	0	1	9	4.9
Under-estimation of time restrictions	1	0	0	5	4	4.1
Inadequate financial resources	0	0	2	1	7	4,5
Unforeseeable circumstances	0	0	1	0	9	4.8
Change of management	0	9	1	0	0	1.2
Unexpected occurrences	0	0	1	0	9	4.8

#### 4.8 Discussion

The study revealed that a majority of dairy farmers in Elgeyo Marakwet County did not practice strategic planning practices. Those that did formulated the strategic plans themselves mainly as owners of the farms. The study also established that an equal number of dairy farmers had mission and vision statements as those that did not. The mission and vision statements were mainly formulated by the farms' owners. All the farmers had both short term and long term objectives that were mainly set by the farms' owners and were reviewed on an annual basis by a majority the owners.

The study established that the dairy farmers were mainly located in a very stable environment and identified the major threats affecting the dairy sector. The dairy farmers also identified and evaluated their competitors, evaluated their strengths and weaknesses and assessed their competitive market position. The study also demonstrated that dairy farmers in Elgeyo Marakwet County were not consistent with recommended strategic planning practices. Half of the dairy farmers interviewed did not have mission and vision statements and a vast majority did not have strategic plans. Most of the farmers, however, conducted environmental analysis and had objectives and future plans driving their dairy farming operations.

The discoveries are in concurrence with the Dynamic Capability theory, Resource Based view and Goal-Setting theory. For instance, it is apparent that dairy farmers in Elgeyo Marakwet County are open to constant connection and advancement and work in an unpredictable and dynamic environment. This has necessitated the need for the grasp of vital arranging with particular focus on the end goal.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents a summary of key findings on the data collected conclusions arrived at from the findings, recommendations limitations drawn from the study and suggestions for further research.

### **5.2 Summary of the Findings**

The study revealed that a vast majority of the respondents were male. The study also revealed that a majority of the respondents were aged between the ages of 46 to 55 years, had attained at least a high school certificate, and had 5 years or less of experience and at their current capacities.

The study established that as many dairy farmers in Elgeyo Marakwet County did not have mission and vision statements as those that did. The study revealed that dairy farm owners were responsible for formulating the mission and vision statements in their farms. The study also revealed that of those respondents that had mission and vision statements, a majority communicated them in their farms through staff meetings. The study identified factors that hindered the formation of a mission and vision statement which included; economic/financial factors, environmental/climatic factors, cultural factors, political factors, competition from other dairy farms, and social factors from their most important to the least important respectively.

The study established that a vast majority of the respondents had policies in place, with the responsibility of setting them taken up by farm owners in consultation with stakeholders. The study also established that a majority of the dairy farmers set their objectives as owners of their

farms and were set to be achieved and reviewed annually. The study also established that a majority of the dairy farmers communicated their objectives throughout the farm through staff meetings with the objectives covering and being reviewed every year. The study further revealed that the respondent's main product was milk, with a vast minority producing yoghurt and cheese.

The study established that a majority of dairy farmers in Elgeyo Marakwet County are located in very stable environments. The respondents identified their strengths such as the ability of farms to sustain themselves, good breeds in their farms and good support structures. They identified their weaknesses that included; financial constraints, climatic conditions, time taken to produce pedigree breeds and lack of good water supply in their farms. The study also established that a majority of the respondents considered neighbouring farmers as their major competitors. The respondents further saw dairy feeds and low prices of milk as the major threats to the dairy sector owing to the direct effect they had to their pricing and revenue.

The study established that all the respondents had both short term and long term future plans depending on the level of growth that they were at. Further, the study established that a majority of farmers did not have strategic plans and that of those respondents that did, a vast majority were set by the farm owners. The study also established that a majority of the respondents who had strategic plans had 2-3 year plans and that the plans were communicated to employees through staff meetings. The strategic planning process for a majority of the respondents that had strategic plans involved planning by a person tasked with the responsibility. The respondents ranked economic trends, market trends and their farms' internal resources as the most important factors considered in the strategic planning process. Technological changes/ advancement, climatic conditions, legal factors, political factors, competitors and socio cultural factors were other factors considered in order of importance respectively.



The respondents identified factors leading to the failure of strategic planning in dairy farms. They revealed the following factors in order of importance; inability to predict environmental patterns, unforeseeable circumstances, unexpected occurrences, inadequate financial resources, failure to follow up on the strategic plan, a lack of understanding of the strategic plan, failure to coordinate, poor communication, worker resistance, failure to understand the market needs, failure implement strategic plans, lack of senior management commitment, and change of management.

### **5.3 Conclusion**

The main purpose of the study was to identify the strategic planning practices by dairy farmers in Elgeyo Marakwet County in Kenya. To this objective, it was concluded that there was an equal number of farmers with mission and vision statements as those without. The study revealed that a majority of farmers had policies and objectives in place that were set by the owners, in consultation with stakeholders. Majority of the farmers had short term objectives that were reviewed on an annual basis. The study also concluded that majority of the dairy farmers did not have strategic plans in place and of those that did, the farmers themselves developed them.

The study also concluded that the dairy farmers also consider high prices of inputs such as dairy feeds and low prices of milk as threats to the dairy sector. The dairy farmers operated in very stable environments although some operated in turbulent environments. The environmental factors, coupled with other extraneous factors were considered in the strategic planning process. The study also concluded that failure of strategic plans were mainly due to factors beyond the farmers' control.

#### **5.4 Limitations of the study**

The study had targeted a 100% response rate from respondents but only 75% were interviewed or filled out questionnaires. The respondents viewed the interviews as a disruption in their daily duties and some did not understand some questions posed. Therefore, some of the respondents ignored the questionnaire or declined to give an interview.

The study was also conducted during the rainy season and movement through Elgeyo Marakwet County was extremely difficult owing to the state of roads in the county. Some parts of the county were also considered unsafe and the researcher could not venture in the said parts due to security concerns.

#### **5.5 Recommendations**

Based on the findings, the study recommends that all dairy farmers in Elgeyo Marakwet County should have mission and vision statements understood by all their employees and stakeholders.

The study also recommends the importance of all farmers on the county should have strategic plans in line with the mission and vision statement and that all the farm's employees are briefed accordingly to enhance success of the strategic plans. The study also recommends that the dairy farmers should delegate the task of overseeing the strategic planning process to selected qualified employees.

The study also recommends a further analysis of the various challenges facing dairy farmers in Elgeyo Marakwet County to ensure that the challenges are completely minimized or eradicated. In order to address the challenges identified in the study, Elgeyo Marakwet County government should put in place support structures, especially centered on information empowerment, training and education to the farmers. Also, to ensure a consistent improvement of the breed of cattle in

the county, subsidized or free high quality artificial insemination should be considered by Elgeyo Marakwet County government. This will ensure that there is a continuous improvement of the breed of dairy cattle in the county over time.

### **5.6 Areas of further research**

This study mainly sought to identify the strategic planning practices by dairy farmers in Elgeyo Marakwet County in Kenya. Further studies could explore the effect of strategic planning practices on the financial performance by dairy farmers in Elgeyo Marakwet County. Further research could also be done on the strategic planning challenges identified by this research project on the strategic planning practices adopted by dairy farmers in Elgeyo Marakwet County. A study could also be done on the impact of environmental factors affecting dairy farmers in Elgeyo Marakwet County on the successful formulation, implementation and execution of the strategic planning process.

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# APPENDICES

## APPENDIX 1: LETTER OF INTRODUCTION



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE 5/10/2017

### TO WHOM IT MAY CONCERN

The bearer of this letter JULIAN KIPKOECH MURREY

Registration No. D61/73030/2014

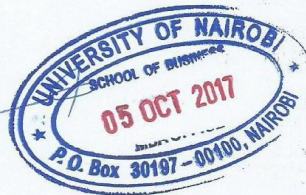
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

**PATRICK NYABUTO**  
**SENIOR ADMINISTRATIVE ASSISTANT**  
**SCHOOL OF BUSINESS**



## APPENDIX 2: RESEARCH QUESTIONNAIRE

### RESEARCH QUESTIONNAIRE ON STRATEGIC PLANNING PRACTICES BY

#### DAIRY FARMERS IN ELGEYO MARAKWET COUNTY IN KENYA

Dear respondent,

The questionnaire below has been set in relation to the objectives of the study. All the questions are in relation to strategic planning. Kindly answer all questions by filling in the space provided or marking the [ ] as appropriate.

#### SECTION A: GENERAL INFORMATION

1. Name of the farm.....
2. Position held in the farm.....
3. Gender        M     [ ]                F     [ ]
4. Age  

Under 25	[ ]	25-35	[ ]
36-45	[ ]	46-55	[ ]
Over 55	[ ]		
5. Education (Highest Level Achieved)  

High School	[ ]	Undergraduate	[ ]
Post Graduate	[ ]		

Other (specify).....
6. Working Experience at the farm (Number of years)  

5 years or less	[ ]	6-10	[ ]
11-15	[ ]	16-20	[ ]
Over 20	[ ]		



7. How long have you been working at your capacity? (Number of years)

- |                |                          |       |                          |
|----------------|--------------------------|-------|--------------------------|
| 1 year or less | <input type="checkbox"/> | 2-5   | <input type="checkbox"/> |
| 5-10           | <input type="checkbox"/> | 11-15 | <input type="checkbox"/> |
| Over 15 years  | <input type="checkbox"/> |       |                          |

8. What is your farm's current milk production capacity? .....

**SECTION B: MISSION AND VISION STATEMENTS**

9. Does your farm have mission and vision and statements?

- |     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

If not, why? .....  
 .....

10. Who sets the mission and vision statements?

.....  
 .....

11. How are the mission and vision statements communicated? (Tick all that apply)

- |                 |                          |           |                          |
|-----------------|--------------------------|-----------|--------------------------|
| Email           | <input type="checkbox"/> | Memos     | <input type="checkbox"/> |
| Written letters | <input type="checkbox"/> | Notices   | <input type="checkbox"/> |
| Staff meetings  | <input type="checkbox"/> | Circulars | <input type="checkbox"/> |

Any other (Please specify).....  
 .....

12. What are the main challenges in setting the farm's mission and vision statements? (1= least important and 5= most important)

Economic/Financial factors	1	2	3	4	5
Environmental/Climatic factors	1	2	3	4	5

Cultural factors	1	2	3	4	5
Political factors	1	2	3	4	5
Competition from other dairy farms	1	2	3	4	5
Social factors	1	2	3	4	5

Other (Specify).....  
 .....

**SECTION C: POLICY SETTING**

13. Does the farm have any policies in place?

Yes  No

14. Who is responsible for setting the farm’s policies?

.....

15. Are the farm’s policies in line with the mission and vision statements?

Yes  No

16. Are the policies set in consultation with the farm’s stakeholders (Customers, employees, management etc.)?

**SECTION D: OBJECTIVES’ SETTING**

17. What are the farm’s objectives? .....

.....

.....

18. What are the farm’s main products?

Milk  Ghee  cheese  Yoghurt

19. Does the farm raise calves exclusively for sale?

Yes  No

20. Who participates in setting objectives? .....

21. What time periods do the farm's objectives cover?

1st quarter [ ]                      2nd quarter [ ]

3rd quarter [ ]                      4th quarter [ ]

22. How often are the objectives reviewed?

Continuously [ ]                      Monthly [ ]

Quarterly [ ]                      Semi-annually [ ]

Annually [ ]                      Every Two Years [ ]

23. What are the major challenges in developing the farm's objectives? (Please rank them from the most to least important).

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

**SECTION E: SITUATIONAL AND ENVIRONMENTAL ANALYSIS**

24. Is the environment that the farm is located in a stable or turbulent one?

Extremely turbulent [ ]                      Turbulent [ ]

Fairly stable [ ]                      Stable [ ]

Very stable [ ]

25. What would you consider to be the farm's strengths?

- .....
- .....
- .....

26. What would you consider to be the farm's weaknesses?

.....  
.....

27. Who are the farm's competitors?

.....  
.....

28. What would you consider as your competitor's strengths?

.....  
.....

29. What would you consider as your competitor's weaknesses?

.....  
.....

30. What threats do you see in the dairy sector?

Saturation in competition

Government regulation

High prices of inputs e.g. Dairy feeds

Low prices of milk

Any other (please specify).....  
.....

**SECTION F: FUTURE PLANS AND STRATEGIC PLANNING PROCESS**

31. What are the farm's short term (less than 6 months) plans?.....

.....

32. What are the farm's long term (more than 6 months) plans?.....  
.....

33. Does your farm have a strategic plan?

Yes  No

34. Who participates in developing the strategic plan?

.....

35. What type of strategic plan is in use?

1 year plan  2-3 year plan

4-5 year plan  Over 5 year plan

36. How is the strategic plan communicated throughout the farm?

Email  Memos

Written letters  Notices

Staff meetings  Circulars

Any other (Please specify).....

.....

37. Which of the following best characterizes your strategic planning process? (Please tick as appropriate).

a) Formal planning meetings

b) Informal planning meetings

c) Planning by an individual tasked with the responsibility

d) Existence of a planning body/ department

38. Please indicate the level to which the following factors are considered in the strategic planning process (Circle as appropriate).

	Not considered			Highly considered	
Economic trends	1	2	3	4	5
Political factors	1	2	3	4	5
Legal factors	1	2	3	4	5
Competitors	1	2	3	4	5
Technological changes/advancement	1	2	3	4	5
Socio-cultural factors	1	2	3	4	5
Market trends	1	2	3	4	5
Farm's internal resources	1	2	3	4	5
Climatic trends	1	2	3	4	5

39. Please rate the following reasons as contribution to the failure of strategic planning in the dairy farm. (1 = not sure, 2 = never, 3 = moderate extent, 4 = great extent and 5 = extreme extent).

	1	2	3	4	5
Lack of understanding of the strategic plan					
Failure to coordinate					
Lack of senior management commitment					
Poor communication					
Failure to understand the market needs					
Failure implement strategic plans					
Worker resistance					
Failure to follow up on the strategic plan					
Inability to predict environmental patterns					
Under-estimation of time restrictions					
Inadequate financial resources					
Unforeseeable circumstances					
Change of management					
Unexpected occurrences					

Any other.....  
 .....

**THANK YOU FOR YOUR TIME**