

**STRATEGIC PLANNING PRACTICES AND PERFORMANCE IN KIRINYAGA
COUNTY GOVERNMENT IN KENYA**

BY

JOHN KIMOTHO KAMUKUNJI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI**

DECEMBER, 2017

DECLARATION

This research project is my original work and has not been submitted for examination to any other university.

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

JOHN KIMOTHO KAMUKUNJI

D61/64757/2013

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

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

PROF. MARTIN OGUTU

DEPARTMENT OF BUSINESS ADMINISTRATION

UNIVERSITY OF NAIROBI

ACKNOWLEDGEMENTS

I would like to thank the Almighty God for providing me with the gift of life and good health, as well as resources to undertake this program.

To all the family members who constantly encouraged, pushed and positively criticized me in the course of this study.

Much gratitude to my supervisor Prof. Martin Ogutu for all the support and guidance accorded throughout the program. The insight and critic came in handy, “Prof” I will always be indebted to you. Thanks to the entire academic staff of the school of business Department of Business Management for their contribution in one way or another.

Lastly I would like to extend my deepest gratitude to the staff at Kirinyaga County who allowed me to involve them in this study at the expense of their busy schedules. Through their valuable feedback, the study came into fruition

And to my friends, special mention of Martin Mugo who helped me to accomplish this academic pursuit, I will forever be indebted.

DEDICATION

This research work is dedicated to my dear mum Jane Wangui, you are my inspiration.

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
DEDICATION	iii
ABBREVIATIONS AND ACRONYMS	vii
ABSTRACT	viii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Concept of Strategy	2
1.1.2 Strategic Planning Practices	4
1.1.3 Counties as Governance Units in Kenya	5
1.1.4 Kirinyaga County Government in Kenya	6
1.2 Research Problem	7
1.3 Research Objectives.....	9
1.4 Value of the Study	9
CHAPTER TWO: LITERATURE REVIEW	11
2.1. Introduction.....	11
2.2 Theoretical Foundation	11
2.2.1 Open System Theory	11
2.2.2 Resource Based View	12
2.2.3 McKinsey 7-S Framework.....	13
2.3 Performance by County Governments.....	14
2.5 Summary of Literature and Knowledge Gap.....	17
CHAPTER THREE : RESEARCH METHODOLOGY	19
3.1 Introduction.....	19

3.2 Research Design	19
3.3 Data Collection	19
3.4 Data Analysis.....	20
CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSION	21
4.1 Introduction.....	21
4.2 Demographics of the Interviewees	21
4.3. Why Kirinyaga County Decided to Undertake Strategic Planning	22
4.3.1 Planning Committee.....	23
4.3.2 Formulation of Vision and Mission Statement	23
4.3.3 Integration of Strategic Planning With Human Resource.....	23
4.3.4 Stakeholders' Participation in Strategic Planning.....	24
4.3.5 Situational Analysis	25
4.4. Kirinyaga County Performance	25
4.4.1 How Kirinyaga County Integrates Strategic Planning With Performance Measurement	27
4.4.2 Correction of Non Performing Performance Indicator	27
4.4.3 Kirinyaga County Overall Performance.....	27
4.5 Strategic planning outcomes	28
4.5.1 Challenges That Kirinyaga County Faced When Attaining Achievement	30
4.5.2 Benefits of Strategic Planning.....	31
4.6 Discussion of Findings	31
CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATIONS.	35
5.1 Introduction.....	35
5.2 Summary of the Findings.....	35
5.3 Conclusion	37

5.4 Recommendations.....	38
5.5 Limitations of the Study	39
5.6 Suggestions for Further Research.....	40
REFERENCES	41
APPENDICES.....	46
APPENDIX I: INTRODUCTION LETTER TO RESPONDENTS	46
APPENDIX 11: INTERVIEW GUIDE	47

ABBREVIATIONS AND ACRONYMS

BPO	:	Business process outsourcing
CIDP	:	County's Integrated Development Plan
COK	:	Constitution of Kenya
FSP	:	Fiscal Strategy Paper
GDP	:	Gross Domestic Product
GoK	:	Government of Kenya
MTP	:	Medium Term Plan
PESTEL	:	Political Economic Social Technological Legal Environmental
PFM	:	Public Finance Management
PFMA	:	Public Finance Management Act
SWOT	:	Strength Weaknesses Opportunities Threats
VBM	:	Value Based Management

ABSTRACT

This study problem was the presence of a knowledge gap in individual strategic planning practices and performance followed by different organizations, hence the motivation to conduct a case study zeroing in on Kirinyaga county government in Kenya. Primary and secondary data was used with the county's executive being the primary target population. The study was conducted using information gathered by use of objectively structured interview guides. Content analysis was utilized for data analysis. From the findings, it was evident that Kirinyaga County was actively involved in strategic planning which in turn affects performance. The study also concluded that strategic planning at Kirinyaga County was formal with the vision and mission statement, strategic plans at the county being formally documented. The County has a mission and vision that is well stated and in line with Kenya vision 2030. The study also concluded that the county carried out an extensive situational analysis to analyze its stakeholders, and review its internal and external environment. The study also established that financial constraints, time constraints and consensus building were the major challenges faced during strategic planning at Kirinyaga County the strategic plan developed own content based on the vision. The study showed a number of issues that are covered under the County's strategic plan, key among them the transformation of social and economic transformation within the county; facilitation of service delivery through infrastructure development; supporting the development of manufacturing sector through the provision of reliable energy; improvement of science and technology as well as innovation; conducting reforms in the land sector; engaging in human resources development as well as provision of competent and efficient public service; promotion activities in the tourism industry and manufacturing sector so as to provide opportunities for employment to majority of youth who are unemployed. Based on the study findings, the researcher recommends that more research should be done in other counties countrywide and further research should be done as well on Strategic planning implementation, monitoring and evaluation by Kirinyaga County.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management alludes to the process and approach whereby organization's objectives are specified, plans and policies developed and resources allocated, to ensure implementation of these policies and plans for the purpose of achievement of these objectives. In a nutshell, Strategic management can be perceived to be the combination of formulation of strategy, implementation and also evaluation. (Coutler, 2005)

Henri Fayol cites strategic planning to be among the accountabilities of management and terms it as a futuristic examination, identifying what needs to be done and action plan development. (Wren *et al.*, 2002). Strategic planning aids in determining long term course and also scope of a firm, matching the firm's resources to turbulent environmental changes, the markets it operates as well as customers, in order to fulfill the expectations of the stakeholders (Johnson & Scholes, 1999).

Strategic planning likens a firm to an open system composed of subsystems. This concept has had a vast application in the business world due to its complexity and dynamism. From the open system theory, organizations assume an open systems outlook. They are open to various ideologies from their surrounding environment open system theory to the strategic planning model produces a richer and better appreciation of the sub-systems that form the larger synergistic general structure.

The promulgation of the Kenyan constitution in 2010 sired a devolved government system comprising of the National /Central Government and 47 county governments whose objective was to bring the services to the masses. The constitution also provides a clarification regarding the legislature and also the judiciary to be independent arms of government with an independent budget. With appropriate implementation,

decentralization of both the political and also economic power is set to be facilitated by devolution. This is intended to stimulate accountability and also exercising power democratically. It's also meant to ensure that national and also local resources are shared equitably across the country. (African Development Bank Report, 2008).

Strategic planning is of paramount importance to these sub systems of the national government which were not in existence. This study aims to narrow in on how Kirinyaga county government implements strategic planning from an organizational perspective. The financial cost of formulating a strategic plan can be heinous to complexity of various needs. This can bring harmony issues regarding what goals the county should be implementing and their prioritization. This interdependence in the county system of government may create difficulties in the implementation of strategic planning reason being the importance of inclusion of all relevant stakeholders. Nevertheless, Kirinyaga county government can reap numerous benefits if they from implement a strategic plan, (Pindur, 1992).

1.1.1 Concept of Strategy

Strategic management would be vague without the comprehension of strategy; the long term direction and scope of an organization. Thompson et al (2007) argues that a firm's management game plan on how to grow the business is the firm's strategy. Strategic decisions accord firm's a vantage position in regard to competition (Johnson and Scholes, 2002). Burnes (2009) describes strategy as a stream of actions that are consistent adopted by an organization in order to move in the direction of its vision.

The actions can either be planned and driven from a central point, or delegated and disseminated all through the organization. According to Balogun and Hailey (2007), these stream of actions can either be conscious actions in quest of a vision or emergent or

unconscious ones that result from former patterns of decisions or resource allocations or from present reactions to difficulties and opportunities. A good strategy is results oriented and ensures the organization's sustainability by being conscious of the present and forecasting futuristic occurrences.

Strategic management entails thorough comprehension of the strategic position of a firm, future strategic choices and also management of strategy into action (Johnson et al, 2008). Pierce and Robinson (2009) explains strategic management to be set of decisions and actions whose outcome is the devising as well as employment of strategies which have been designed to facilitate the achievement organizational objectives. Mintzberg (2001) states that the strategic management field cannot be dependent on a single term for strategy definition. He further goes on to expound strategy and presents it as a plan, strategy as a ploy, strategy as a pattern, strategy as a position and also strategy as a perspective. Strategy as a plan is described to be a course of action that is deliberately planned and is purposed to deal with particular circumstances. It entails ways in which the decision makers propel the organization by having a well laid out action plan. As a ploy, it can be viewed as an exercise whose intention is to outwit a rival or an opponent. This looks at direct competitors where SWOT analysis can be employed to gain a competitive advantage.

Strategy as a pattern is perceived to be consistent activities whether intentional or not. Here the focus is on action while reminding us that the concept is empty if behavior is not taken into account. As a position strategy is perceived to be a way of positioning the firm in an environment. This enables us to look at strategy in context and specifically in the competitive environment, how an organization finds its position and protects it against competition, evade it or undermine it. Lastly strategy as a perspective, is seen as the character or "personality" of an organization. This emphasizes on passing on of the

organizational culture, norms, value system, practices and ideals to the individuals and groups involved in the day to day learning of its activities.

1.1.2 Strategic Planning Practices

Strategic planning can be viewed to be partial effort of management of an organization or as the principal effort by other schools of thought (Poister *et al.*, 2010). Strategic planning is further described by Bryson & Roering (1988) to be “a disciplined effort to produce fundamental decisions and actions that define what an organization is, what it does, and how it does it”. The strategic planning process assists in unifying the organization to focus on a shared mission, goals, and objectives founded upon suitable internal and external analyses.

(Almond & Barlow, 2010) argues that the preparation for process of strategic planning depends on the nature as well as organizational needs and its direct external environment. For instance, an organization whose core business is exposed to rapid change requires frequent review of its strategic plan. This is as opposed to an already existing firm in a fairly conducive business environment which can carry out strategic plan review annually or during the initial setup, when venturing into new markets or at the beginning of a fiscal year.

Good strategies should lay emphasis on the core pillars that are often brushed aside. (Bradley *et al.*, 2013). Consensus is paramount before formulating strategy and the criteria for making them. The firm’s preparedness and will to act on a strategy once it is adopted is also crucial. Strategic planning is a journey and should therefore not take a formula-driven approach.

According to Bradley *et al.* (2013), the process of strategic planning is made up of six major components; Direction, which articulates where the organization is heading and its

sub components being purpose, values, mission and vision. Secondly comes in situational analysis; which entails factual organization's present situation. This is followed by a clear definition of the mission intent. Fourthly is to determine the critical path; this refers to the things that must be done so as to accomplish the vision and mission spelt out. Lastly we have resource release which entails prudent resource allocation ensuring efficiency and effectiveness in line with available opportunities.

1.1.3 Counties as Governance Units in Kenya

Chapter eleven (Cap 11) of the Kenyan Constitution of 2010 on devolved government provides for the process of setting county governments. The Kenyan constitution of 2010 provided for the creation of 47 county governments. This number is centered on the outline of administrative districts created under the Province and District Act of the year 1992. The aim of adopting the CoK 2010 was to basically alter the framework of authority through far reaching developments.

Devolved systems of governance as compared to the federal system in the United States would be a revolution in terms of resource distribution and service delivery to all in sundry. If objectively implemented, the CoK 2010 would be an ideal tool towards achieving vision 2030 and to some extent the millennium development goals. Despite the much anticipated turnaround, it is absurd that devolution has turned out to be a puzzle in regard to the constitution. There is need for collective inter relationship between the various government organs for devolution to come into fruition as anticipated.

The Fiscal Strategy Paper (FSP) outlines the macroeconomic performance of the county which informs and guides the formulation of budget, tax and revenue policies. The main result of the FSP process is an estimate of resources which will be accessible to finance county recurring and development expenditures. It goes into details regarding the

contents of the FSP and covers the purpose of the strategy, contents of the macroeconomic framework, and contents of the fiscal framework. This FSP has followed the guidelines of the draft regulations although it has not been passed. In future the development of the FSP will be guided by both the national and the county Public Finance Management (PFM) regulations.

1.1.4 Kirinyaga County Government in Kenya.

Kirinyaga County is among the 47 counties that were established under Article 176 of the Kenyan constitution and the first schedule to the constitution of Kenya 2010 (The constitution of Kenya, 2010). Its name originates from the original name of Mount Kenya, which originally was referred to as Kirinyaga, which signifies the crest of whiteness, the same as the snow-capped peaks of the mountain. The area covered by the county totals to 1,478 square kilometers, surrounded by 3 counties namely Nyeri, Murang'a and Embu Counties. Kirinyaga County lies between 1,158 meters and 5,380 meters above sea level in the South and at the Peak of Mt. Kenya respectively. The landscape and other topographical features in the county are greatly influenced by the Mt. Kenya which is found on the northern side of the county. Despite Kerugoya town being the largest urban center, Kutus a relatively smaller town serves as the county's headquarters.

The figures published by the National Bureau of Statistics 2009 report, indicate that 528,054 people live in the county Kirinyaga (51% - female and 49% - male). Majority are of Kikuyu tribe whose main practice is small scale farming. The most dominant crops are tea, coffee, rice, maize, beans, bananas and different kinds of fruits and vegetables though any other crop can do well in this region. Majority of the residents are Christians attending Roman Catholic faith and Protestant churches though there is a small number of residents practicing Islam religion especially in major towns like Kerugoya and

Wang'uru. Various institutions operate in the major towns within the county. Amongst them is Barclays bank, Kenya Commercial Banks, Family Bank, Equity and also Cooperative bank. SACCOS have taken advantage of opportunities present in smaller towns where they provide farmers with financial services.

Located at the foot Mount Kenya, Kirinyaga county stands out as one of the wettest counties in the country experiencing annual temperatures that range between 12 °C and 26 °C which adds to an average of 20 °C and annual rain of about 1250mm. Kirinyaga experiences two rainy seasons which is the long rains received in March to May and also short rains received from October to December (County Government of Kirinyaga, 2016)

1.2 Research Problem

Strategic planning is significant due to the role it plays in strategy development. A strategy refers to methods, tactics or plans taken to achieve an anticipated future like accomplishment of an objective or resolution to an issue. Strategic planning is of paramount importance following the introduction of strategic management practices by the government which led to introduction and implementation of performance contracts in the public service (GoK, 2003).

The aim of strategic planning is to attain effectiveness in operations which in a wider sense points to practices which allow an organization for better utilization of resources. County governments are required by the central government to reconsider how they conduct business, evaluate the consequences of replication of services so as to define their function better and also intensify partnerships when possible (GoK, 2003: Obongo, 2009).

In Kenya, county governments were on transition with respect to strategic planning. They were required by the government to carry out strategic planning which was previously not the case (GoK, 2012). Strategic planning requires dynamism to fit different contexts in diverse and complex scenarios in the county government cases shrouded with different cultural and economic environments. What is applicable in one scenario is totally different from the other hence the need for adequate resources in terms of finances, human resource, and logistics. This further extends to the carrying out surveys, data collection, analysis and implementation of the strategic plan.

Vast knowledge exists on the area of strategic plans and strategic planning as put forward by various researchers. Related studies on strategic management have been done internationally. (Ridwan & Marti, 2012) conducted a research on strategic planning and how it impacts performance in the banks owned by regional government in Indonesia. Mapetere (2012) carried out a research on strategic role of leadership in implementation of strategy in enterprises owned by government of Zimbabwe. A number of researches have been conducted to document strategic planning in Kenya (Sharbani 2001; Sagwa 2002; Wanjohi 2002; & Busolo 2003). All these studies show that organizations carry out strategic planning. However, the strategic planning approach followed varies from one organization to the other.

Several studies have been done that look at the relationship that exists between strategic planning and organizational performance in several organizations in Kenya. Muturia (2009) studied multi-dimensional strategic planning practices and its effect on organizational performance. Arasa (2008) did a study on strategic planning, employee participation and the influence on firm performance in insurance industry in Kenya. Ong'ayo (2012) did a research on the perception of employee on strategic planning and its influence on performance at the ministry of foreign affairs, Kenya.

Looking at this past studies attention was not given to the distinct steps which make up the process of strategic planning and approaches that is followed by different organizations. Many perceive that the way and degree to which each of the strategic planning steps is addressed could have impact on the achievement of the perceived organizational objectives. This study matched this gap as it was set to carry out an analysis of factors that influenced strategic planning practices and process by Kirinyaga county of Kenya, by getting answers to the research question; what strategic planning practices have been adopted by Kirinyaga county government and how do they relate to their performance?

1.3 Research Objectives

The study was guided by the following objectives:

- i. To establish the strategic planning practices adopted by Kirinyaga county government.
- ii. To establish the influence of strategic planning practices on the county government's performance.

1.4 Value of the Study

This study provided insight on importance of strategic planning practices not only to practioners of strategic programs in Kirinyaga County but also other counties, scholars, future researchers and to some extent the global citizenry.

Poor planning has constantly led to emergence of white elephants in many counties, this study will help county government officials and those from the national government in conducting proper feasibility studies which will come in handy in ascertaining the viability of the planned projects.

Policy makers such as the county government can find the study important as it provides information on the sustainability of these enterprises and thus inform policy. The study also yields data and material that can be beneficial and facilitate proper planning as well as decision making in various sectors. It informs county government on the various strategic practices and thus informs them on the sustainability of the programs.

The findings of the research would be useful to practitioners because it will make available practical guidelines on how to successfully manage change as well as how to measure and handle performance during the transition period so as to make the best out of strategic planning practices. This will lead to high performance levels and aide in the achievement of the organizational goals.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter provides an evaluation of studies done in the past as well as available literature in relation to the study problem.

2.2 Theoretical Foundation

This study will be based on three theories namely; Open System Theory, Resource Based Theory and McKinsey 7-S Model.

2.2.1 Open System Theory

The concept of strategy is traced back to early 20th century. With the onset of industrial revolution, the military lexicon, strategy, was borrowed into business to mean configuration of resources to achieve advantage against competitors (Yabs, 2007). Later on, the concept of strategic planning emerged which focused on expanding business by identifying moves and business tactics that were competitive, compete successfully, appeal and satisfy customers as well as carry out operations with the aim of achieving the performance level targeted (Thompson *et al.*, 2007). Strategic planning metamorphosed from the widely known financial planning of the 1950s and long-range planning of the 1960s into strategic management of today. Strategic management is a fairly innovative field of study which is still at a pre-paradigmatic stage; it's multidimensional and unifies the concepts of strategy and strategic planning in the broad endeavor of an organization to achieve its purpose (Johnson *et al.*, 2008).

The concept of strategic planning has found robust application in business arena because of the nature of the business environment that is complex and dynamic nature of the business environment. This is because organizations are perceived to be open systems when viewed from the perspective of open systems theory. They take in various inputs

from environment; transform them in some way and export outputs. Haines (1972), states that an understanding that is profound regarding the interrelatedness of the factors that have an influence in the environment when relating open systems theory to the strategic planning model leads to richer and improved appreciation of the sub-systems that comprise the larger synergistic general system. Open Systems theory offers a deeper insight of the developments and the precarious nature of the relationship between these various components with the bottom-line being able to manage organizational changes, achieve an internal fit and adjust to external environmental changes.

2.2.2 Resource Based View

The theory presents an argument that any firm is basically a pool of resources and capabilities that decide the strategy as well as the performance of the firm; and if, in the market, all firms possess the similar resources and capabilities, same value will be created and therefore there will be no competitive advantage existing in the industry (Barney, 1991). The resource-based view based on the view that successful firms find their imminent competitiveness by developing capabilities that are distinctive as well as unique, which in nature may often be inherent or insubstantial. The essence of strategy therefore, ought to be defined by the unique resources and capabilities that the firm possess. Additionally, the value generating capability of strategy, which is the ability of the organization to create and weather a gainful position in the market, depends critically on the ability of fundamental resources and capabilities to generate income (Conner, 1991).

The resource based theory put forward the notion that competitive advantage and performance results are a result of resources and capabilities that are firm-specific and that they are hardly imitable by competitors (Barney, 1991). These resources and capabilities, by possessing specific superior characteristics, may stand out to be

significant factors that ensure sustainable competitive advantage and greater performance by the firm. They should be of value, cumulative efficiency and effectiveness, be rare, imperfectly imitable as well as non-substitutable (Barney 1991).

2.2.3 McKinsey 7-S Framework

Considered to be a Value Based Management (VBM) model, the 7-S framework of McKinsey describes ways in which a company can be organized holistically and also effectively. Together these aspects define how a corporation functions. The centre of McKinsey's model is: Shared Values, which underscore a firm's central beliefs as well as attitudes. 7 interdependent factors are proposed by the model – 3 'S' that are considered hard, i.e. structure strategy, systems; and 4 soft 'S' i.e. shared values, skills, style and staff. The hard 'S' are more tangible, easily defined and influenced as compared to the soft 'S'.

McKinsey summarizes these into seven key areas named the Ss, which include: Strategy: Plans for a firm's scarce resource allocation, over a period of time, to attain preset goals. The environment, competitors, the customers; the organization's structure: how units in an organization's relate with each other: well-designed divisions that have been centralized(top-down); decentralization (the tendency with bigger firms); matrix, network, holding, among others; system: the techniques, practices and schedules that describe the way to do work: financial systems; hiring, promotion and performance appraisal systems; information systems; staff: numbers and types of employees working in the organization; style: the organization culture and the behavior of key managers in accomplishing the goals of the organization; and skill: distinguishing competences of employees or of the organization in totality (McKinsey, 1994). The framework exhibits key strengths that are pertinent to the present study: an analytical tool which help when looking into organizations that are ineffective; guides change management in

organizations; brings together coherent and tough elements with sensitive and easy elements; its important that managers act on all Ss in parallel since they are correlated (Rapert *et al.*, 2007).

2.3 Performance by County Governments

Kenya's devolution involves both political and administrative changes, requiring the national government and counties to collaborate in building a new political culture and leadership, with citizens as the pillar of reflexive governance. Implementation of devolved governance in Kenya has attracted the interest of policy makers, practitioners, scholars, and citizens at large hence the need to delve into performance by the county governments with a keen emphasis on strategic management.

Strategic Management communicates the positioning and also the linking of a firm to its environment in a way that will guarantee sustained achievement (Lawrence & William, 1988). This requires application of various principles, techniques and advanced tools in strategic management. In the past focus on long-range planning assumed that the future was not expected to be significantly different from the past so extrapolation of history was sufficient. Strategic planning assumes the future is not expected to be a resemblance of the past. Hence the paradigm shifts from a centralized system of governance to the county governments.

Devolution refers to regionalization which entails moving of particular utilities from a principal authority to the lowest practical structure. It involves the yielding (legal act giving) of power from a Central Authority to Local Authority, the state controls of collecting revenue and spending among others. In the case of Kenya the present Central Government whose headquarters is located in the Capital City of Nairobi will transfer power to the 47 Counties. These Counties will form the County Governments which

encompass County Assemblies and County Executives with State powers of legislating, making laws and Executive as well Implementing Laws and Policies.

Strategic management refers to related actions that lead to the creation of a strategy that is effective or help achieve corporate goals. The process of strategic management is the way in which policymakers decide on objectives and make strategic decisions (Lawrence & William, 1988). The main focus of strategic management is to achieve organizational objectives while giving attention external as well as internal dynamics.

Having this in mind, county governments' main objectives were to get services brought to the grassroots as enshrined in the constitution. This has greatly been achieved since projects are initiated at the local level based on their priority, urgency and the people's voice through an elected member of county assembly who does legislation and oversight.

Chandler (1962) as well argued that successful strategy that is effective depends on the structure, hence to accomplish any effective financial performance organizations need to adjust its structure. Present structures of county governments in Kenya replicates that of the central government hence the need for a larger demographic and physical area. This can be seen in other federal systems like the U.S.A where states which can be likened to counties here cover vast areas. This would translate in a reduced wage bill for the taxpayers.

2.4 Strategic Planning Practices and Organizational Performance

There exists numerous definitions of performance, whereby it can be defined to be a assortment of accomplishments, operating proficiency, and value, how they are measured as well as successive results achieved (Dessler, 2008). Each organization comprises of mechanisms that are well defined, that are used to measure performance. These

mechanisms support the organization in evaluating present and also previous accomplishments comparative to anticipated thresholds but the performance measurement methods used are relative to the setting where the organization functions and also the strategic objectives that are being pursued (Akinyi, 2010).

Carton & Hoffer (2010), reports the observation of Venkatraman & Ramanujam (1986) that there is little argument that one of the central purposes of both entrepreneurship and strategic management theory and research is the enhancement of the performance of the organizational but there is no agreement on the best or even adequate measures of organizational performance. They consent that diverse measures of organizational effectiveness and performance have been utilized with little attention to the boundaries these measures may enforce on the explanation of the results of the study.

However, in spite of the above stand-off, measurement of performance can be done using quantitative methods like net and gross profit as well as Return on Investment, Return on Equity Employed, equity or capital and so on or by use of qualitative methods for instance absenteeism levels, levels of employee job satisfaction, industrial relations, quality of teamwork, presence of best management practices, development of new product, operational sufficiency, efficiency in terms of cost reduction, employee and stakeholder satisfaction among others (Foster, 1993; Johnson *et al.*, 2008).

The need to measure both financial and non-financial aspects of performance has led to use of the balanced scorecard proposed by Kaplan & Norton, (1992). However, selection of appropriate performance measures to ensure consistency of measurement is a challenge due to context of operation and variety in strategic objectives pursued by firms. In spite of this challenge, researchers and scholars tend to be in agreement that

there is a positive correlation between strategic planning and organizational performance (Ansoff, 1990).

2.5 Summary of Literature and Knowledge Gap

Performance is the heart of every organization. Over the past decades investigations have been conducted by researchers and analysts to find out how strategic planning influenced organizational performance. For instance, Mazzarol (2009) reports that some twelve research papers from 1950's to the early 1980's indicated that planning was positively correlated with better performance. Researchers assert that strategic planning exudes an influence that is positive on the performance of a firm and the possibility of the reported literature inconsistencies being caused by measurement methods as well contingency factors. For instance, Armstrong (1982) argues that devoid of a proper account of the planning techniques, it's is impossible to measure the value brought by planning in a scientific manner. Strategic planning viewed as systematized, phase by phase, sequential processes to develop or organize an organizational strategy leads to the concept of formality in strategic planning (Johnson *et al.*, 2008).

Formality is a term used to refer to the degree to which a strategy is considered as deliberate, how much it is recognised, how well it is communicated and the amount of time spend in the planning as well as the degree of participation by members and specification of the process, resources and responsibilities (Gode, 2009). Higher levels of formality in the process of strategic planning, is often positively correlated to high firm performance. Even if Wheelen & Hunger (2008) warns of findings from recent studies to have established that high levels of formalization of the process of strategic planning the end result may be reduced performance. Ansoff (1990) notes that deliberate and systematic pre-planning of acquisition of strategy produces significantly better financial performance than unplanned opportunistic, adaptive approach.

Planning being the alignment of the internal processes to the ever changing external turbulent environment, it is of paramount importance for any firm to factor issues like changing weather patterns, dropped income levels which translates into low income collection if the strategic plan is to be achieved. This further calls for inclusiveness which usually lacks in many organizations.

Foster (1993) asserts that although strategy making and planning in small firms is opportunistic and informal, strategic management process is significant in both small and large enterprises. This is largely true if planning can be thought of as the reflective activity that precedes the making of decisions. Of essence therefore, is the fact that there is an inherent gap of knowledge covering the relationship that exists between strategic planning and firm performance. This therefore is the basis on which this research is designed; establishing if the practice of strategic planning in Kirinyaga County influences positive performance of the county as a body corporate.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides an over view of the employed research methodology used in this research. It discusses the research design, the population targeted, the sampling that was used, and the data collection instruments employed as well as tool for data analysis and presentation.

3.2 Research Design

The research design employed by the researcher was the case study design which is crucial for information analysis and does it in a methodical way so as to be able to reach relevant conclusions as well as recommendations. (Mugenda and Mugenda, 2003). It has the benefits of exactness and adaptability (Kombo and Tromp, 2006). The research design empowered the researcher to gather perfect data for accumulation of information that was important for the objective of the study.

3.3 Data Collection

Data employed for this study included both primary as well as secondary data. Collection of primary data was done with the use of interview guide questions. In-depth interview was preferred as it encouraged participants to share as much information as possible in an unconstrained environment and provide more qualitative information, more profundity, representation, adeptness, statistics and also more value (Stokes & Bergin, 2006).

This was achieved through face to face interviews with a total of eight respondents drawn from the county's various departments. They included: Human Resource Director, Account Officer, Finance Director, Director of Administration, and Chief of Staff,

Principal Clerk, Procurement Officer and the Finance Minister. These respondents will be in a better position to provide required data since they play an important part in the county's strategic planning practices which is the research's objective.

3.4 Data Analysis

Data collected was qualitative hence the use of content analysis in response evaluation, drawing conclusions and to propose appropriate recommendations. Content analysis entails reading and re-reading interview responses while looking out for matches as well as variances so as to find themes and to develop classifications.

The field interview guides were checked to ensure consistency, the data was then cleaned and coded then entered for analysis. Mugenda & Mugenda (2003), asserts that the key role of analyzing content is to study current Information so as to determine the aspects which elucidate a particular occurrence. Content analysis can be further described as the utilization of a set of categories for making effective and replicable interpretations from data to their perspective. (Kothari, 2000).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter consists of data that was gathered from the interviewees and analyzed in line with the objectives of the study which were to establish strategic planning practices adopted by Kirinyaga County in Kenya and also to establish what influence Strategic Planning practices have on the county government's performance.

The study had targeted 8 executives from Kirinyaga County, however only six interviewees were reachable hence attaining a response rate of 75%. According to Cooper and Schindler (2006), a response rate of 75% is sufficient enough for scientific and social studies to proceed.

4.2 Demographics of the Interviewees

The study sought to interview the executive members of Kirinyaga County who happen to be the departmental heads and actively involved in the formulation of the strategic plan. Six of the interviewees successfully turned-up for the interviews and actively responded to the various questions that the interviewer sought answers to.

This information was used to ascertain the respondents' appropriateness in responding to questions about strategic planning practices by Kirinyaga County.

The respondents were drawn from different departments including; Human Resource Director, Account Officer, Finance Director, Director of Administration, Chief of Staff, Principal Clerk, Procurement Officer and Finance Minister. It therefore implies that, the information collected from them is all-round and therefore more reliable owing to the rich source. From the county government structure these are the main departments

which are headed by executive directors. These directors report to the county governor, hence they link the lower level staff and the county leadership.

All respondents indicated of having postgraduate education. This implied that the county executives were qualified for the position they held in the county as it is mainly comprised of university graduates. It therefore depicts that the county has an elite workforce. Most often, performance of the human resource is dependent on the education level and level training, therefore, it can be deduced that County Government of Kirinyaga has an excellent workforce to ensure strategic planning practices is carried on swiftly

4.3. Why Kirinyaga County Decided to Undertake Strategic Planning

The study sought to determine why Kirinyaga County decided to undergo strategic planning. Based on the findings, The County Government of Kirinyaga decided to undertake strategic planning due to a number of reasons. It was clear from the study that Kirinyaga County strategic plan is based on Kenya's Vision 2030. The strategic plan developed own content based on the vision.

The respondents indicated that there are several issues that are covered under the County's strategic plan. The plan clearly elaborates the county plans on the social, the political as well as economic transformation within the county in regard to; political uncertainty, organizational change, population growth, increased demand for services and decline of industries. They further revealed that the county plans on infrastructure development so as to enhance delivery of service; developing the manufacturing sector in the county through provision of energy that is consistent and reliable; enhancement of science and technology and also innovation; to conduct land restructurings in the county; to participate in the growth of employee resources and also enhance delivery of well-

organized as well as effective public service; promoting activities related to tourism within the county and also promoting activities related to manufacturing in the county so as to provide many young people that are unemployed with job opportunities.

4.3.1 Planning Committee

The researcher sought to establish whether the county has a strategic planning committee and the composition of the committee. The respondents reported that the county has a 13 member strategic planning committee which is mandated to steer and guide through strategic planning process. The study established that the planning committee comprises of heads of departments, independent commissions, development partners, financial institutions, employee representatives, and representatives of the business community, national government and non-governmental organizations.

4.3.2 Formulation of Vision and Mission Statement

The researcher further sought to establish the process followed in the formulation of the county's vision and mission statements. The researcher established that the county's executives and the planning committee were involved in this process. Development of the county's vision and mission was a result of a rigorous environmental scanning process by the planning committee which was aimed at comparing the county's position in its environment and determination of future aspirations of the county. The researcher also established that the mission and vision statement were formally written into an official document of the county and embedded into the county's strategic plans and the county's integrated development plan (CIDP).

4.3.3 Integration of Strategic Planning With Human Resource

Respondents were asked to what extent is Kirinyaga County integrating strategic planning with human resource. The researcher established Human resource management

as an integral part of Kirinyaga county strategic plans. The management of human resource ensures that the county has the personnel that are needed to ensure the strategic goals are met, ensure the retention of those employees, ensure skill development is conducted as well as motivating them.

Interviewees said that strategic goals included; developing a well remunerated, professionally competent staff that internalizes and puts into practice the core values of the organization, creation of an enabling work environment, and ensuring the information technology in the county is fully integrated, Further they said that strategic goals also involved developing a dedicated professional team, business process reengineering, improving service and enhancing revenue collection. From the findings the departments consider the achievement of strategic goals and initiatives during the evaluation of employee's competence.

4.3.4 Stakeholders' Participation in Strategic Planning

The researcher further sought to find out whether stakeholders were involved in strategic planning at Kirinyaga County. The respondents reported that strategic planning at the county is an inclusive formal process. The researcher also established that stakeholder participation is an integral part of the strategic planning process at the county. The respondents reported that the national government, independent commissions, development partners, general public, the representatives of the business community, employees, financial partners, and the county executive participate in strategic planning through public consultative meetings and forums organized by the county's planning committee. During these meetings, the county planning committee receives views, ideas and proposals from the stakeholders which are then evaluated and incorporated into the strategic plans developed by the county.

4.3.5 Situational Analysis

The researcher also sought to establish whether situational analysis is carried out during strategic planning, what it involved and its importance in strategic planning process at the county. The researcher established that situational analysis is usually done during formulation of strategic plans at the county. It was further established that situation analysis conducted by the county's planning committee involves; internal analysis, external analysis and stakeholders' analysis.

The researcher also sought to establish the importance of situation analysis in strategic planning at the county of Kirinyaga. The researcher established that the importance of Situational analysis in strategic planning at the county was that it was used to establish the strategic areas of interest in the environment. The study found that the county conducted an extensive environmental scanning process where SWOT analysis, PESTEL and stakeholder analysis were conducted in order to determine the county's position in relation to its environment as well as identify strategic objectives and priorities. The researcher established that internal weaknesses such as deficiency in skilled personnel, poor organizational structure and limited finances posed the greatest threat to long term success of the organization.

4.4. Kirinyaga County Performance

The respondents also confirmed that the county ensures that its strategic plan is balance in a way that it's financial, customer, internal business process and learning goals are all balanced. The department was headed by the transitional authority team. The Kenyan constitution, the Public Finance Management Act 2012 (PFMA, 2012) and other relevant regulations in regards to finance guides the management of financial resources of the county. The Constitution requires sincerity, responsibility and public contribution in all matters public finance.

The researcher established that financial management services department formed the central point for expenditure for other spending units not catered for under the county assembly and the county executive services. The county puts in place systems, procedures and processes to ensure compliance with various financial and accounting requirements, regulations and guidelines, as per various legislations and circulars. This enhances accountability in terms of instilling financial discipline. Internal and external audit is strengthened to ensure proper checks and controls. Monitoring and Evaluation is emphasized as well as it plays critical role in ensuring accountability in use of public resources.

The respondents also confirmed that the county implemented the re-engineered IFMIS system which enhances accountability through increased efficiency in operations, accuracy and proper financial reporting. Adherence to procurement procedures as envisaged in the public procurement and oversight authority guide lines prevents the malpractices associated with poor financial management. Proper management of revenues through proper and accurate record keeping and reporting, adherence to revenue collection procedures and regulations, regular banking and maintenance of bank reconciliations are the various modes that ensures accountability in the use of resources.

The study revealed the key priorities for the department was to execute the budget and ensure smooth running of services which included coordination of different sections in the county, monitoring and evaluation and general management of public finances and economic affairs of Kirinyaga county government.

4.4.1 How Kirinyaga County Integrates Strategic Planning With Performance

Measurement

The study findings established that the county has quarterly reviews to establish the actual performance and compare the same with desired level of performance. It was also clear from the study that the county has clear performance indicators that have been developed to guide the strategic planning process. The respondents reported that financially, budgets are prepared; the budgets are used to allocate resources, coordinate how assets are deployed and compare actual results with performance standards. Budgets usually cover short-term (one year or less) and they cover several functional areas.

Further, in non-financial areas, a Balanced Scorecard is used. The Balanced Scorecard is designed around the Strategic Plan. Additionally, the Balanced Scorecard will include critical financial measurements. Therefore, the Balanced Scorecard becomes the principal system for evaluation and control of the Strategic Plan.

4.4.2 Correction of Non Performing Performance Indicator

In case a particular performance indicator is not performing, the respondent said that the schedule is changed where the due date is pushed further. In addition, the respondent said that they change the tactics used in implementing the strategy. Further the strategy could be changed and finally, a compromise could be reached on the objective.

4.4.3 Kirinyaga County Overall Performance

The study revealed that Kirinyaga County has a number of ongoing projects carried forward from the defunct Local Authority most of which are in their final stages of completion, and overall performance of the county has improved tremendously in the past three years. This finding depicts that the financial performance of the county is excellent and has greatly impacted on the strategic planning process positively. The

transition to devolved system has been a success because of the financial capacity of the county and the proper absorption of the development projects revenue.

4.5 Strategic planning outcomes

The study investigated on Kirinyaga county achievement of strategic goals and objectives. The study findings established that Kenya Vision 2030 aims to change Kenya into a modern, globally competitive, middle income country providing a high quality of life to all its citizens. The Vision is anchored on three pillars which are Economic; social, and political. The aim of the Economic Pillar is to aid the achievement of an normal Gross Domestic Product (GDP) growth rate of 10 percent every year and maintain it until the year 2030 so that more resources can be generated and revive the economy to attain the envisioned aims and ambitions. The sectors considered to be key in this pillar include: tourism industry, the agricultural and livestock industry, manufacturing industry, wholesale and retail trade, Business Process outsourcing (BPO) and financial service industry.

Taking cognizance of the recent developments, an additional sector, oil and other mineral resources, has been given consideration making the sectors seven. . The Social Pillar pursues the building of a society that is just and cohesive where there is social equity and an environment that is hygienic and safe. This pillar looks into the education sector and training of the population, health amenities, adequate water and irrigation, environment, housing and urbanization, gender, sports, youth and culture. The aim of the political pillar is to realize a political system that is democratic and one founded on politics that is based on important issues and respects the rule of law and also one that defends the fundamental rights and freedoms of every single person in the society.

The three pillars are based on a number of fundamentals that act as enablers to aid in the creation of an environment which is focused on realizing Vision 2030. These fundamentals include the macroeconomic stability; continuousness of reforms in governance; improved parity and providing opportunities for wealth creation for the the disadvantaged; growing better infrastructure; providing reliable energy; Science, Technology and Innovation; looking into Land Reforms; development of Human Resources; reforms in the security and also public Sectors. The adoption of the new constitution saw the inclusion of another enabler which national values and ethics.

The study revealed that the extensive crucial areas that will be given priority and will be the focal point of the Second MTP include: creation of employment opportunities; human resource development by expanding and also improving the quality of education provided, health services and other social amenities; the expansion of irrigation systems so as to reduce dependence of rain fed agriculture; investing more in alternative and green sources of energy; increasing investments and improving infrastructure so as to improve the competitive position of the country's economy; increasing the saving, investment and exports to GDP ratio; implementation of crucial flagship projects in Kenya Vision 2030; improvement of national security; promotion of national values and ethics; and continuous implementation of the Constitution most importantly devolution.

These findings depict that Kirinyaga County Integrated Development Plan is affiliated to the Medium Term Plan II and the Vision 2030 as required by law, County Government Act, 2012, which instructs the planning of public funds by the county government and that there will be no spending outside a planning framework. Therefore the CIDP offers important relationships of the National and County Governments through the facilitation of the execution of Vision 2030 flagship projects as well as other projects and programs

which will guarantee implementation of Kenya Vision 2030 at all levels of Government. The study further revealed that the Identification of specific projects was through public participation forums at different levels.

4.5.1 Challenges That Kirinyaga County Faced When Attaining Achievement

The study further investigated on the challenges the county faced when attaining its achievement the study established that time constraint was a challenge during strategic planning. The respondents interviewed were in agreement that limited time was allocated to the strategic planning process. The time allocated for strategic planning events such as public participation forums was not adequate enough to capture the views of the general public at the county.

The study established that financial constraints were a challenge during strategic planning at the county. The study established that the county had a budgetary constraint hence the amount allocated to strategic planning was limited. This forced the planning committee to come up with specific planning timeframes and prudent financial practices in order to utilize the allocated funds.

The study also established that building consensus during strategic planning at the county was a major challenge. The researcher established that differing views between the members of the planning committee, the stakeholders and the general public was a challenge during strategic planning. Building consensus amongst various parties involved in the planning process was done through consultative meetings and seminars meant to reach out a consensus on the contentious issues.

4.5.2 Benefits of Strategic Planning

The interviewees were in accord that Kirinyaga County had gained tremendously from having Strategic plans. The benefits gained through implementing strategic planning include high Performance over the past three years. Focus on the important things i.e. resources (time, talent, money) are properly allocated to those activities that provide the most benefit. Strategic planning helped in recognition of the impact of the changing business environment on the county which led to awareness of the county potentials in light of its strengths and weaknesses, identification and analysis of available opportunities and potential threats. The county is able to change its direction to take advantage of the changing business environment maximizing the opportunities while minimizing any threats brought about by the environment.

The study findings established that strategic planning has helped county executives and officials see the importance of setting objectives that are realistic and demanding, yet attainable which has led to accelerated and improved growth. Poor performing areas are identified and eliminated and there is development of better communications with those both inside and outside the county.

Strategic planning provided the county and top executives a road map to show where the county is going and how to get there, better internal coordination of activities and gaining a sense of security among employees that comes from better understanding of the changing environment and the county ability to adapt. The study revealed that benefits of strategic planning outweigh the cost.

4.6 Discussion of Findings

Strategic planning process involves various activities which are aimed at formulation of an organization's long-term mission and near-term objectives, identification of its strengths, weaknesses, opportunities and threats through a thorough strategic analysis of

its environment (Pearce & Robinson, 2011). This study established that Kirinyaga County scanned its environment during strategic planning with the key aim of understanding its effect on its operations. Legal issues including guidelines on budgeting and procurement as set out by the constitution of Kenya, 2010 are crucial aspects in strategic planning by the county. In light of the above, the county has repositioned its strategic plans with the constitution and also streamlined them with Kenya's vision 2030 economic blue print.

From the findings of the study, it is evident that strategic planning at Kirinyaga County was a calendar driven process in which the planning committee played a great role. This conforms to the views of McKinsey (1999), who opined that strategic planning process is a time-bound process which requires a planning committee. Strategic planning requires a high level of discipline in terms of adherence to the objectives set, time and resources allocated hence the importance of it being a formal process. The role of the planning committee during strategic planning is not confined only to the analysis of views from stakeholders but also to ensure that the planning process does not deviate from the expected targets.

Communication of the vision and the organization's strategic plan in general is important during the implementation phase. It is evident from the findings that Kirinyaga County communicated its vision and strategic plans to the employees as well as to the stakeholders at the county. This is meant to ensure that employees are committed to the county's vision and understand the strategic plans they are implementing. This is in line with the views of Thompson & Strickland (2008) that an effectively communicated strategic plan is a valuable management tool for enlisting the commitment of the company's personnel to strategic objectives of the organization.

The study revealed that strategic planning at the County is a participatory process involving external stakeholders, the county executives. This conforms to the views of Bryson (2004) that stakeholder participation in strategic planning process is important since it captures their views, creates a sense of ownership to strategic plans and most importantly adds a broad perspective to the planning process.

Kirinyaga County also sought to analyze and understand its stakeholders with an aim of understanding the county's obligations to the stakeholders as well as understanding on methodologies of how best to engage them in strategic planning and future engagements. According to Bryson (2004) analysis of stakeholders is important in managing relationships between an organization and the parties that are involved or affected by its operations. The county being a public institution is obligated in creating value to the general public. According to Bryson (2004), analysis and attention to stakeholders by public institutions is important since their operational success and survival depends on satisfying their needs.

The study established that strategic goals and objectives at Kirinyaga County are built around its long term vision and mission. The findings are in agreement with Thompson *et al* (2008) views that building strategic objectives from an organization's vision helps in conversion of the strategic vision into performance goals. Linking the vision with the mission enables strategic planners and implementers convert the vision into measurable targets.

The study confirmed that the perceived source of challenges in implementing the County strategic plan is financial constraints, unavailability of resources and poor coordination of development activities. The implementation of the County strategic plan depends largely on the revenue allocated by the central government and the revenue that will be

collected locally at the County. This same view is held by Lynch (1997) who argues that constraints of resources is likely to occur during strategic planning in public bodies, particularly, those that depend on funding from the government. The reason is due the fact that such entities are likely to be influenced by political factors which makes availability and allocations of funds more challenging when likened to the private sector. In some cases, there might be lack of political support to fund strategic projects even though demanded by the community.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are in quest of addressing the research question and achieving the research objective which is strategic planning practices by Kirinyaga county government in Kenya.

5.2 Summary of the Findings

The study revealed that Kirinyaga County was actively involved in strategic planning.

This illustrates that strategic planning was key factor in the county's operations.

Additionally, the study also established that strategic planning was essential in streamlining the operations of the county to achieve operational efficiencies and better service delivery. The county had developed a five year strategic plan and a county integrated development plan that stipulates its strategic objectives and targets to be attained.

From the findings, the study established that communication of the county's vision and strategic objectives is an integral part of strategic planning at the county. The study established that internal communication channels were used to communicate the strategic plan to the employees. The counties also communicated its strategic plans to the external stakeholders through public forums.

The study established that strategic planning at the county is formal. The vision and mission statements, and all strategic plans formulated by the county are documented into official county policy documents. This further confirms that there was adoption of modern strategic planning practices through formalization of the strategic planning process. The study revealed that strategic plans developed by the county was proactive. This conforms to modern strategic planning practices in public institutions through formulation of flexible strategic plans that are not reactionary to unexpected events. The county's strategic plan was prepared with clear strategic targets and action plans within stipulated timeframes.

The study also established that Kirinyaga county applied the following strategic planning practices; strategy formulation, organization of the strategy, implementation and monitoring and evaluation in relation to its environment and development of realistic strategies with well-defined operational goals and performance targets and indicators.

The respondents also confirmed that the county implemented the re-engineered IFMIS system which enhances accountability through increased efficiency in operations, accuracy and proper financial reporting. Adherence to procurement procedures as envisaged in the public procurement and oversight authority guide lines prevents the malpractices associated with poor financial management. Proper management of revenues through proper and accurate record keeping and reporting, adherence to revenue collection procedures and regulations, regular banking and maintenance of bank reconciliations are the various modes that ensures accountability in the use of resources.

The findings revealed that the county had a number of ongoing projects carried forward from the defunct Local Authority most of which are in their final stages of completion, and overall performance of the counties have improved tremendously in the past three

years. This finding depicts that the financial performance of the county is excellent and has greatly impacted on the strategic planning process positively. The transition to devolved system has been a success because of the financial capacity of the county and the proper absorption of the development projects revenue.

From the findings the study established that financial constraints were a challenge during strategic planning at the county. The study established that the county had a budgetary constraint hence the amount allocated to strategic planning was limited. This forced the planning committee to come up with specific planning timeframes and prudent financial practices in order to utilize the allocated funds. The findings further revealed that building consensus during strategic planning at the county was a major challenge. The researcher established that differing views between the members of the planning committee, the stakeholders and the general public was a challenge during strategic planning. Building consensus amongst various parties involved in the planning process was done through consultative meetings and seminars meant to reach out a consensus on the contentious issues.

5.3 Conclusion

From the foregoing discussions, the following was deduced. That Kirinyaga county was actively involved in strategic planning, with the strategic planning process at the counties being a formal process which resulted into formulation and documentation of the strategic vision and mission statement, and strategic plans.

From the study it was eminent that strategic planning process by the selected counties is a participatory process that involves employees, the general public, business community and representatives of the national government at the county and non-governmental

organizations. The counties strategic planning committees were also an inclusive unit comprising of key stakeholders at the counties.

The participation of employees and other stakeholders at the county in strategic planning is meant to empower them to have a say in formulation of strategic plans and on operations of the counties.

From the findings, the study concluded that situational analysis was done during strategic planning. The study concluded that SWOT, PESTEL and Stakeholder analysis methods were used by the county to analyze its environment as well as to identify the areas of strengths and weaknesses of the counties. From the findings, it was possible to conclude that communication was a key factor in strategic planning. The counties adequately communicated their vision and strategic plans internally through the internal communication channels and externally through public forums. This was meant to build consensus during strategic planning and to create awareness by stakeholders.

Financial constraints, time constraints and stakeholder commitment challenges were encountered during strategic planning by the counties. It was profound that financial constraints during strategic planning at the county arose from low budgetary allocation.

5.4 Recommendations

The study recommends sufficient allocation of resources to strategic planning including skilled personnel, adequate budgetary allocations and sufficient time allocation to the strategic planning process at the selected counties. This would ensure that strategic planning at the county runs smoothly without any unnecessary delays meets the desired goals and conforms to the best strategic planning practices.

The study recommends that Kirinyaga County Government in Kenya should continuously evaluate its strategic planning initiatives being implemented in order to undertake the necessary correctional measures in the planning process. This will help to avert any weakness of the strategic planning being implemented.

The study further recommends that Kirinyaga County conducts a research and pre-tests the different strategic planning practices to ensure that only the best practices are implemented.

5.5 Limitations of the Study

The study was a case study hence limited to one county only. The findings of the study therefore, were specific to the above mentioned county only and as such, cannot be generalized for other counties in Kenya.

Each county is unique and may adopt different strategic planning practices. It was also not possible to compare strategic planning practices adopted by the counties with other counties and public institutions in Kenya. The study was limited by the tight schedule of the respondents which limited their availability for the interview. However, the researcher made appointments with the respondents which facilitated their participation in the interview.

The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on strategic planning. Due to limited finances and time constrain the study could not be carried out on the entire 47counties of Kenya.

5.6 Suggestions for Further Research

The study recommends that further research should be done on the other counties in Kenya, so as to get comprehensive information on how the other players in the country go about the business of strategic planning. More research needs to be done to determine how other companies not in County government approach the strategic planning.

An organization can have a good strategy but fail in implementation of the strategy. I would therefore recommend that further research can also be done countrywide and to some extent globally highlighting on strategic implementation process. This would give us a better understanding of the study area and how successful implementation of strategy has a holistic contribution.

REFERENCES

- Akinyi, J. (2008). *Challenges Facing Private Secondary Schools in Implementation of Strategic Plans in Kisumu West*, Unpublished MBA Project, University of Nairobi.
- Ammons, D.N. (2001). *Municipal benchmarks: Assessing local performance and establishing community standards*. Thousand Oaks, CA: Sage Publications.
- Ansoff, H.I. (1990). *Implanting strategy*. London: Prentice Hall.
- Arasa, R. A. M. (2008). *Strategic planning, employee participation and firm performance in Kenya's insurance industry*, Unpublished MBA Thesis, University of Nairobi.
- Barney, J. (1991), "Firm resources and sustained competitive advantage", *Journal of Management*, Vol. 17 No. 1, pp. 99-120.
- Boston, J., and Pallot, J. (1997). *Linking strategy and performance: Developments in the New Zealand public sector*. *Journal of Policy Analysis and Management*, 16(3), 382-404.
- Boyd, B.K. and E. Reuning-Elliot. (1998). *A measurement model of strategic planning*. *Strategic Management Journal*, 19(2), 181-192.
- Bracker, J.S., B.W. Keats, and J.N. Pearson. (1988). *Planning and financial performance among small firms in a growth industry*. *Strategic Management Journal*, 9(6), 591-603.
- Bruton, G.D., and Hildreth, B. (1993). *Strategic public planning: external orientations and strategic planning team members*. *American Review of Public Administration*, 23(4), 307-317.

- Bryson, J.M., Berry, F.S., and Yang, K. (2010). *The state of public strategic management research: A selective literature review and set of future directions*. American Review of Public Administration.
- Busolo D. (2003). *Strategic planning at the motor vehicle franchise holders in Nairobi*. Unpublished MBA Project, University of Nairobi.
- Carton, R.B. (2010). *Organizational Financial Performance: Identifying and Testing Multiple Dimensions*. Academy of Enterprenuership Journal, 16 (1), 1-20.
Retrieved from <http://www.alliedacademies.org>.
- Chandler, A.D. (1962). *Strategy and structure: chapters in the history of the industrial enterprise*. M.I.T. Cambridge, MA: Press.
- Chiuri, L.W. & Kiumi,J.K.(2005). *Planning and Economics of Education*. Egerton University, Kenya: Pangolin Publishers Ltd.
- Conner, K. R. (1991), A Historical Comparison of Resource-Based Theory and Five Schools of Thought within Industrial Organization Economics: *Do we have a New Theory of the firm?* Journal of Management, 17,121–154.
- Cooper R.D & Schindler S.P. (2003). *Business Research methods*, 7th Edition, N, Y Irwin.
- County Fiscal Strategy Paper (CFSP) 2014.
- Dessler,G. (2008). *Human Resource Management .11thEd*. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Eadie, D.C., and Steinbacher, R. (1985). *Strategic agenda management: A marriage of organizational development and strategic planning*. Public Administration Review. 45 (3), 424-430.

- Freeman, R. E. (2010). *Strategic management: a stakeholder approach*. 1st ed. Cambridge, Cambridge University Press.
- Gode, H.(2009). *Influence of Strategic Planning on Performance of Public Secondary Schools in Kisumu East*. Unpublished MBA Project, University of Nairobi.
- GoK, (2012). *The Economic Recovery Strategy for Wealth Creation and Employment*, Published by the Government Printers.
- Hawkins, J.D & Catalano R.F (1992). *Promoting science-based intervention in communities*. Addictive Behaviors, vol. 27.
- Johnson, G. & Scholes, K. (1999). *Exploring corporate strategy*: Sixth Edition.
- Kaplan, R and Norton D. (1992). *The balanced score card: measures that drive performance*. Harvard Business Review 70:71-79.
- Kaufman, J.L., and Jacob, H.M. (1987). *A public planning perspective on strategic planning*. Journal of the American Planning Association, 53(1), 23-33.
- Kovach, C., and Mandell, M.P. (1990). *A new public-sector-based model of strategic management for cities*. State and Local Government Review, 22(1), 27-36.
- Lawrence, R.J. and William, F.G. (1988). *Strategic management and business policy*, 3rd edition. McGraw-Hill Inc. U.S.A.
- Lynch, R. (2009). *Strategic Management: Formerly Corporate Strategy*. 5thEd. Harlow, England: Prentice Hall.
- Miles, R. E., and Snow, C. C. (1978). *Organization strategy, structure, and process*. New York, NY: McGraw-Hill.

- Miller, C.C. and L.B. Cardinal. (1994). *Strategic planning and firm performance: A synthesis on more than two decade of strategic planning research*. The Academy of Management Journal, 37 (6), 1649-1665.
- Mintzberg, H., and Lampel, J. (1999). *Reflecting on the strategy process*. Sloan Management Review, 40(3), 21-30.
- Muturia, J. M. and Oeba, L. K. (2012). *Strategic planning, planning outcomes and organizational performance*. Unpublished MBA project, University of Nairobi.
- Nutt, E.J., Funk, R.J., and Eadie, D.C. (1993). *Transforming public organizations with strategic management and strategic leadership*. Journal of Management, 19(2), 299-347.
- Ong'ayo, E. (2012). *Employee perception of the influence of strategic planning on organization performance at the ministry of Foreign affairs, Kenya*. Unpublished MBA Thesis, University of Nairobi.
- Osborne, D., and Plastrik, P. (1997). *Banishing bureaucracy: The five strategies for reinventing government*. Reading, MA: Addison-Wesley.
- Pankaj, G. (2002). *Competition and Business Strategy in Historical Perspective*. Business History Review (Harvard Business Review).
- Pearce, J.A., III, E.B. Freeman, and R.B. Robinson, Jr. (1987). *The tenuous link between formal strategic planning and financial performance*. The Academy of Management Review, 12 (4), 658-675.
- Poister, T.H., Edwards, L.H., Edwards, J., Arnett, S., and Berryman, A. (2010). *The impact of strategic planning on performance in public local transit agencies*.
- Porter, M (1996), *What is Strategy?* Harvard Business Review.

Porter, (2008). *The Five Competitive Forces that Shape Strategy*, Harvard Business Review.

Sagwa T. (2002). *Strategic planning in the pharmaceutical manufacturing firms in Kenya*. Unpublished MBA Project, University of Nairobi.

Sharbani N. (2001). *A study on strategic planning within hotels and restaurants in Nairobi*. Unpublished MBA Project, University of Nairobi.

Wanjohi P. (2002). *Strategic Planning in the insurance firms in Kenya*. Unpublished MBA Project, University of Nairobi.

Yabs, J. (2007). *Strategic Management Practices in Kenya*. 1st ed. Nairobi: Lelax Global ltd,.

APPENDICES

APPENDIX I: INTRODUCTION LETTER TO RESPONDENTS

Dear Respondent,

I am a MBA student at the University of Nairobi. In partial fulfilment of the course requirements, I am conducting a study “Strategic Planning Practices by Kirinyaga County Government in Kenya.” I would appreciate if you could spare a few minutes of your time to answer the questions that I will ask you using an interview guide.

The information in this interview guide will be strictly confidential. The information will not be used for any other purpose other than for this research. Your assistance in facilitating the same will be highly appreciated.

Thank you in advance.

John Kimotho

MBA Student

Prof.Martin Ogutu.

Supervisor

APPENDIX 11: INTERVIEW GUIDE

SECTION A: Background Information of Respondent

(1) Name-----

(2) Gender-----

(3) Department-----

(4) Current position in the County Government-----

(5) Length of service in the current position-----

SECTION B: Strategic Planning Practices and performance by Kirinyaga County Government.

(6) In your opinion, is there use of strategic planning practices by Kirinyaga County?

(7) What is the impact of strategic planning in the county?

(8) Does the county have a strategy planning and implementation committee?

(9) Who forms the strategy and implementation committee identified above?

(11) In your opinion, do you find the committee useful?

(12) To what extent does the county correlate its strategic plan to its day to day operations?

(13) Does the county have a formal vision and mission statement?

(14) What do the vision and mission statements identified state?

(15) What process was followed to develop the vision and mission?

(16) What has been the County's effort to include various stakeholders in strategic planning between 2013 and 2017?

(17) What is the county's effort to link strategic planning with financial management between 2013 and 2017?

THANK YOU.