

**EFFECT OF VISION 2030 DEVELOPMENT STRATEGIES ON STRATEGIC
PLANNING AT KENYA PIPELINE**

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DECLARATION

I, the undersigned hereby affirm that this research project is my original work and has not been previously presented in part or in totality to any other institution of learning for the award of any degree or examination.

Signature..... Date.....

Everlyne Gakii Kigunda

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This Research project has been submitted with my approval as the University supervisor.

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DEDICATION

I dedicate this Project to my family for their understanding and unconditional support during the study period

ABSTRACT

The development of Vision 2030 has emerged as benchmark for social, political and economic development in Kenya. Strategic planning has been embraced as a legitimate process that provides guidance, direction on decision making as well as objectives and resource allocation for the sustainability of firms. The general objective of this study was to determine the influence of Vision 2030 development strategy on strategic planning of Kenya Pipeline Company Limited. This study explored different theories that include the classical theory, resource based view theory and systems theory. The research used a case study design to determine the influence of Vision 2030 development strategy of strategic planning on parastatals in Kenya, case of Kenya pipeline. The study relied on primarily data acquired using an interview guide. From the findings most projects earmarked for implementation by KPC often call for huge amounts of resources including physical, financial, technological, human resources among others. Sixty percent of the sampled respondents pointed out that some roles and functions were not clearly structured and lacked supporting structure. The result revealed that KPC has faced challenges in information, technology, and political fields as a result of dynamic and turbulent

business environment. The study recommends that most of the new proposed pipelines are in line with project along the corridor. Vision 2030 social and political pillars have profound influence on company's corporate strategic planning process. The study recommends that the study recommended that KPLC should create more awareness about the 2030pillars among the staff members.

CHAPTER ONE: INTRODUCTION

1.0 Background of the study

The development of Vision 2030 has emerged as benchmark for social, political and economic development in Kenya. This goes had in strategic planning that operationalizes the Vision in that respect (Ongeti, 2014). All the policies in the Kenyan government are in line with the Vision 2030 principles and pillars. All these are aimed at improving the Gross Domestic Product (GDP) for a country and wellbeing of Kenyans in general. Strategic plan therefore emanates as an enabler to achieving the vision. Strategic planning involves mission, vision, objectives, strategies and goals to be achieved at a specified time period for an organization. Therefore, through strategic planning, organizations are able to detect the changes in the external environment and therefore adopt to such changes as the need arises. (Fred 2013).

This study explored different theories that include the classical theory, resource based view theory and systems theory. With respect to the classical theory, the theory holds the view that the economy is considered to be self-regulating in most cases despite the emergence of external factors. The resource-based view theory depicts the essence of organizations resource availability at their disposal and how the organizations utilize the resources to achieve their competitive advantage in different industries. The open-systems theory considers situations where organizations are operating in networked external environment that includes political, social, cultural and economic dynamics that affect the organization at any given time (Ammle, 2013).

Kenya Pipeline Company (KPC) is involved in the transportation of crude oil from Turkana County that is ready for refinery to Mombasa. The company discharges its mandate as required by law despite the challenges from the external environment. The company has a strategic plan that guides its operations however the targets are not always met on time and experiences many logistical challenges in its operations as such therefore this study seeks to determine the effect of Vision 2030 development strategies on strategic planning at the Kenya Pipeline Company.

1.1.1 Concept of Strategy

According to Johnson, Scholes and Whittington (2012), strategy is defined as a direction and scope of an entity that projects the future in achieving the shareholders objectives in a competitive external environment. There are different perspectives of strategies that include ideas, discourse, experience and design that is long-term in nature. Strategy as a design considers logical insights of organization, experience breeds from historical endeavours that are further oriented. The ideas confirms the emerging issues within and without the organization while discourse leans covers the issues of language in strategy within organizations. Gerry and Kevan, 2011 established that strategy involves action plans that allow firms to consolidate their resources for the good of future prospects of the organization. Strategy must be competitive enough in the market to defeat other players in the industry and allow superiority to prevail over competitors. Strategy is a long-term plan that allows firms to remain focused through their objectives, goals and core competencies so as to achieve shareholders interests on value of money and health creation (Ongeti, 2014).

According to Porter (2003) as an experts in strategy and a professor of Harvard Business School established that strategy in organizations must be communicated

enough in order to give direction of the future of such firms so as to enable them create a competitive advantage through their resources, skills, core competencies and strategic objectives. Ongeti (2014) asserted that strategy is a diverse phenomenon that drives the organization in terms of mission, vision, strategic goals and resources in order to achieve competitive advantage on long-term prospects. People must put more emphasis on the present, anticipate changes in the external environment and implement strategies that are competitive enough to sustain organization growth in an industry. In essence, resourced mobilization and control create key competencies for strategy implementation.

1.1.2 Concept of Strategic Planning

Strategic planning involves a series of activities that are undertaken to validate strategies and actualize their viability for the benefit of the organization. This clearly signifies that organizations must develop more precise and competitive strategies that help them in achieving the targets and general objectives in the firm. By so doing, firms will develop strategies that are future oriented creating more opportunities for growth and sustainability (Chogo 2013)

Hofer and Schendel (2013) asserts that strategic planning is an anticipatory decision-making process that occupies a central position in management of a firm that is flexible enough, open for adaptation to change as need arises and allows results to be realized. Bryson (2014) noted that strategic planning process is an ideal circumstance that allows managers to know where they are, where they want to go and how to get there. This is an ideal situation in management that one needs to be cognizant to the fact that organizations objectives and resources are incorporated to operationalize the vision of the organization. Furthermore, strategic planning emerges from situation

analysis such as SWOT Analysis of any firm in any industry at a specified time period and allows for strategy implementation thereafter.

Yabs (2011) asserted that all organizations have a long-term dream to achieve and as such they deploy strategies to actualize them through strategic planning. Strategies can be formulated in three different categories such as corporate, business and functional level. Strategic planning process informs all these levels of strategies. Corporate strategies are formulated by top management team, business level of strategies are established by middle level managers through different functions such as procurement, ICT, Finance, Accounting, Marketing, Human Resource among others. While functional strategies are formulated by first line managers that are future oriented in their own respect (Sababu, 2011).

1.1.3 Vision 2030 Development Strategy

Vision 2030 is the Kenyas most celebrated development blue-print of time given that this projected to propel Kenya into a middle income country by the time. The vision establish the growth of Kenya to be pegged on three major pillars namely political, social and economic pillars (Ministry of Planning and National Development, 2010). In the blue-print, the political pillar was established to put more emphasis on demographic political system that is based on issues-based politics that is transparent, accountable and reliable to all Kenyans. At the same time, the rule of law must be upheld at all times and rights and freedoms of Kenyans be respected and upheld as enshrined in the Kenyan Constitution. With regard to the social pillar, it seeks to develop a just and cohesive society that enjoys equality in clean and secure environment that is accessible to all. The public is informed on investment on

infrastructure, the development land reforms, public sector reforms, ethical conduct in public resources and social justice (MOPND Report, 2010).

The Economic Pillar drives the economic development agenda for the Nation up to that time. It therefore aims at providing programs for economic development that will allow Kenya's GDP growth rate rise to 10% by the year 2020. Different sectors are established in this regard such as Tourism, Manufacturing, Trade, Agriculture, Security, Financial Services, and Information Technology among other sectors; (MOPND Report 2010).

The Vision 2030 blue-print was poised to be put into action in different phases 5 year medium term plans that includes 2008 – 2012, 2013 – 2017, 2018 – 2022 until 2030. Already the two medium plans have been observed and now the 3rd medium term plan is being implemented and the main focus now is major reforms in key sectors of the economy such as Security, Agriculture, Education, Manufacturing, Tourism, Trade, Infrastructure among others (Ministry of Planning and National Development Report, 2017).

1.1.4 Parastatals in Kenya

Parastatals in Kenya are established as State Corporations Act (1987) that was revised in 2013. The Parastatals are all controlled by the Government of Kenya. A state corporation is a public entity that is significantly influenced by government in any sector. State Corporations Advisory Committee (SCHC) regulates the affairs of state corporations. States corporations are required to adapt to the changes in the external environment so that they create strategies that allow their growth and sustainability in their respective sectors (Government Press, 2015). According to Njiru (2012), the

Kenya government established state corporations to meet significant strides in social, economic and political goals; key among them is providing Universal Education to all Kenyans, Universal Healthcare Ball, Social Justice, Ethical Conduct among state officers among others. There exists performance contracting among State Corporation established in 2005 that state corporations are obliged to follow at all times. There are different categories of state corporations that are established based on their functions. These include commercial corporations, service corporations, financial corporations, training corporations, regulatory corporations, regional development corporations, training research corporations, public universities and tertiary education corporations. Since 2014, all departments and institutions were mandated to formulate strategic plans that are used to measure their performance. This was a new phenomenon that emerged through strategic planning (G.O.K, 2004).

Sevier (2013) noted that strategic planning process emerged as an alignment that linked environment through their activities such as production and manufacturing, transportation, marketing, delivery and sales. The 2003 NARC Government initiatives established strategic planning through Economic Recovery Strategy for health and employment creation (ERS) of 2003 – 2007. They were required to establish different strategies that would act as enablers of achieving Vision 2030 through different flagship projects such as University of Nairobi Towers (Fred 2013)

1.1.5 Kenya Pipeline Company Limited

Kenya Pipeline Company is a state corporation in Kenya established in 1973 by an Act of Parliament (The Companies Act (Cap 486) - The government is the sole shareholder at 100%. Different regulations govern its operations such as public

procurement and disposal (Act, 2015 the Finance Act among others. Its major mandate is to transport refined petroleum products from Mombasa to Nairobi, Kisumu, Eldoret, Western Kenya region and others. The company is currently mandated to transport crude oil from the newly established oil fields from Turkana County to Mombasa for refinery. It also aid in the fight against different vices such as dumping and fuel adulteration of fuel on transit with the help of Kenya Police Service and Kenya Revenue Authority.

The Kenya Pipeline Company Limited receives different petroleum products from stakeholders, stores, transport and dispenses refined petroleum products such as automotive gas, oil (diesel), jet – A-1 Aviation Turbine Fuel, unleaded motor gasoline, premium grade and unleaded motor gasoline (Regular Grade). Kenya Pipeline Company and the oil marketers that guarantee continuous flow of oil and oil products to the Kenyan market. The oil marketers include: National Oil Corporation of Kenya, Mafuta Products, Hass Jovena, Hash, Engeh Caltex, Mobil, Fuelex, Mobil, Petro Triton, Metrol, Shell, Kenol, Total Oil, Dalbit and Gapco. They all work hand in hand through different strategies and prevailing oil market dynamics to offer services both in Kenya and internationally. The Vision 2030 blueprint was established at a time when the KPC had already established its long-term strategic plan and they were already I the implementation stage. As such, the companies among other parastatol have a big challenge of implementing their own strategy alongside Vision 2030. The company however is reported to have established other strategic plans that are in line with the Vision 2030 blueprint. This however has been a big challenge in implementation regarding the prevailing changes in the external environment (Mailu, 2011).

1.2 Research Problem

Strategic planning has been embraced as a legitimate process that provides guidance, direction on decision making as well as objectives and resource allocation for the sustainability of firms. Strategic planning process can therefore not be ignored. It is part and parcel of day to day initiatives of organizations in achieving their long-term goals. However, there has been a scarcity of research on whether parastatals utilize strategic planning on their management of issues (Bradford, 2012). Despite the fact that strategic planning has been able to yield good results in terms of performance, concerns have emerged in different organizations that the process is complex and unrealistic thus a challenge in their adoption. The major concern has also been reluctant to let go their initial strategies and embrace the Vision 2030 blueprint. The dynamic nature of external environment is also another issue of concern, therefore it could affect the Vision 2030 development strategy in organization strategic planning thus the need for this study.

The external environment for Kenya Pipeline Company has now changed. This is with regard to the fact that it has a new mandate of transporting storing and delivery crude oil from Tullow Oil in Turkana County. Earlier on, the company had their own strategic plan that they were implementing before oil was discovered and drilled in Kenya. This is a major concern for the company since it will affect their strategic planning process in terms of logistics, human capital, financial resource allocation, issues of security of employees on transport. The study seeks to investigate whether the company links their current strategic planning process with the Vision 2030 development strategy.

There are different studies done before by other researchers on strategic planning both locally and internationally. At international level, the study did not capture the element of challenges of strategic management practices on organization performance in the public service sector. Also the study was conducted in a different context in Nigeria as opposed to Kenya hence leaving a gap to be filled by this study. Singh (2005) found out that strategic planning organizational performance are correlated. A study by Ansoff (2011) established that strategic planning key factors in organization business growth and scope. All managers have different opinions during strategic plans that cause disparities in implementation.

Locally, Kirui (2014) studied the influence of strategic planning on organization performance in the Kenyan banking industry. The study established that strategic planning practices have a profound significant relationship with performance of banks in Kenya. Kathama (2012) did a study on the impact of strategic planning on state corporations in Kenya. He found out that there was a positive impact of strategic planning on state corporations performance although it was not significant as such. Bulle (2012) carried out a study on the relationship between strategic planning and financial performance of information communication technology industry in Kenya. The study established that strategic planning is positively related to the financial performance of ICT industry in the country. Otete, Anita (2015) conducted a comparative study of strategic planning with respect to both public and private sectors in Kenya. The study asserted that strategic planning influencing growth and sustainability of both public and private sectors in the country.

From the revisions studies, more of them focused on the issue of Vision 2030 blueprint how it influenced strategic planning on parastatals in Kenya. Also the

studies were done in different context in Kenya including Telecom industry, banking industry, service industry as opposed to oil industry. Thus a research gap to be filled by this study.

There are very few studies done on the subject matter locally such that there is scarce information on vision's development strategies of different industries in the country thus a research gap that should be filled by this study. This study therefore seeks to determine the effect of Vision 2030 Development Strategy on Strategic Planning of parastatals in Kenya case of Kenya Pipeline Industry. What is the effect of vision 2030 develop strategy on strategic planning in Kenya Pipeline?

1.3 Research Objective

The objective of this study was to determine the influence of Vision 2030 development strategy on strategic planning of Kenya Pipeline Company Limited.

1.4 Value of the Study

To the policy makers the Kenyan government use the findings of this study to establish a strategic steering committee to assist in formulating more business friendly policies in line with vision 2030 and help companies in different industries attain competitive advantage. It is important that the vision 2030 objective should be achieved through significant policy framework for easy implementation of the same state corporations.

The study had great importance to public organizations' management since strategic planning matches business strengths with marketplace opportunities and provides direction to meet goals. A strategic plan as a road map for organization success includes the goals and objectives for each critical area of business. These include

organization, management, marketing, sales, target customers, products, services and finances. These business areas are laid out in a cohesive system that enables an organization to successfully plot a path and assess progress towards the goals. The Parastatols in Kenya will find it necessary to develop their strategic plans in line with the vision 2030 and develop prudent strategies to implement them as well.

The findings of this study added more current information to the existing literature as well as the theoretical foundation on strategic management. Researchers and other scholars can then use the findings as basis for conducting further research on relevantly related topics. For instance, a researcher may want to find out the vision 2030 implementation process in counties. Those who carried out similar research may use the findings to present their arguments in their future studies. Thus adding value to the body of knowledge and the academia in general

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter focuses on the theoretical framework of the study, Vision 2030 Development strategy, strategic planning, and challenges affecting strategic planning. Strategic planning adapted in an organization plays a big role in the determination of its performance.

2.2 Theoretical Foundation of the Study

The study of strategic management practices is founded on the theories underpinning strategic management in general. This study focused on Resource based view theory Open systems theory and Classical theory

2.2.1 Resource Based View Theory

The study of strategic management practices is founded on the theories underpinning strategic management in general. This study focused on Resource based view theory and Dynamic Capability Theory. The Resource Based View Theory is considered to be among the contemporary theories that give significant understanding on strategic management. A Resource Based View (RBV) theory elaborates on how organizations make use of their cumulative resources to increase organizational performance in their respective jurisdictions. R.B.V. has been viewed as a way of giving insights on organizational performance as well as competitive advantage of the same. The theory plays a significant role in strategic change management as well as the resources of the firm that aids it in achieving the required changes. It further asserts that resources in an organization must pass tests as to their inimitability, competitive superiority,

appropriability, durability, sustainability and suitability so as to qualify for an efficient role in strategic change management of a firm (Kamalul et al 2013)

The theory further holds that competitive advantage and organizational performance can be achieved prudently if the resources being utilized are not easily duplicated by other competitors in the external environment, An organization represents an entity that entails a unique collection of resources and capabilities that have different features for its sustainability. The RBV theory asserts that the presence of vital resources in a firm and their timely and efficient allocation and reallocation allows for a unique synthesis of elements that give an organization competitive advantage as well as sustainable optimal performance. Resources involved include physical and financial assets, patents, organizational social processes as well as skilled human capital (Barnely, 1991).

2.2.2 The Classical Theory

The study highlights on key fundamental issues on economic development. The theory was first put forward in the 18th and 19th Century. The theory puts emphasis of the principle of Laissez Faire of economics and GDP of nations. The theory established that there exists free economies that are free from government regulation on competition, growth and free trade. As such, individuals pursue their own personal interests but in the long-run society benefits. Further, the economy is perceived to be always achieving its natural balance on real GDP or even output.

The doctrine of classical theory further suggests that Say's law has a stake in the way economies are established. Say's law states that when an economy produces certain level of real GDP, it also helps to create income that is greatly required to buy that

level of real GDP that exists. There is also the belief that interest rates wages and prices being flexible to allow for natural level of real GDP to flourish (Meyer 2012)

2.2.3 Open System Theory

The theory was initially established by a Hungarian biologist known as Von Bertalanffy in 1928 then further modified by (Olum 2004 and Amruile, 2013). The key principle in the theory is that organizations are considered to operate in an external environment and in the long-run there are interactions that occur in one way or another. Key among the issues is that an organization is regarded as an open system that interacts with the external environment continuously. The interaction allows organizations to get input such as raw material, technology human capital, processes among others.

Released in the external environment includes finished products and services, market and other byproducts where customers are ready for them. Other subsystems also emerge in the process. The managers considers the systems theory in analyzing the external environment for prudent decision (Amurute, 2013). Amurale (2013) further noted that PESTEL is utilized as a tool to analyze the external environment by managers in their respective firms. This involves political, environmental, social, technological, ecological and legal factors in the external environment. These issues affect organizations in one way or the other regardless of the industry. With regard to PESTEL as a tool for analysis, political issues refers to the extent to which government authorities influences the economy of a country through its regulation such as tax regimes, labour laws, tariffs on businesses, environmental laws, trade regulations/business laws among others. The economic aspect involves inflation rates, interest rates, economic growth rate and exchange rate.

The social aspect considers demographic of given population within a specified external environment and it includes age, sex, gender, cultural aspects, population growth rate, education, norms among others.

Technological issues involves rate of change in technology, research and development, new innovations, patents, copy writes, quality of production levels, costs among others. The environmental component considers issues such as climate change, competitions, labour organizations, customers, suppliers, government agencies among other players. The legal component involves business laws that influence business operations, consumer protection laws, laws of counterfeits, laws on health and safety, laws on discrimination, bill of rights, laws on competition among other legal frameworks that influence organizations (Ammule, 2013). The theory is relevant in this study in that it highlights the external environment that affects the way vision 2030 development strategy is related to strategic planning at Kenya Pipeline Company.

2.3 Vision 2030 Development Strategy

The Vision 2030 includes political, social and economic pillars.

2.3.1 Political

The pillar in Vision 2030 is democratic political system that allows issue-based politics diversity of people's values, people centered, result-oriented, accountability and transparency. Equal representation and equal opportunities for all regardless of gender, religion, socio-economic status and respect to the race of law (Vision 2030 Document, 2007). The political pillar is an issue based system that one has freedom of expression on a number of issues regarding their lives and interests in organizations.

People centered considers responsiveness on needs and rights of people whose public participation on public policies and resource allocation is guaranteed. Result oriented system involves stable predictable of issues on measurable outputs that determine performance in organizations. Accountable system is openness to all that confirms transparency, free flow of information on goals, strategies flagship projects on Vision 2030; economic and social pillars, among others. Essentially, the political system is an open system that allows interaction of legislation and administrative reforms on government policies and institutions.

2.3.2 Economic

Vision 2030 economic pillar is about the country's Economic growth rate in terms of annual GDP growth rate that is projected to be at 10% on average by 2030. The challenge to this economic growth is ensuring Kenya will be among the 5 countries to reach this level of economic growth and sustain it altogether. There has been fluctuation of GDP growth over the years given the midterm reports on economic growth. This is because the economic aspect of the country is an open system that interact with different factors such as manufacturing investments, tourism, agriculture, mining, education, security, telecommunication among other sectors. To devert the countries ambitions, graduate the country must increase its level of national savings from the current 16% in 2017 to 35% in 2020. This will allow creation of employment opportunities to the Kenyan youths that form a big portion of the country's population. Other challenges in the system involves low infrastructural development that hinders investment, agriculture, tourism, development and security sectors have been poised to be the key driver to achieve Vision 2030. The interaction among the sectors creates an open system (Vision 2030, 2007).

2.3.3 Social

The social pillar in Vision 2030 depicts a just and cohesive society that enhances equitable social justice, clean and secure environment among Kenyans. The eight social sectors that spearhead social justice include, training, education, health, housing and urbanization, gender, clean and secure environment, poverty reduction, culture, equity, water and sanitation as well as universal healthcare. Marginalized communities in the country as well as people living with disabilities are also considered in this pillar to enhance their well-being in the society. The implementation of these issues of social justice will be facilitated by the adoption of the new technology through science technology innovation. This will apply to these economic pillar as well as the political pillar. Since they go hand in hand during implementation (Vision 2030, Document 2007).

2.4 Strategic Planning

A business strategy is a broad plan that incorporates activities that are actionable to achieve long-term goals of the organization. A strategic plan is a comprehensive statement that highlights mission, vision, strategic objectives and future directions of an entity that is geared towards attaining long-term organizational goals (Mintzberg, 2011). Strategic planning on the other hand is a subset of strategic management that sets out performance targets of a firm with prudent resource allocation that his long-term in nature and is used as a benchmark for strategy implementation. Strategic planning incorporated strategic objectives that competitive enough and involves policies that are actionable and acceptable based on the needs of external environment. They are capable of providing a model fit for attaining organization's competitive advantage at all times (Schendel& Hoffer, 2011).

Organizations that don't plan have a high affinity to failure than those that plan and implement their strategies. However, much tiresome and time consuming strategic planning is, it is a very significant task that cannot be avoided in organizations such that when properly undertaken. Success in the organization is achievable. Strategic planning requires leadership, resource allocation, putting new systems in place, human resource as well as technological infrastructure so that implementation of the framework becomes a reality.

2.5 Challenges of Strategic Planning

Strategic planning is a subset of strategic management therefore strategic management challenges are always similar to strategic planning challenges. As such, the challenges emanates from investors, data and information, investors, owners, qualitative analysis among others. With regard to data, it is established that getting prerequisite data and information needed in strategic planning process always proves to be challenging to many stakeholders. Many financial institutions and other companies always keep their financial information secretive to disallow public scrutiny. As such, there is limited access to data and information and the end result is that there is ignorance about the value of strategic planning among stakeholders thus considering it as time wasting (peace, 2012).

Owners of successful companies do not consider strategic planning process as significant. They consider success in business as sheer luck and good fortunes as well as determinations. They have limited knowledge about strategic planning thus limiting its update in their systems. Most managers in the developing countries are experts in technical processes in their respective fields and do not consider strategic management as an important issue in their operations (Hill, 2011). There is also a

challenge in qualitative analysis. Many managers are not conversant with forecasting and qualitative analysis and that is the nature of strategic planning. Technical managers are not used to qualitative and quantitative analysis thus rigidity in accepting the idea. Most people do think a manager should not know how to do analysis and therefore difficulties are experienced in the implementation because of poor decision making (Guraluik, 2012).

Conflict of interest between managers and owners of the business is another challenge that affects strategic planning such that whist some managers may be aware of the importance of strategic planning to the organization. The business owner may find it difficult to buy into the idea and as such wrong decisions are made on the prevailing dynamic external environment that affect the general performance of organization negatively (Hill, 2011).Managers also feel that their strategies should be kept as a secret that should not be shared to anyone and as such the changes in the external environment may render such strategies irrelevant if not properly shared and interrogated for review to march the changes in the environment (Edie, 2012).

2.6 Empirical Studies and Knowledge Gaps

The effect of an organizations strategic planning has been discussed in detail both in the literature as well as from the empirical studies done on the subject area. Strategic management process in an organization or institutions operating environment is an inevitable stage in the day-to-day operating operations of an organization.

Several studies have looked at the role that strategic management plays on general performance of an organization. it also did not highlighting on the element of

challenges being experienced thus leaving out a knowledge gap to be filled by this study.

Al-Ghamdi S.M. (2015) conducted a study on the obstacles to successful implementation of strategic plans. The Saudi Case; Kingdom of Saudi Arabia. The study established that for public sector to succeed on implementation of strategic decisions the heads of departments must convert policy mandates into actionable tasks. Also the organization must align resources with respect to societal needs. However, the study findings noted that to overcome the obstacles, there is need to have prudent planning of resource allocation in an effective timely manner.

In Kenya, Kilonzi & Kiama (2013) established that Likipia County experiences different kinds of challenges that influence Vision 2030 implementation process. The study therefore recommended that Laikipia County should address the challenges as they are so as to enable them achieve the Vision 2030 social, economic and political development. Wahome (2016) studied the Kenya Vision 2030; driving Change in National Development across Kenya. The findings of the study established that the public institutions in Kenya were responsible for water service delivery such institutions included Ministry of Water and Irrigation, County Governments and National Water Conservation and Pipeline Corporation. The study further noted that the social pillar of Vision 2030 identified water and sanitation availability and access to all Kenyans by the year 2030 and has to be achieved through proper planning. Orlando, (2011) established that the respondents admitted that the company had taken into consideration of Vision 2030 Blue Print into their planning process and it has since helped in provision of sustainable water and sewerage services. The study further noted that aspects of Vision 2030 were implemented through a five year

period. However from the previous studies, none of them captured the study topic with reference to Kenya Pipeline Company Limited, thus the knowledge gap that this study seeks to fill and add literature about Vision 2030 to the body of knowledge.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on research design, data collection method and data analysis method that will be used to carry out the research project. It discusses the research design especially with respect to the choice of the design. The study entails key information about the research objective and the context in general such as how the respondents will be involved in providing information sought by this study.

3.2 Research Design

The research used a case study design to determine the influence of Vision 2030 development strategy of strategic planning on parastatals in Kenya, case of Kenya pipeline. Kerlinger (2012), established that research design is the plan, structure and strategy that is employed to carry out investigations on fundamental issues based on the research questions and to control relevance. The research will be done through a case study of Kenya Pipeline Company. A case study is regarded as an in depth study of a particular situation. The approach is able to generate questions ‘why’ as well as ‘how where and ‘what’ (Kalbasi, 2011).

3.2 Data Collection

The study relied on primarily data acquired using an interview guide as indicated in appendix 2. Data collection instruments included interview schedule . Interviews was conducted with 10 management staff working at Kenya Pipeline Company situated in Nairobi County.

The interviewees included: the Managing director, director technical services, director financial and administration services, director commercial services, planning monitoring and evaluation manager, informal settlement department manager, engineering manager, operational and maintenance manager and ICT manager. The top/middle management comprises of 2 directors, 3 managers acting as directors and 27 departmental managers. The sample size will be 10 managers out of 32 which represent 30% of top/middle management in the company. The researcher personally interviewed the management staff in order to get direct respondents opinions, exhaustively asked more questions about the issues under the study, bringing to the surface the deeper factors about complex situations and building rapport with the respondents.

3.3 Data Analysis

Data analysis involves a search for patterns in data. Once a pattern is identified, it is interpreted in terms of a social theory or the setting in which it occurred. The data collected will be analyzed for completeness and clarity. Analysis will be conducted using content analysis..Content analysis was applied since the study relies on qualitative data from open ended questions gathered using interview guide. Content analysis is a powerful data reduction technique.

The quantitative was analyzed by the use of descriptive statistics. Tables and figures will be used to summarize the data and enhance clarity. The researcher will use the data with an aim of presenting the research findings in respect the effects of vision 2030 development strategy on strategic planning at Kenya Pipeline Company.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS OF RESULTS

4.1 Introduction

The purpose of this study was to determine the influence of Vision 2030 development strategy on strategic planning of Kenya Pipeline Company Limited. Data for this chapter was collected from 10 management staff working at Kenya Pipeline Company situated in Nairobi County. They include Managing director, director technical services, director financial and administration services, director commercial services, planning monitoring and evaluation manager, informal settlement department manager, engineering manager, operational and maintenance manager and ICT manager. The response from the interview are presented under major them and subsequently discussed so as to achieve study objective.

KPC has faced challenges in information, technology, and political fields as a result of dynamic and turbulent business environment. Some of the emerging challenges that were identified are the discovery of oil in Uganda that the government plans to construct an inland refinery which makes the privatization of KPLC to rethink its strategy and business direction. Other challenges that KPC has been strategically responding to include; policy reforms such as liberalization of the oil sector, fight against dumping and adulteration of petroleum products, introduction of unleaded and low sulphur diesel, meeting social demand for LPG gas and most importantly the extension of the oil pipeline to Uganda and expansion of the Mombasa – Nairobi – Eldoret pipeline capacity to meet increasing oil demand both at the hinterland and the

region. The board of came up with a new corporate strategy to manages the challenges facing it.

4.2 Source of Funding

The Kenya Pipeline Company has various source of funding apart from National Government through ministry of Energy and Petroleum. However, recently KPC has been advancing creditors especially commercial banks in Kenya for loan uptake. Kenya Pipeline Corporation (KPC) has secured a loan of about 35 billion shillings from local banks for the construction of the new route from Mombasa to Nairobi of about 450m kilometres. Besides, locally, the study results revealed that they also seek funding from other development partners to enable the state corporation to undertake various projects. The company has revenue section to manage its revenue from its trading partners. Most of the projects undertaken by Kenya Pipeline Company requires billion budgets and therefore, need of multiple source of funding. However, none of the sampled managers was willing to disclose the total funds received from each source.

4.3 Vision 2030 Development Strategy

4.3.1 Familiarization with Vision of 2030 Development strategy

All the ten respondents explained that they were familiar with Kenya Vision 2030. They were able to identify the purpose of Kenya Vision 2030, when it was conceptualized, the roles of various stakeholders in its implementation and what the Vision 2030 seeks to achieve. Kenya Vision 2010 is the current long-term Kenya economic blueprint up to the year 2030. The respondents explained that the Kenya

Vision 2030 will transform the Country into industrialization hence growth of the middle class by 2030

. One of the sampled managers revealed that, in the year 2005, National Economic and Social Council was able to give the government recommendation on how to come up with proper development for vision 2030. This was done in recognitions of the enhancement of economic recovery.

The program focused on three pillars that is political, economic and social in which various programmers were to be implemented in the next 23 years under various flagship projects. One of the managers also opined that Kenya Government came up with Vision 2030 in order to make our country globally competitive and prosperous, where every person will enjoy a high quality of life, there is need to employ appropriate sector-wide approach to planning.

This agrees with Mwenzwa and Misati (2014) who found out that to involve The Kenya population in the formulation of vision 2030 there should be ownership towards the vision in which experts from local and international countries should commission the work by working closely with the private and public sector to prepare vision 2030. The program was launched in 2006 after which many open for a were held attracting participate from various parts of the country. It emerged from the available literature and responses that a lot of awareness both public and private sectors were sensitized and also the government want a need to appoint a secretariat to oversee the implementation of the vision 2030 in collaboration with the Ministry of Planning.

4.3.2 Key Pillars of Vision 2030

All the sampled respondents were aware of three pillars of vision 2030. The respondents were able to identify economic, social and political pillar. The most common pillars known to the respondents were economic and social pillar. Only six of the ten sampled respondents were fully aware on what entails political pillars. Under economic pillar, the respondents were able to identify various sectors such as agriculture, tourism, infrastructure, business outsourcing, oil and other mineral resources, manufacturing and trade. However, two of them identify agriculture and rural development while six of them identify land reforms and business process outsourcing. Under social pillar of Vision 2030, most of the sampled respondents were able to identify sectors such as education & training, health, water & sanitation. However, slight majority of the respondent 8 out of 10 identified environment, housing & urbanization and gender, youth, sports & culture. Most of the respondents seven out of ten were able to adequately relate well with social pillar of vision 2030. Political pillars was unpopular with most of sampled respondents and further only two of the sampled respondents were able to identify four sectors under political pillars while none of them was able to identify also sectors. The sectors identified were Reform of local authorities, capacity building in local authorities, Development of a decentralization strategic framework and develop a decentralization policy. None of them identified Information education and communication.

4.3.3 Have you taken into account in your strategic planning

All sampled respondent indicated that KPC strategic plan is align to vision 2030 through various flag ship projects throughout the country. The company has taken into account the three pillars of vision 2030 that is economic, political and economic

which will drive the manufacturing sector, trade and agriculture. On the influence of pillars of vision 2030 on the organization's strategic planning process, the respondents highlighted that the organisation had come up with a more effective strategic plan that incorporated the aspects of vision 2030 as the vision was to be executed in the next five years starting from 2016 to 2025 in which performance of organizations would be gauged based on the vision 2030.

4.4 Influence Vision 2030 pillars on organization strategic planning process

The study sought to find out how vision 2030 pillars have influenced KPC strategic planning process. The study examined each pillar in tandem with Kenya Pipeline strategic plan.

4.4.1 Influence of Economic pillar

The economic pillar goals at achieving prosperity for all Kenyans through an monetary development programme aimed at achieving and sustaining an average GDP growth rate of 10% per annum over the next 25 years. Under this pillar, most of the respondents explained that the company has taken into consideration the economic situation in the country and more specifically the increased energy appetite not only in Kenya but also in the region. Oil is important economic indicator in the country and fluctuation in oil prices affects household income. One of the sampled managers indicated that every resident in Kenya depend on oil. Efficient supply of oil would increase economic growth as it would reduce expense and overhead cost of business. In line with pillars, the strategic plan for Kenya pipeline.

Some of the projects taken by KPLC company include connection of the loading services in Eldoret that will cause the rising demand of petroleum products and additional construction of four storage tanks in Nairobi at a capacity of 33,366,000 litres that will replace the existing terminal of Mombasa to Nairobi that has been operating for 38 years. The now complete new Sinendet-Kisumu pipeline (Line 6) is a 122km 10-inch diameter pipeline parallel to an existing 6-inch diameter pipeline. Once fully implemented, the above initiatives are expected to have huge economic benefits to Kenya and the region. The projects will infuse more efficiency and innovation in fuel supply logistics with potential to bring down the cost of fuel and spur socio-economic growth.

The vision 2030 which has various economic pillar sectors has zoned the country into various regions to ensure equitable development. According to one of the sampled managers, Vision 2030 has various projects in Coast, western, Nairobi, Upper and lower eastern, north and south rift as well as Nairobi region. Some of the projects in Vision 2030 such as Lamu Port and Lamu-Southern Sudan-Ethiopia Transport Corridor (LAPPSET). This mega project consists of seven key infrastructure projects including crude oil pipeline that will pass from Lamu to Isiolo via Juba and finally to Addis Ababa. Kenya and Ethiopia are connected by road infrastructure which will ensure trucks can easily connect. The Lamu to Lokichar Crude Oil Pipeline (LLCOP) is being developed by a consortium of the Government of Kenya through various ministries and international oil companies developing the oil resources in the South Lokichar basin in Turkana.

4.4.2 Influence of Social pillar

One of the sampled managers indicated that KPC is commitment to their stakeholders and improving quality of lives of communities surrounding their installations is central to their corporate identity. The study noted that KPC endeavor to have a positive impact on society through improving the lives of individuals, groups and communities while at the same time enhancing our corporate image and brand. One of the sampled managers indicated one percent (1%) of the Company's post -tax profits from the preceding year is set aside for Corporate Social Investment (CSI) programs. According to him, reaching out to communities along the pipeline Right of Way through actively contributing to their socio-economic development constitutes our core agenda. The CSI programme is alive to this fact and over the years, they have supported weaker sections of society by increasing their capacities and potential.

The study results revealed that Kenya Pipeline Company's (KPC) Inuka scholarship programme has benefited physically challenged students from poor backgrounds. The purpose of this initiative is to empower physically challenged learners to enable them exploit their full potential and achieve their career dreams. The Inuka scholarship program, initiated in 2017 and now in its second year, has benefitted dozens of learners from all the 47 counties in Kenya. One of the managers said that "The Inuka initiative has already benefitted 188 disabled students in various secondary schools across Kenya, having absorbed a new set of 94 students who joined Form 1 this year, while concurrently supporting the first batch of 94 students presently in Form 2". So far, KPC has set aside Kshs 28 million for this scheme whose numbers are expected to rise in the coming years.

In health sectors, the study noted that KPC staffs have saved hundreds of lives following a blood donation drive in the Company's headquarters in Nairobi and outer stations. KPC in support of the World Blood Donor Day called on the goodwill of its fraternity to join in saving the lives of Kenyans who are in dire need of blood transfusions. The day was marked with a blood donation drive held across the Company in conjunction with Kenya National Blood Transfusion Services (KNBTS). The event was themed "15 to save a life" as it only takes an average of 15 minutes to donate one unit of blood. KPC clinical laboratory personnel in collaboration with the KNBTS officers carried the drive in eight depots namely Nakuru (PS 25), Eldoret (PS27), Kisumu (PS28), Changanwe (PS1), Moi International Airport (PS12), and Nairobi (HQ/PS/9/ 10).

4.4.3 Influence of Political pillar

The political pillar of vision 2030 will be based on democratic political system that will be based on people centered, accountability and result oriented in the public sector will ensure vision 2030 has democratic system that will reflect the aspirations expectations of the people. Kenya will be a state of equality under one race, religion, gender and socio- economic status that will ensure there is diversity at the end. Kenya depends of vision 2030 to move ahead.as a nation.. Of the total respondents, 50% of them indicated that the company strategic plan is influenced by political pillar especially on decentralization of services to counties. The KPC aims to reduce cost of doing business in Kenya by bringing oil close to the market in line with devolution and decentralization. This would reduce transportation cost and other overhead cost. One of the respondents indicated that Kenya Pipeline Company's (KPC) Sh40 billion plans to devolve oil to far flung regions of the country has begun in earnest with the commissioning of Sh160 million feasibility study. Consultation services started on

August 2016 are also expected to determine potential locations for depots with capacity to store 20 million litres of fuel each in five regions – South Nyanza, South, and Central and upper Eastern, Lower Eastern and upper Coast and Western Kenya. Since the completion of the new pipeline, it will ensure there is improved reliability of fuel supply to the market therefore ensuring East Africa Community Integration.

The strategic plan is also influenced governance and rule of law. Half of the sampled respondents indicated that various aspect of political pillar such as national cohesion and integration as well as leadership, ethics and integrity. All of these respondents indicated that they strategic plan is clear on national cohesion and integration through cultural diversity. Their staff establishment represents all ethnic in the country and they try as much as possible to maintain the balance. In terms of integrity and ethics, all respondents revealed that the state corporation does not condone corruption.

In examination of corporate strategic plan 2016-2025, several comparisons were made between economic pillar and the strategic planning aspects. These aspects include training and capacity building, ICT, Financial planning and budgeting, procurement, accounting and anti-corruption measures. In the strength challenges opportunities and threats (SCOT), these aspects have been included and discussed in length. All the respondents were in agreement that strategic plan should consider their strength and challenges as well as opportunities and threat both in their internal and external environment. The Kenya Pipeline Company in their strategic plan has identified its human resource management and ICT as key input in the implementation of strategic plan. In this case, the plan outlines how deployment of ICT can increase efficiency of oil distribution and detection of oil leakage especially in new lines. Two of the respondents indicated that they have streamline procurement process and budgeting in

line with various regulatory frameworks related to Public Finance Management (PFM). To reduce the incidence of corruption; the KPC has enhance corruption awareness not only to their employees but members of the public. Public can report corruption incidence to the company as well other constitutional commission bodies such as Ethic and Anti-Corruption Commission.

4.5 Measures put in place to ensure that company strategic planning conforms to Vision 2030

The government vision 2030 include, liaising with other state owned corporations with the ministry as well as other ministries in the National Government. All the respondents indicated that these projects are in line with Vision 2030 to improve manufacturing, infrastructure, trade, oil and other minerals. In their strategic plan 2016-2025, Kenya Pipeline Company intends to decrease the cost of doing business in Kenya by ensuring that all sector of the economy that depends on oil are efficiently served. Eighty percent of the respondents revealed that so far they are in the course of achieving this vision once their mega projects are completed on time. One of those 8 respondents indicated that before coming up with the strategic plan, the company studies the Kenya Vision 2030 in depth especially what the vision seeks to achieve. The company also consulted widely with Vision 2030 secretariat which is tasked with the implementation as well as the parent ministry of Vision which formulated the plan. Several meeting and consultation were made on various economic indicators to ensure that economic pillar of vision 2030 is in line with company strategic plan.

Most of the respondents stated that the organization undertook strategic planning activities so that to achieve the vision 2030 through planning of various departments. The organization is able to undertake its strategic planning process which is in line

with core pillars of vision 2030 mostly focusing on delivery of service quality for all the members in the society. Most respondents argued that performance contracting by various framework institutions is very important in review of strategic plan to be in line with vision 2030 objectives. The results further revealed that Kenya Pipeline Company has reducing dependency on government funding by increasing its efficiency in revenue collection and seeking loans from commercial banks.

The study noted that in every ministry, government has several flagship projects to fund. Therefore, overdependence in National treasury would result to stall of KPC projects therefore, affecting Vision 2030 negatively. To ensure this has been achieved, one of the respondents indicated that they have reduced incidence of fund mismanagement, oil theft and leakage. This has resulted to increase in revenue which has been used to fund some of their projects. Four out of 10 of the respondents also indicated that there is good working relationship between KPC and other state corporation within the Ministry of Energy. The same was also identified with other ministries such as land which ensure land is available for KPC. One of the respondents indicated that there is no land scandal in the company as land for their projects are acquired in a transparent way.

4.6 Challenges facing strategic planning of Kenya Pipeline Company

Limited

There are various challenges that face strategic planning of Kenya Pipeline Company limited. All the sampled respondents indicated that leakage and siphoning of oil along the pipeline is a major challenge for the company. One of the sampled managers indicated that there has been siphoning of oil along Nakuru Kisumu line by engineers with knowledge of petroleum piping. He went further and stated the KPC lost diesel

and kerosene worth millions of shillings in a similar illegal connection in Muhoroni on the Nakuru-Kisumu line. Theft of oil has also occurred at the Nairobi depot involving various oil companies and staff of Kenya Pipeline.

This kind of theft has significant effect on the attainment of vision 2030 especially economic and social pillars as revealed by all sampled respondents. Economically, businesses supported by pipeline are affected negatively due lack of fuel and they are forced to get the same products from alternative sources at higher prices. Further, adulterated fuel especially diesel has significant effect on vehicle and other machines that uses diesel. The effect of leakage has environment impact on the affected households along the pipeline. This was also revealed by three of the ten respondents who indicated that leakage affect flora and fauna in the affected places. The firm paid up to Sh13.8 million in initial compensation to residents of Thange Valley in Kibwezi after a 2015 oil leak on its pipeline. Residents had complained that their livestock had died and their water was no longer suitable for irrigation or domestic use. Some reported unusual sicknesses which they related to the leakage.

There was also issue related to contractual agreement on various projects undertaken by Kenya Pipeline Company as envision in their corporate strategic plan. The poor working relationship between Kenya Pipeline Company (KPC), the contractor and the project consultant is has been blamed behind the delay in completion of the Sh48 billion Mombasa-Nairobi oil pipelines. One of the controversial projects is the Line 1 replacement, whose tender was awarded to Zakhem at a cost of \$4.8 million in 2014. The project, which was to upgrade the old pipeline, however, the contractor asked for two year extensions. “The first tender scope was changed from just constructing a 16-inch pipeline as per the KPC strategic plan, which was to cost up to \$180 million, to a

20-inch one, which now required pumps, electrical and control equipment, pushing the cost to \$480 million,”

The study noted that these challenges affected inclusion aspects of vision 2030 into organisation strategic plans and therefore hindered execution of organisation functions to be in tandem with vision 2030 goals. The respondents identified different challenges facing strategic planning of Kenya Pipeline Corporation; organization structure, social-cultural and political challenges, inadequate resources, leadership and communication challenges. However, these challenges have not been taken lightly by the company and various measures continue to be undertaken to overcome them so as to move the organization towards realizing her goals.

4.6.1 Institutional Challenges

From the study, indications were that the organization structure has at some occasion's hindered strategy planning instead of facilitating how work is carried out in business units and functional departments as it is meant to do. This was revealed by 70% of the sampled managers. The vertical structure adopted by the company though good as a control measure, has impacted on decision making process and in effect is believed to slow down planning process as multiple approvals are sought from the top levels and in some cases leading to delays in planning and escalating strategic plan cost as time passes on. Half of the respondents attributed the structural challenge partly to the bureaucratic way government agencies are normally run and suggested that privatization could partly solve the problem as it would pave way for revision of the structures in line with the business demands focus while eliminating political interferences. This would address the growth of staff departments, points of presence

and the designation of clear flow that is meant to address inadequacy in knowhow of the key implementation stages.

Sixty percent of the sampled respondents further pointed out that some roles and functions were not clearly structured and lacked supporting structure. In addition,

When managers fail to take up responsibility of creating sustainable environment to stakeholders in the planning process there will be disorder. The respondents suggested alignment of the organization structure with the strategy and ensuring conducive working environment to allow interactions among all stakeholders at all implementation levels which should be reinforced by continuous staff training with focus on organizational goals.

4.6.2 Leadership and Communication Challenges

It was the opinion of 8 out of 10 of the respondents that leadership was indeed a major impediment to strategy planning. The respondents felt that the management's power to front prioritization and implementation of crucial strategies was undermined by the rigid and bureaucratic nature of the company and by extension the ministry policies as is characteristic of any other government agency. When the company fails to embrace new ideas and technology due to poor leadership the policy formulation will drop down making it difficult to implement the strategy. In a period of five years since the new devolved government took over, the Kenya Pipeline Company has had a series of change in the management. And this has seen the company have four managing directors in whom three of them have lost their jobs through questionable circumstances which lead to mismanagement of billions of money in the oil industry.

Poor coordination, lack of training and lack proper communication channels were also identified to persist in most planning stages making staff miss the priority purpose of the strategy. There was found to exist disconnect between the employees and management and thus the intended strategy was not clearly communicated to the entire organization. The study further found that majority of the respondents indicated that poor communication was responsible for most resistance to change as majority employees did not understand what was expected of them and were also afraid of the unknown consequences.

4.6.3 Resources Challenges

The respondents unanimously indicated inadequacy of resources as a major obstacle to implementation of greatest percentage of the company strategies. Most projects earmarked for implementation by KPC often call for huge amounts of resources including physical, financial, technological, human resources among others. These resources have often been unavailable in a single phase and are intensely competed for by other projects and various other government entities in the ministry of energy when available. Respondents expressed concerns that implementation of KPC's strategies to a large extent depended on whether and when the necessary resources were going to be availed by external partners and often than not there were delays to this endeavor. To counter this challenge, KPC was found to be adopting a system of setting and communicating workable deadlines for its projects while at the same time prioritizing on the various strategies based on available finances bearing in mind the urgency to implement each strategy.

4.6.4 Socio-Cultural and Political Challenges

Various socio-cultural and political aspects were eminently found to negatively influence strategy planning at KPC. Having 100% government holding, KPC is greatly influenced by politics in the way her strategies are planned. To most respondents, the board which oversees formulation and implementation of all strategies is an appointee of the executive government and which at sometimes makes decisions based on political forces rather than the overall business demands and strategies. Most respondents observed that the leadership of the organization more often changed each time a new political system came to power disrupting continuity of planning process as new priorities emerged. There were occasions when political decisions would be imposed upon the company at the expense of laid down strategic goals thus disrupting and delaying the strategy implementation process.

Cultural aspects were also identified as key hindrance to strategy planning at KPC mainly resistance to change as indicated by 7 out of 10 of sampled respondents. It was found that subordinates were mostly afraid of new strategies being implemented due to suspicion of the entire motive. Employees used to a certain way of doing things were always slow in adopting and accepting changes to the existing culture slowing down implementation. Respondents indicated that, involvement of senior management in planning and training coupled with communication to all the staff on the essence of strategic change, were key to overcoming most of the culture related challenges to strategy planning at KPC. Employees effectively welcomed implementation of new strategies when management used an open and communicative approach in introducing the strategy.

This concurred with arguments by Moses (2013) that inclusion of aspects of vision 2030 into public enterprises strategic planning process is greatly hampered by absence of effective measures for managing the experienced strategic planning challenges. However, public enterprises that effectively employ strategic measures in strategic planning process rarely experience strategic planning challenges and this assist them to incorporate aspects of vision 2030 in strategic planning process.

4.7 Appropriate measures that should be adopted by public entities in order to effectively achieve vision 2030

Respondents were asked to suggest the appropriate measures that should be adopted by public entities in order to effectively achieve vision 2030 and 70% of the respondents stated that the organisation should avoid policy reversals and application of ineffective policies. The respondents believed that management should develop best strategies after scanning their external and internal environments thoroughly. Similarly, 8 out of 10 of sampled respondents accorded considerable importance to the top management commitment towards the achieving vision 2030 through their strategic plan. The critical tasks for the top management team are strategic allocation of resources, the appointment of leaders, the staffing, and the development of the organisation and monitoring of performance. The respondents also stated that the organisation should learn from other energy corporations in order to avoid capitalizing on weak areas and putting much emphasis on core organisation functions. The company should also avoid political interference in its management functions for effective execution of organisation strategic functions outlined in the strategic plan.

The respondents suggest that there is need to seek for more funding for the flagship projects. Culture and attitude also needs to be changed, public satisfaction and impact

assessment need also to be determined regularly. In addition, training of manpower to oversee the implementation of the vision 2030 is required. Finally, the respondents believe that there is also need to oversee the exploitation and exploration of resources for the country to reduce the countries dependency on external sources of resources.

The private sector has also been actively involved in the implementation of the vision 2030. Regular reports have enabled communication with the public on the developments of the implementation of the vision 2030. The resources have been limited and the government has opted to establish initiatives such as the Public Private Partnerships (PPP) as a mechanism for raising more money for the implementation of the vision 2030. The Kenya mega budget allocation is therefore not sufficient to oversee the implementation of the social pillars flagship projects. The secretariat for the implementation of the vision 2030 is lean and capable of managing the successful implementation of the vision 2030. However, it has been suggested that more training is need for more people since they are understaffed. Capacity building will also be required since they will also need to establish coordination offices with the county government as a spirit for the implementation of devolution.

Further, the respondents were asked to indicate what are the measures put in place to ensure that company strategic planning conforms to the government Vision 2030. The findings are presented according to the pillars of vision 2030.

4.7.1 Economic Pillars

On economic pillar of Vision 2030, the research results of this study indicated that economic pillar is an important part of strategy planning. All the respondents indicated that Kenya Pipeline Company is one of the Key parastatal in achieving economic pillar for Vision 2030 especially agriculture, manufacturing, trade, oil and other minerals. In

agriculture, the strategic plan should ensure that farm inputs are available to farmers at affordable cost which would result to ensuring there is low inflation. Likewise, all respondents agreed that manufacturing solely depend on the operations of Kenya Pipeline and in variation in their operation would affect manufacturing performance. For Kenya to attract foreign investors, the cost of doing business should be manageable, therefore, the company has significant role in achieving vision 2030. Thus, the overall results of the study indicate that the factors/ issues identified in this study are of critical importance in the implementation of the Economic Pillar of Kenya Vision 2030. Managers need to focus on these factors/issues meticulously while planning the implementation of their strategies and during the course of their execution. Failure of strategy implementation are inevitable when managers fail to accord due importance to these factors during the process of implementation.

More than of the respondents (80%) indicated that KPC should focus on sourcing finance to fund their various projects since they require huge sum of money. They indicated that they cannot rely on the exchequer since each ministry is in the rush to achieve vision 2030. Therefore, one of the sample project managers indicated that they KPC can utilize public private partnership to fund these flagship projects. Further, 60% of the sample respondents indicated that KPC can implement it strategic plan single handedly with considering other National ministries as well as state owned corporations within the ministry of Energy and Petroleum. Two of them indicated that to implement all those mega projects, KPC need consultations with all the National ministries to ensure that economic pillar is achieved without upsetting social and political pillars.

4.7.2 Social Pillars,

The respondents explained that the organization undertook its strategic planning activities in line with the core pillars of vision 2030 especially the social pillar where much focus

should be directed towards delivery of clean and habitable environment for all Kenyan. The respondent interviewed suggested that they would focus in prioritizing the implementation of education as a social pillar of the vision 2030. At the moment, the company has Inuka Project but the respondents indicated need for KPC to partner with education institution especially university in the field of research to enhance the quality of grandaunts. They believe that education is the foundation to the achievement of the goals of the vision 2030. It helps build the human capacity and boosts employment creation which them gives foundation for the achieving the realization of the vision 2030. There was also need to increase the participation of respondent in internship programme. Even though the company offer internship programme, it has not been explicitly specified explicitly in corporate strategic planning.

Health has also been suggested since positive growth can only be realized if Kenyans are healthy and therefore very productive helping boost economic growth. In this regards, all of the respondents indicated that KPC should consider health of Kenyans during strategic planning. In particular, the pipeline should observed all health and environmental expectation of the surrounding community. One of the respondents also indicated that there is need for KPC to support health facility along the pipeline so that in case of emergency such as leakage, they can aid to mitigate disasters. Further, population, urbanization and housing, KPC should ensure that there is strategic plan conforms to vision 2030. This can be achieved by ensuring constant monitoring of the pipeline so as to avoid encroachment to Kenya pipeline by informal settlements. The KPC should also ensure that communities around their depots have proper housing structures to support their lifestyles.

In regard to environment, water and sanitation, half of the respondents indicated KPC should ensure that strategic plan to conform to Vision 2030 social pillars. One of the

sampled respondents indicated that future strategic plan should cater for environmental conservation and protection of water resources in various parts of the country. Two of them supported to need to undertake gender mainstreaming especially the third gender rule. It was noted that some department have more males as compared to female staff and the corporate strategic plan. The company had also taken strategic measures on human resources by successfully undertaking organizational restructuring and exposing company staff to training programs in technical, financial and operational functions. A modern human resource management and payroll system was also implemented. This agreed with findings by Patrick (2009) that undertaking of organisational restructuring and exposing staff to regular training programs contributes greatly towards achievement of organisation strategic goals and realisation of the millennium development goals (MDGs).

4.7.3 Political Pillars

On political pillar, there are some gaps especially in governance and decentralizations. Devolution of Government is reshaping the process of service delivery. This was revealed by all respondents who indicated it is difficult to achieve political pillar of vision 2030 due to a lot of political interest. However, they indicated that there is need to enact and operationalize of policies and legal framework towards National Cohesion and Integration by the company. The study noted that, some departments are not fully integrated with some skewness in human resource composition. All respondents also indicated that there is need for integrating National Cohesion into the curriculum for training staff at the company. The strategic plans should be formulated so that staff development and training is centered on national cohesion and integration. Over half of the respondents (60%) indicated that there training has little emphasis on building national cohesion and integration which is vital pillar of vision 2030. On governance, the board members had signed a code of ethics and underwent regular training in corporate governance.

Furthermore, management staff had signed performance contracts and performed in accordance with the guidelines in their respective contracts. This supported the argument by Anderson (2007) that signing of performance contracts creates a major stride towards achievement of organisation strategic goals and government's vision 2030.

4.7 Discussion of Findings

The respondents unanimously indicated inadequacy of resources as a major obstacle to implementation of greatest percentage of the company strategies. Most projects earmarked for implementation by KPC often call for huge amounts of resources including physical, financial, technological, human resources among others. The findings are also in agreement with the resource based theory that explains the role played by resources owned and possessed by an organization in differentiating it from other organizations in the industry (Baumol, Litan & Schramm, 2009). The theory stipulates that resources take different forms including total assets expressed in monetary terms and more so the experience of key human resources and the overall personnel adequacy.

The economic pillar goals at achieving prosperity for all Kenyans through an monetary development programme aimed at achieving and sustaining an average GDP growth rate of 10% per annum over the next 25 years. Under this pillar, most of the respondents explained that the KPLC has taken into consideration the economic situation in the country and more specifically the increased energy appetite not only in Kenya but also in the region. In addition the findings of these study was in agreement with classical theory that argue that for establishment there exists free economies that are free from government regulation on competition, growth and free trade. As such, individuals pursue their own personal interests but in the long-run society benefits.

Further, the economy is perceived to be always achieving its natural balance on real GDP or even output.

Sixty percent of the sampled respondents pointed out that some roles and functions were not clearly structured and lacked supporting structure. In addition, When managers fail to take up responsibility of creating sustainable environment to stakeholders in the planning process there will be disorder. The respondents suggested alignment of the organization structure with the conducive working environment to allow interactions among all stakeholders at all implementation levels. The findings are consistent with the open system theory that argue that organizations are considered to operate in an external environment and in the long-run there are interactions that occur in one way or another (Olum 2004).

The result revealed that KPC has faced challenges in information, technology, and political fields as a result of dynamic and turbulent business environment. These findings are consistent with the findings of Kilonzi & Kiama (2013) who argue that Lakipia County experiences different kinds of challenges that influence Vision 2030 implementation process. This challenges involves ineffectiveness in coordination of activities, competing interest, employee ownership of the execution plans, poor timing for intervention among others. The results are also consist also agree with peace (2012) who argue that limited access to data and information and the end result is that there is ignorance about the value of strategic planning among stakeholders thus considering it as time wasting.

Moreover, the findings of this study concurred with those of Mbaka and Mugambi (2014) who had conducted a study on strategy implementation in the Water Sector in Kenya through descriptive design. The findings showed that strategy implementation

in the water sector was affected to a large extent by the level of management support, inadequacy of resources and technical expertise among staff. In addition the findings of the study were in agreement with those of Maina (2011) who stated that a company's reputation influences its ability to attract investors, to sell products and services, to exert influence in government circles and to hire talented staff.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarized the analysis in chapter four and underlined the key findings. It also drew conclusions and recommendations from the finding. Limitations of the study and suggestions for further studies were outlined.

5.2 Summary of the Finding

The objective of the study was to determine the influence of Vision 2030 development strategy on strategic planning of Kenya Pipeline Company Limited. Qualitative data was collected using interview from 10 sampled managers. The findings established that KPC has multiplicity source of findings such as the Government of Kenya, Loans from local commercial banks and other development partners. Most of the projects undertaken by Kenya Pipeline Company requires billion budgets and therefore, need of multiple source of funding. The results further revealed that all respondents were familiar with vision 2030 development strategy. Most of them were knowledgeable on two pillars; economic and social pillars, however, few of them were aware what entails political pillar sector wise. All the respondents indicated that Vision 2030 has been into account in the strategic plan of Kenya Pipeline especially the economic pillar while social pillar have been considered at moderate extent. This was also observed for political pillar with some aspect of Vision 2030 missing in strategic plan 2016-2025. The respondents indicated Kenya Pipeline is vital for economic growth and therefore, aligning strategic plan with economic pillar sectors such as manufacturing, oil and other minerals, trade and

agriculture would aid the country to achieve expected GDP growth rate of 10% per annum.

All the respondents indicated that Vision 2030 pillars have influence Kenya Pipeline strategic process. However, there was variance from one pillar to another with all respondents indicated that economic pillar has influenced strategic plan at very great extent unlike political pillar. Economic pillar has resulted to Kenya Pipeline Company undertaking major projects to increase the efficiency of oil distribution not only in Kenya but also in the Eastern Africa region. The results revealed that Kenya Pipeline has zoned the country in various regions for efficient oil distribution with keen interest on LAPSSET in Kenya Vision 2030.

The respondents also indicated that endeavor to have a positive impact on society through improving the lives of individuals, groups and communities while at the same time enhancing our corporate image and brand. This is in line with social pillar of Vision 2030 which put a lot of emphasis on education, health, water, environment and sanitation, urbanization, gender and sport. One of the sampled managers indicated one percent (1%) of the Company's post -tax profits from the preceding year is set aside for Corporate Social Investment (CSI) programs. The study results revealed that Kenya Pipeline Company's (KPC) Inuka scholarship programme has benefited physically challenged students from poor backgrounds. In health sectors, the study noted that KPC staffs have saved hundreds of lives following a blood donation drive in the Company's headquarters in Nairobi and outer stations. The results also revealed that political pillar has been greatly influence strategic plan of KPC as indicated by half of the sampled respondents. The strategic plan is also influenced governance and rule of law as indicated in staff establish cultural diversity and national cohesion. In

regard to corruption, one of the sampled managers indicated that the company through its strategic plan has a corruption policy.

Various challenges facing strategic planning of Kenya Pipeline Company Limited were identified by all sampled respondents. These challenges included institutional challenges as identified by 7 out of 10 sampled respondents. Half of the respondents attributed the structural challenge partly to the bureaucratic way government agencies are normally run. Sixty percent of the respondents stated that some roles and functions were not clearly structured and lacked supporting structure. Further 80% of the respondents indicated that leadership was indeed a major impediment to strategy planning. Failure to embrace new ideas and innovative technologies faster enough due to lack of visionary leadership, poor leadership skills and political vested interests at the ministry's policy formulation levels trickle down to impede strategy planning processes at KPC. The respondents unanimously indicated inadequacy of resources as a major obstacle to implementation of the greatest percentage of the company strategies. Various government projects compete for the same resources which makes strategic plan implementation difficult. Lastly, having 100% government holding, KPC is greatly influenced by politics in the way its strategies are planned.

The results also revealed that various measures have been put in place to ensure that company strategic planning conforms to Vision 2030. Some of the measures as liaising with other state owned corporations with the ministry as well as other ministries in the National Government in strategic planning. Half of the respondents indicated that they participated in meetings with various stakeholders during the strategic planning process that resulted in coming up with a strategic plan that can be implemented. The results also revealed that the corporate strategic plan commenced from 2016 while MTP2 started in 2017. One of the respondents indicated that this alignment was done in purpose so as to

make the implementation of strategic plan in tandem with Vision 2030 second mid-term plan which focuses on affordable and reliable energy services as critical drivers towards achieving the economic and social pillars identified in the vision. All of the respondents indicated that human resource in the company understands vision 2030 and how it relates with their strategic plan. Eighty percent of the sampled respondents confirmed that their human resource is up to take to ensure that vision 2030 is achieved through their corporate strategic plan.

Respondents were further asked to suggest appropriate measures that should be adopted by public entities in order to effectively achieve vision 2030 and 70% of the respondents stated that the organisation should avoid policy reversals and application of ineffective policies. The respondents believed that management should develop best strategies after scanning their external and internal environments thoroughly. Further, 80% sampled respondents accorded considerable importance to the top management commitment towards the achieving vision 2030 through their strategic plan. The critical tasks for the top management team are strategic allocation of resources, the appointment of leaders, the staffing, and the development of the organisation and monitoring of performance. All the respondents indicated that strategic planning should devoid of political intrigue.

In regard to individual pillars, all respondents indicated that Managers need to focus on manufacturing, infrastructure, trade, oil and other minerals sector meticulously while planning the implementation of their strategies and during the course of their execution. In regard to social pillar, all respondents explained that the organization undertook its strategic planning activities in line with the core pillars of vision 2030 especially the social pillar where much focus should be directed towards delivery of clean and habitable environment for all Kenyan. There is need to increase literacy, health, housing, water, sports and sanitation of community around the pipeline so as to reduce seeping of oil

from the main line. All respondents indicated it is difficult to achieve political pillar of vision 2030 due to a lot of political interest in the management of KPC. However, 60% indicated that there is need to increase gender and youth opportunities within KPC staff establishment and observing cultural diversity to enhance national cohesion and integration.

5.3 Conclusion of the Study

From the findings, the following conclusion can be made. KPC has various sources of funds so as to implement mega projects all over the country. These projects are in line with Vision 2030 especially economic pillars which are hinged on manufacturing, agriculture, infrastructure and trade as well as social pillar in which most the managers in KPC are aware of. The strategic planning of KPC takes in to account vision 2030 pillars and this has influenced its planning process greatly. Vision 2030 aims at making Kenya a newly industrializing, “middle income country providing high quality life for all its citizens by the year 2030”. This can only be achieved by driving manufacturing sectors, infrastructure development, trade and agriculture. Towards this pillar (economic), KPC has been constructing new line and upgrading existing lines so as to ensure efficient distribution of oil to these key sectors. The corporate strategic plan has also been influence by LAPSSET projects. Most of the new proposed pipelines are in line with project along the corridor. Vision 2030 social and political pillars have profound influence on company’s corporate strategic planning process. The plan has put a lot of emphasis on education such as internship programme as well scholarship to need children, health and sports as the company supports women volleyball team.

There are various challenges facing strategic planning process in KPC. These challenges included siphoning of oils along various pipelines, oil theft especially in Nairobi depot and mishandling of contracts leading to delay in project completion. This has negatively affected business depending on the pipeline and to some extent KPC has been forced to compensate household along the line due to death of livestock. The challenges were associated with institutional challenges especially bureaucratic tendencies with government agencies and weakness in interagency operations. Change in the management board composition which has seen the company having four CEOs quick successions. This has resulted to poor coordination in the management of projects in strategic plan affecting their completion time. The strategic plan also is resource challenged physical, financial, technological, human resources among others. These implies that it depends on other ministry especially land to roll out her projects. Lastly, Having 100% government holding, KPC is greatly influenced by politics in the way her strategies are planned. The board which oversees formulation and implementation of all strategies is an appointee of the executive government and which at sometimes makes decisions based on political forces rather than the overall business demands and strategies.

Measures put in place to ensure that company strategic planning conforms to the government Vision 2030 focused. The study established that company has been liaising with vision 2030 secretariat which is tasked with implementation of vision 2030. Besides, the company also consulted to framers of Vision 2030 under their parent ministry to give some input so that the strategic plan in line with vision 2030. Kenya Pipeline Company has also liaised with other state owned corporation within the ministry of Energy and Petroleum as well as other ministries especially the

National Treasury. To ensure the plan is implemented accordingly; the company has embarked on procuring high calibre staff especially at managerial positions.

From suggestion were made to ensure to ensure Kenya Pipeline achieves vision 2030. KPLC management need to focus on what their company contributes to vision 2030 and prioritize them in their strategic plan. Instead of solely depend on the government funds and loan; management should involve public private in some of the projects so as increase efficiency in strategic plan implementation. Similarly, social pillar has been sparingly undertaken by KPC, however, you cannot achieve economic pillar without sound social pillars. Therefore, KPC should strengthen their social programme especially in health, education, environment and housing. This would reduce the incidence of oil siphoning and vandalizing of the company property along the pipeline. Although it is difficult to achieve political pillar of vision 2030 due to a lot of political interest, KPC board should be free from political interest so that it can achieve good governance, national cohesion and integration.

5.4 Recommendation of the study.

The study found that even though the KPLC used vision 2030 plan in their strategy planning they did not use them exhaustively. Specifically there was underutilization of vision 2030 pillars therefore the study recommended that KPLC should create more awareness about the 2030pillars among the staff members.

The study established that there the company had taken the vision 2030 into account in its strategic planning process since the company contributed significantly to the economic, social and political pillars through its mission of driving manufacturing, transport, trading and agriculture. Therefore, the study recommended that the company should make up a follow up to ensure vision 2030 is properly.

The study also concluded that various measures have been put in place to ensure that company strategic planning conforms to Vision 2030. The study therefore recommended that there is need to increase the awareness about vision 2030 among staff and to ensure the employee are trained on how it can be executed in on the job.

5.5 Limitations of the study.

The study was limited in depth and scope due to the resource and time constraints. The study sample therefore concentrated on KPLC only in order to meet the project deadlines. Thus it did not cover on other companies in Nairobi to indicate how if they use vision 2030 n the strategy planning. Therefore, the results may not to be applicable across other sectors.

