EMPLOYEE PERCEPTION OF THE INfluence OF STRATEGIC PLANNING ON ORGANIZATION PERFORMANCE AT THE MINISTRY OF FOREIGN AFFAIRS, KENYA

BY

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DECLARATION

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature: ........................................ Date: 10/11/2012

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SUPERVISOR'S DECLARATION

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

Signature........................................ Date. 10/11/2012

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I dedicate this project to my father, mother, brothers, and sisters and to my uncle Peter. Your support, love, patience, encouragement, sacrifices and prayers have transformed my dreams to the success of this Degree. May God keep and bless you abundantly.
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This far the lord has brought me, it has been a challenging project but I thank God for his mercies. In addition, I would also like to thank the individuals who have contributed to the successful completion of this project.

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Strategic planning has been hyped as one of modern management's most potent tool to ensure the success of an organization. In Kenya the public sector took up strategic planning as one of the ways to boost performance given the widespread outcry of ineffective service delivery. The Ministry of Foreign Affairs in Kenya took up strategic planning and is currently operating under the 2008-2012 strategic plan. This study sought to establish the employee's perception on the influence of strategic planning on organizational performance in the Ministry of Foreign Affairs. The study used both primary and secondary data. Primary data was collected through a structured questionnaire from a sample of 84 respondents. Secondary data was collected through review of the contents of various relevant publications and reports at the Ministry of Foreign Affairs including the Human Resource manual, performance contract booklets and other relevant materials. Collected data was analyzed using descriptive statistics including means, cross-tabulation, frequencies and percentages to allow for comparison. The study established that the Ministry of Foreign Affairs had a Mission and Vision with set objectives that clearly defined responsibilities for strategic planning. It was noted that the Ministry monitored and evaluated implementation and achievement of set objectives by ensuring that they were formulated at all levels in the organization. The Ministry had been continuously improving its service delivery, to ensure quality services to its customers. Additionally, the study found that the Ministry had been delivering on its mandate effectively due to highly trained staff and was determined to attain what is expected of them. Strategic planning ensured quality and timely delivery of service and that strategic planning improved employee commitment and motivation. The study recommended that for employees to embrace strategic planning set in the organization, there should be clear communication. The seniors staffs should inform employees on the strategic plan to ensure inclusivity and reduce resistance. During the implementation of the strategic planning, expertise should be involved to ensure that set strategies are in line with the organization objective. All departments in the organization should have set strategies that target a common goal. Quality services was found to be core foundation of maintain and satisfying customer thereby increasing customer satisfaction.
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

In today’s competitive environment, every company has an action plan. Yet, for most managers, the processes used to create those plans don’t usually work. Many have been refining their planning processes for ten to twenty years, frequently benchmarking with corporations known to be outstanding planners. Certainly, something must be wrong with the way managers think about planning as many corporate planning processes still generate such discontent. Taking ideas from other companies can be valuable, but it can also mislead and distract. It can prevent managers from focusing on what is unique to their situation. Although planning is not an end to success, but a means to an end, therefore individuals including corporate bodies that fail to plan, have planned to fail. Therefore, an organization is forced to look ahead, setting targets, anticipating problems and focusing on set goals and direction. Organizations, through their management set long-term strategies which are converted into short-term action plans to help achieve its long-term objectives. To this end, the importance of strategic planning and its impact on the overall performance profitability cannot be over emphasized.

Strategic planning is an off-shoot of strategic management and is nowadays referred to as corporate planning. According to Owolabi (2001), “Strategic management is the management process by which policies are formulated and strategies are selected to achieve the goals and objectives of an organization”. He argued that both concepts (strategic management and strategic planning) are often used interchangeably. To Kotler, strategic planning is “the managerial process of developing and maintaining a viable
relationship between the organization and its environment, through the development of corporate purpose, objectives and goals, growth strategies and business portfolio plans for company-wide operations. Strategic planning is also seen as "a company’s planning process towards what it wants to achieve in the long-term. It must convey a significant stretch for the company, a sense of direction, discovery and opportunity that can be communicated as worthwhile to all employees. It should not focus so much on today’s problems but rather on tomorrow’s opportunities (Kotelnikov, 2007).

Strategic planning, defined by Bryson (1995) as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it, has been touted as one of management’s most important tool in regards to the success of an organization. Management scholars as well as practitioners attach much importance to strategic planning with a belief that on average organizations that use it are better off than those which do not. Strategic planning has been practiced for a longer time in the private sector than in public sector.

Strategic planning has gained a sustained prominence in the management of public organizations in the past two decades. Public organizations are increasingly being asked to use it as part of their management techniques. According to Bryson (1995) the environments of public organizations have become more uncertain in recent years making it necessary for these organizations to think strategically as never before, to come up with strategies that will enable them to deal with the changing circumstances and to develop rationales necessary to ensure that the developed strategies are implemented.
In Kenya, strategic planning has been embraced by the public sector in its effort to implement and institutionalize public sector reforms that would lead to an efficient, effective and ethical delivery of services to the citizens. All government ministries are now required to have strategic plans. The Kenya Vision 2030 that covers the period 2008 to 2030 is the country’s development blueprint and overall strategic plan around which all ministries’ strategic plans are centered. Its objective is to help transform Kenya into a middle-income country providing a high quality life to all its citizens by the year 2030. There have been increased campaigns in sensitizing the public on the government’s efforts in adapting the strategic planning process in public institutions. This is seen in recent increased launches of strategic plans by various public institutions which have also been made public in their websites. However, not much research has gone into finding out if strategic planning has improved performance.

1.1.1. Strategic Planning Concept

Strategic planning is an organization’s process of defining its direction, and making decisions on allocating its resources to pursue this strategy. In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action. According to Bryson (1995) strategic planning is a well ordered effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it. Strategic planning involves coming up with strategies that recognizes the complexity of its environment. It is a process by which the manager can transform environmental factors, along with various internal, personal and political considerations, into decisions that result in strategies to help guide the organization in the future.
Comerford and Callaghan (1985). Cole (1996) defines strategic planning as the process by which organizations determine long-term objectives of the organization which involves the review of market conditions, customer needs, competitive strengths and weaknesses and the resource base of an organization to determine the most efficient and effective way to achieve its goals. It therefore relates to positioning and relating a firm to its environment in a way that will assure continued success.

Strategic planning is important to firms for various reasons. According to Lawlor (2006), change is occurring at an unprecedented pace making it necessary for firms to constantly look ahead, anticipate change, and develop strategies to proactively and successfully navigate through the turbulence created by change. Time and distance also continue to become less and less relevant due to the explosive growth of technology and the Internet which has led to increased competition. This has made strategic planning not only necessary but a requirement just to survive. Strategic planning also provides a company with direction and purpose without which business will just drift and only react to pressure as it comes. This means that companies that don't plan have higher rates of failure than those that plan and implement well.

According to Andrews (1971), there are many models of strategic planning process. Each organization must therefore choose the process that most effectively suits its design and needs. Hax & Majluf (1991) argues that organizational strategy can be narrow or broader but it must describe an organizational overall goal, and the means to achieving it including the mobilization of available technical, human and financial resources. For an organization to develop any meaningful strategic plan, it must have a firm grasp of those aspects of its environment that are pertinent to its mission and goals.
It must scan its environment and identify factors that have implications for achieving its goals. It must assess its internal strength and to see whether it actually has the right resources to accomplish the chosen course of action. Potential strategies are then compared to organization resource's base to determine the feasibility and costs of implementing a particular strategy. Objectives are then chosen based on costs benefits analysis after which the best strategies are then developed to achieve the selected objectives.

The strategic planning process has three major stages. According to Johnson and Scholes (1999) it begins with strategy formulation, which is the process of establishing the organization's mission, objectives, and choosing among alternative strategies. Once the strategic plan is established, strategy implementation follows, which is the action stage of strategic management. It refers to decisions that are made to install new strategy or reinforce existing strategy. The basic strategy - implementation activities are establishing annual objectives, devising policies, and allocating resources. Strategy implementation also includes the making of decisions with regard to matching strategy and organizational structure; developing budgets, and motivational systems. The final stage in strategic management is strategy evaluation and control. All strategies are subject to future modification because internal and external factors are constantly changing. In the strategy evaluation and control process managers determine whether the chosen strategy is achieving the organization's objectives. The fundamental strategy evaluation and control activities are: reviewing internal and external factors that are the bases for current strategies, measuring performance, and taking corrective actions.
1.1.2. Organizational Performance

Organizational performance refers to the actual output or results of an organization as measured against its intended outputs, goals and objectives. According to the business directory: Organizational performance is an analysis of a company's performance as compared to its goals and objectives. Within corporate organizations, the three main outcomes analyzed are financial performance, market performance and shareholder value performance and in some cases, production capacity performance is analyzed. According to Wallace (1992) organizational performance is a function of the interplay of the organization's motivation, its organizational capacity and focus in the external environment. According to Tichy & Cohen (1997) organizational performance has to relate to its purpose thus it should reflect achievements relative to the resources used by the organization and the environment within which it works. Thus organizational performance is a function of the organization's mission, its resources and adaptability of the organization within the context of external forces.

According to Bryson (1995) for government institutions, organization performance must integrate the concepts of effectiveness and efficiency. This means that the organization has to be able to meet its goals and do so with an acceptable range of resources. Effectiveness thus refers to the extent at which the actual result both quantity and quality wise correspond to the planned/desired output. Efficiency refers to the ratio between the aimed resource use to the actual one.
Many studies have found that different companies in different countries tend to emphasize on different objectives while measuring organization performance. Traditionally and most commonly financial profitability and growth is the most common measures of organizational performance. Wallace (1992) claimed that profitability is the best indicator to identify whether an organization is doing things right or not and hence profitability can be used as the primary measure of organizational success. Furthermore, he pointed profitability as the most common measure of performance in western companies. Furnham (1993) however asserts that not only financial measures should be used to gauge organizational performance. Denison (2006) argues that modern approaches in measuring performance should consider all aspects in the organization. He cites Kaplan and Norton’s balanced scorecard as an effective and more accurate way to measure performance as it takes into consideration both financial and non-financial indicators such as customer satisfaction, internal processes and learning. Benchmarking, which involves comparing the growth of an organization to growth of other companies in the same industry is another useful way of gauging organizational performance.

1.1.3. Employee Perception

According to Bennet (1997) perception is the organization, identification, and interpretation of sensory information in order to formulate a mental representation through the process of transduction, which sensors in the body transform signals from the environment into encoded neural signals. All perception involves signals in the nervous system, which in turn result from physical stimulation of the sense organs.
According to Kinlaw (1988), employees' perception is very important, but rarely considered. Perception is an internal process that allows employees to choose, organize, and interpret stimuli from our environment, and the process is affecting employees (Mulyana, 2001). According to Robbins (1996) perception can also be interpreted as a process by which individuals organize and interpret their sensory impressions to give meaning to their environment. Perception assist individuals in selecting, managing, storing, and interprets stimuli into a whole world picture and meaning. Because each person is giving their own meaning to the stimulus, the individual can differ in seeing the same thing in different ways. From these definitions it can be withdrawn some digest the concept of perception, namely: Perception is the organization of information about the environment, whether obtained through vision, hearing, appreciation, feeling, and olfaction. That organization is not recording information that is true about the situation but it is a unique interpretation and even can be very different from the reality. Perceive the action usually involves the introduction of back, compare, absorb, and interpret and establish the meaning and characteristics of object perception. It can be concluded that the perception determines the direction and shape a person's behavior.

Mullins (1999) defines perception as the mental function of giving significance to stimuli such as feelings, shape and will. Boundich and Bouna (1997) see perception as the process by which an individual selects, organizes and interprets stimuli into meaningful and a coherent picture of the world. Perception is not the passive receipt of these signals, but can be shaped by learning, memory and expectation.

Bennet (1997) asserts that perception involves "top-down" effects as well as the "bottom-up" process of processing sensory input. The "bottom-up" processing is basically
low-level information that’s used to build up higher-level information (i.e. - shapes for object recognition). The "top-down" processing refers to a person’s concept and expectations (knowledge) that influence perception. Perception depends on complex functions of the nervous system, but subjectively seems mostly effortless because this processing happens outside conscious awareness. Perception is considered relative to expectations, a person’s own needs and values. The level of perception varies depending on the particular person’s reference point and their motives. Individuals act and react based on their perceptions and not on the objective reality. It is therefore important in organizations to understand the whole motive of perception and its related concepts to better understand situations.

According to Mullins (1999) perceptions are influenced by stimuli. These are any physical, visual or verbal communication that can influence an individual response. He identified two important stimuli that affect perception i.e. the environment and the organization. These two stimuli’s interact to influence and determine employee’s perceptions. According to Bennett (1997) perception is influenced by intelligence, personality, expectations, motivations and interest. This therefore means that perception is developed over time and can change as new information and experiences are acquired.

1.1.4 Public Sector in Kenya

According to the Kenya Public Service Reform and Development Secretariat (2005), the Government of Kenya undertook a comprehensive assessment of ministerial functions whereby all Ministries/Departments articulated their mission and defined their core functions in 1999. In this exercise Ministries/Departments identified functions and activities considered non-core or peripheral to achieving their mandates, overlapping and
duplicating functions and functions that can be commercialized, contracted or privatized. They then reviewed their organizational structures in light of their core functions.

All Ministries Departments were then mandated to develop Strategic Plans which would articulate the strategic direction of each Ministry Department, its policies, objectives, strategies and the resource requirements. These Ministerial Strategic Plans would then form the basis from which various departments, functional units and individual staff will formulate their work plans. If properly implemented, strategic plans were envisaged to facilitate enhanced implementation of ministerial departmental programmes. The plans would augment the efforts of Ministries Departments in budgetary resources against national priorities as reflected in the current Government policy documents.

In the public sector in Kenya, performance is measured by the introduction of performance contracting. According to Kobia & Mohammed (2006) to enhance the institutionalization of performance oriented culture in the public Service performance contracting was introduced as an objective performance appraisal system. The performance Contracting was first introduced in the management of state corporates in 1989. However due to lack of political goodwill, performance contracting was abandoned but was later re-introduced in 2003 in the Economic Recovery Strategy for Employment Creation (ERSWEC). The objective of using Performance Contracting was to facilitate the attainment of desired results, to instill accountability for results at the highest level in the government to ensure that the culture of accountability prevails.
levels of the government machinery and to strengthen and clarify the obligation required of the government and its employees in order to achieve agreed target.

According to Kobia & Mohammed (2006), implementation of the Process of Performance Contracting began in 2004. Thus not much impact is fully visible yet. So far improvement has been seen mostly in commercial state corporation which have seen remarkable and unprecedented improvement in profit generation and improved service delivery in KenGen, Kenya Power and Lighting Company Limited, Kenya Ports Authority, Kenya Utalii College, National Oil Corporation of Kenya, KICC to name a few. In ministries, significant improvement in service delivery and operations by such ministries as Immigrations and Registration of Persons, Agriculture, Provincial Administration and Internal Security, Health, Finance and Water has been seen.

1.1.5 Ministry of Foreign Affairs, Kenya

The Ministry of Foreign Affairs (MFA) was established after Kenya became Independent in 1963 to articulate Kenya’s Foreign Policy. Its main functions are to develop and implement Kenya’s foreign Policy, to foster bilateral and multilateral relations with other countries and International and Regional Organizations, to address the needs of Kenyans abroad through Kenya Embassies Abroad, to ensure foreign missions in Kenya are accorded the necessary diplomatic Privileges and Immunities and to cater for State and Official Visits in relation to Protocol Matters.

Kenya’s foreign policy orientation currently, rests on four interlinked pillars of economic diplomacy, peace diplomacy, environmental diplomacy and diaspora
diplomacy. For the Ministry to successfully affect these principles and effectively implement its core mandate and functions, a Service Charter has been developed to guide the operations of the Ministry. The Charter, which is based on the current Strategic Plan (2008-2012) and the Foreign Policy document, sets out what the Ministry is and what it does, and records its commitment and that of its staff to provide its clients with the highest quality services that a modern Foreign Service will permit. The Ministry of Foreign Affairs, like other Ministries/Departments, has developed a self-assessment mechanism, the Performance Contact, to facilitate delivery of efficient and effective services within predetermined targets. The vision of the ministry is “A peaceful, united and prosperous Kenya, participating fully in a just and equitable world” and the Mission is “To pursue the interests and values of the Kenyan people, and those of Africa, through effective diplomatic engagement”.

1.2 Research Problem

Employees play a significant role in the process of strategic management in an organization. They are key implementing agents of strategies developed. As such, their perceptions are very important in strategic management because if not well taken care of the whole strategy may fail hence affect organizational performance (Kobia and Mohammed, 2006). Strategic planning has been hyped as one of modern management’s most potent tool to ensure the success of an organization. It is said to be no longer a luxury but a necessity for the survival of a firm. Over the past two decades strategic planning has gained a sustained prominence in the management of public organizations. This is due to the recognition that the application of the principles of strategic planning developed from private sector studies could help public sector organizations to improve
their performance which is seen not to be very credible either in the short or long-term. Governments are therefore increasingly using strategic planning as part of their management techniques.

In Kenya the public sector took up strategic planning as one of the ways to boost performance given the widespread outcry of ineffective service delivery. The Ministry of Foreign Affairs in Kenya took up strategic planning and is currently operating under the 2008-2012 strategic plans. Despite this, the ministry is still cited as having many administrative and resource management problems. This therefore poses a question as to whether strategic planning has been effective in boosting this organization's performance as would be expected.

A few studies have been carried out to document strategic planning practices in Kenya. Kimemia (2006) studied strategic planning practices in public secondary schools. Githinji (2010) studied strategic planning practices at the Kenya National Audit Office. Kagori (2010) studied the challenges of strategic planning in public organizations in Kenya while Achoki (2010) studied the challenges of strategic planning in the Ministry of State for Provincial Administration and Internal Security. Though these studies provide valuable insights, they concentrate on strategic planning practices without linking this to performance. Also no such study has been done for the Ministry of Foreign Affairs.

According to Kenya Public Service Reform and Development Secretariat (2005), the process that mandated all Ministries/Departments to develop Strategic Plans that would articulate the strategic direction of each Ministry/Department, its policy priorities, objectives, strategies and the resource requirements began in 1999. This was an intense
process that sought to ensure all gaps were identified and solutions found to suit the situations. So far most ministries' strategic plans run from 2008-2012 which is very recent. Therefore not much research has gone into finding out the effect of strategic planning on organizational performance in Kenya’s public sector.

There was therefore a knowledge gap regarding strategic planning and performance in public organizations in Kenya which this study sought to address. From data collected from the Ministry of Foreign Affairs, the researcher thus sought to find out the employee’s perception on the influence of strategic planning on organizational performance in the Ministry of Foreign Affairs. To achieve this, the study sought to answer one question: What is the employee’s perception of the influence of strategic planning on organizational performance in the Ministry of Foreign Affairs in Kenya?

1.3 Research Objective

To establish the employee’s perception on the influence of strategic planning on organizational performance in the Ministry of Foreign Affairs.

1.4 Value of the Study

The purpose of the study was to find out the effect of strategic planning on organizational performance in the Ministry of Foreign Affairs. Policy wise this provided relevant information that was used to assist management in this and other government institutions in making decisions to improve organization performance in relation to strategic planning.
Findings from this study also helped management to find out how employees feel about strategic planning and the practical influence strategic planning has had in the organization. This was used to improve policy then this can be implemented and therefore improve their performance.

This study also contributed to theory by illustrating if the theory on the effect of strategic planning in the public sector is actually what happens in practice. This thus form a basis for further research to extend, refine or validate the findings of this study.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to strategic planning and performance. The review is subdivided into 4 parts. The first section discusses employee perception, the second section strategic planning process, the third organization performance and lastly strategic planning and organization performance.

2.2 Employee Perception

Cole (1997) defines employees as individuals who over a given period of time invest a large proportion of their lives in their organization. Unlike other resources in an organization, employees are complex and are influenced by and act on the basis of their perception. Kotler (2000) defines perception as the process by which individuals select, organize and interpret information inputs to create a meaningful picture of the world. How an individual acts therefore is influenced by his her perception of the situation. Mullins (1999) defines perception as the mental function of giving significance to stimuli such as feelings and shape.

Bennet (1997) defines perception as the organization, identification, and interpretation of sensory information in order to formulate a mental representation through the process of transduction, which sensors in the body transform signals from the environment into encoded neural signals. The brain therefore attempts to make sense of the stimuli that one is exposed to. All perception involves signals in the nervous system, which in turn result from physical stimulation of the sense organs.
According to Kotler (2000) employees develop a set of filters through which they make sense of the conditions they are exposed to. These are referred to as personal constructs which channel the way employees conceptualize and anticipate events. Thus employees will most likely have perceptions of the organization's strategic plans even before its implemented.

Perception differs from one individual to another Mullins (1999). Consequently employees will perceive issues differently and will have different expectations from the same employer. Different people may physically see the same thing but they may have different interpretations of what it is. According to Mullins (1999) two important stimuli affect perception of employees i.e. the environment in which they work and their organization. These two stimuli's interact to influence and determine employees' perceptions.

Perception is influenced by internal and external factors leading people / employees to see some perceived objects or persons, events differently. External factors are characteristic of perceived objects or persons, which may include size, intensity, contrast, repetition, motion, novelty, status and appearance. Internal factors in perception are characteristics of the perceiver. The perceivers have a tendency to use themselves as a basis for perceiving others, events, objects. Internal factors that can influence perception are needs and motives, past experiences, self-contest and personality (Nzuve, 1999).

According to Bennet (1997) perception is influenced by intelligence, personality, expectations, motivations and interest. This therefore means that even though individuals work in the same organization and in the same environment their perceptions will be
different as they will have different levels of intelligence, different personalities, motivations and interests. This also means that perception is developed over time and can change as new information and experiences are acquired. These perceptions in turn affect the performance of the organization as some employees may be reluctant to collaborate with their colleagues.

2.3. Strategic planning process

According to Bryson (1995) strategic planning is a well ordered effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it. It is a process by which the manager can transform environmental factors, along with various internal, personal and political considerations, into decisions that result in strategies to help guide the organization in the future. Comerford and Callaghan (1985). Cove (1996) defines strategic planning the process by which organizations determine long term objectives of the organization which involves the review of market conditions, customer needs, competitive strengths and weaknesses and the resource base of an organization to determine the most efficient and effective way to achieve its goals.

According to Johnson, Scholes & Whittington (2006), strategic planning is the process that involves projecting where an organization expects to be in the long term and determining how it will get there. This is done systematically and involves a number of steps that include plan development, execution and review. Strategic planning involves making strategic decisions.
Pearce & Robinson (1994) define strategic planning as the set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of the organization. I laves (2003) on the other hand defines strategic planning as the process of managing the pursuit of organizational missions while managing the relationship of the organization to its environment. It is therefore the process of examining both present and future environments, formulating the organization's objectives, and making, implementing, and controlling decisions focused on achieving these objectives in the present and future environments.

Strategic planning is therefore an organization's process of defining its direction, and making decisions on allocating its resources to pursue this strategy (Hayes, 2003). In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action. Strategic planning involves coming up with strategies that recognizes the complexity of its environment. It therefore relates to positioning and relating a firm to its environment in a way that will assure continued success (Pearce and Robinson, 1994). It involves strategy formulation, strategy implementation, and strategy evaluation and control.

Strategy formulation is the process of establishing the organization's mission, objectives, and choosing among alternative strategies. Sometimes strategy formulation is called "strategic planning" (Lawlor, 2006). Strategy implementation is the action stage of strategic management. It refers to decisions that are made to install new strategy or reinforce existing strategy. The basic strategy - implementation activities are establishing annual objectives, devising policies, and allocating resources. Strategy implementation
also includes the making of decisions with regard to matching strategy and organizational structure; developing budgets, and motivational systems. The final stage in strategic management is strategy evaluation and control (Lawlor, 2006). All strategies are subject to future modification because internal and external factors are constantly changing. In the strategy evaluation and control process managers determine whether the chosen strategy is achieving the organization's objectives. The fundamental strategy evaluation and control activities are: reviewing internal and external factors that are the bases for current strategies, measuring performance, and taking corrective actions (Pearce and Robinson, 1994).

Strategic planning is important to firms for various reasons. According to Lawlor (2006) change is occurring at an unprecedented pace making it necessary for firms to constantly look ahead, anticipate change, and develop strategies to proactively and successfully navigate through the turbulence created by change. Time and distance also continue to become less and less relevant due to the explosive growth of technology and the Internet which has led to increased competition. This has made strategic planning not only necessary but a requirement just to survive (Pearce and Robinson, 1994). Strategic planning also provides a company with direction and purpose without which business will just drift and only react to pressure as it comes. This means that companies that don't plan have higher rates of failure than those that plan and implement well.

There are many models of strategic planning process. Consequently, each organization must therefore choose the process that most effectively suits its design and needs. Evered (2000) argues that organizational strategy can be defined narrowly or broadly, however it must describe an organizational overall goal, and the means to
achieving. For an organization to develop any meaningful strategic plan, it must have a firm grasp of those aspects of its environment that are pertinent to its mission and goals. It must scan its environment and identify factors that have implications for achieving its goals. It must assess its strengths and weaknesses and match them to the opportunities in the environment while at the same time dealing with threats from the environment. Potential strategies are then compared to organization resource's base to determine the feasibility and costs of implementing a particular strategy and the most appropriate one is then chosen.

Aguilar (2003) there is four elements that make up a strategic planning process. These include: operational planning, budgeting, forecasting and management reporting. Operational planning takes the company's strategies and translates them into specific tactical steps: or actions, starting with broad, general actions and then breaking them down into increasingly specific ones. Much of this happens as the strategic and operational plans are cascaded down through the organization. By bringing all levels of management into such an integrated business planning process and giving individuals a chance to help shape the plan, the company wins 'management alignment and buy-in'. Having bought into the plan, individual managers become accountable for achieving its goals. They are also energized by the realization that their compensation and other rewards will be governed by their success at achieving their goals.

In most organizations, budgeting drives operational planning when the process should actually operate in reverse. When they try to use the budget process to drive and control operations, budgeting typically become enormously time-consuming, with managers competing for the largest allocations irrespective of actual need, in best-
practice companies, budgeting is a relatively simple process that translates operational goals into the resources needed to accomplish them. Therefore, long-range planning provides a baseline for the annual budgeting process thereby minimizing budget iterations because the operating units are encouraged to get—"smarter" during the budget process (Pearce and Robinson, 1994). Poor planning and budgeting make it impossible for companies to accurately forecast their monthly/quarterly/yearly earnings. Industry analysts would make one think that investors should applied positive earnings 'surprises' and deplore negative ones. Yet all earnings surprises, positive or negative, are signs that a company's strategic planning process is malfunctioning. Of course, there are times when a company's earnings are pushed up or down by unanticipated economic events, but those should be the exceptions. The real goals of forecasting are to predict revenues and expenses over a period of time, update plans, and provide management with a vision of the future (Aguilar, 2003).

In many companies, managers are inundated with voluminous reports that fail to give them the precise information they need to assess what's happening and take appropriate action. In addition, it is almost impossible for management to reward good performance if it can't 'see' where that performance is coming from. Hence, to create an effective management reporting system, a company must first establish its strategic and operational goals, measures, targets, budgets and forecasts. Once these are in place, it can accurately determine what information must be reported, in what detail, and how often. In short, good management reports are concise and provide information that can be acted upon. They are also consistent throughout the company in the sense that they offer one version of the truth (Aguilar, 2003).
In the words of Kootz and Weilich (1998), various steps taken by organizations in the formulation of their strategies may differ, but the process of strategic formulation can be built, at least conceptually, around some key elements. The strategic planning process starts with an enterprise profile to determine where the company is and where it should go. This profile is designed by top management while the goals and objectives are the end point towards which enterprise activities are directed. The environment, that is, the present and the future must be assessed in terms of opportunities and threats as well as looking inwards at its strengths and weaknesses. Also, an audit of the internal environment and evaluation with respect to the company must be taken. Strategic alternatives are then developed on the basis of internal external environment. Medium to long range plans and their implementation should be considered while also testing the plans for consistency as well as providing contingency plans.

According to Aguilar (2003), a strategic planning process should include some or all of the following: Formulation of corporate strategic mission of the organization; Establishing of strategic objectives in quantitative terms; Establish corporate performance target; Internal appraisal that is company’s available resources and performance; External appraisal via environmental analysis and survey; Future performance forecasting; Analysis of gap between corporate performance forecasting future performance; Strategies identification and evaluation to bridge performance gap in order to meet strategic objectives; Selection of the best alternative strategies; Preparation of the final corporate/strategic plan; Evaluation of actual performance against corporate plan (Aguilar, 2003).
In addition, a company should continuously strive to improve planning effectiveness by focusing on cycle time, relevance, systems and technology, predictive accuracy, process accountability, and linkage to product life cycle (Aguilar, 2003).

2.3 Organizational Performance

According to the business directory, organizational performance refers to the actual output or results of an organization as measured against its intended outputs, goals and objectives. Wallace (1992) views organizational performance as a function of the interplay of the organization’s motivation, its organizational capacity and focus in the external environment. Tichy (1997) argues that organizational performance has to relate to its purpose thus it should reflect achievements relative to the resources used by the organization and the environment within which it works. Thus organizational performance is a function of the organization’s mission, its resources and adaptability of the organization within the context of external forces.

According to Simon (1992) for government institutions, organization performance must integrate the concepts of effectiveness and efficiency. This means that the organization has to be able to meet its goals and do so with an acceptable range of resources. Effectiveness thus refers to the extent at which the actual result both quantity and quality wise correspond to the planned/desired output. Efficiency refers to the ratio between the aimed resources uses to the actual one.

Many studies have found that different companies in different countries tend to emphasize on different objectives, while measuring organization performance. Traditionally and most commonly financial profitability and growth is the most common
measures of organizational performance. Nash (1993) claimed that profitability is the best indicator to identify whether an organization is doing things right or not and hence profitability can be used as the primary measure of organizational success and is the most common measure of performance in western companies. Furnham (1993) however asserts that not only financial measures should be used to gauge organizational performance.

Denison (2006) argues that modern approaches in measuring performance should consider all aspects in the organization. He cites Kaplan and Norton’s balanced scorecard as an effective and more accurate way to measure performance as it takes into consideration both financial and non-financial indicators such as customer satisfaction, internal processes and learning. Thus in many corporate organizations, the three main outcomes analyzed are financial performance, market performance and shareholder value performance and also production capacity performance. Organizational performance can also be gauged through benchmarking. This involves comparing the growth of an organization to growth of other companies in the same industry so as to rank how well an organization has performed.

points to new approaches that have arisen to help strategic managers evaluate and control their organizations' performance as the following approaches: activity-based management, value-based management, the balanced scorecard, benchmarking, customer relationship management and other useful and promising approaches. Although, there are different definitions and approaches of measuring organizational performance, the literature is united in the opinion that none of approaches to measuring organizational performance is without limitations, and it is usually advisable to apply multidimensional approach, or multiple measures of performance when conducting measuring of organizational performance.

2.4 Strategic Planning and Organization Performance

In the strategic management literature the general perception has been that the use of strategic planning (SP) is an effective way to improve corporate performance (CP). A closer look at the empirical literature on the subject reveals a somewhat different picture. The results of the relationship are ambivalent. Some studies show that there is a positive relationship between SP and CP (e.g. Bracker & Pearson (1986), Pearce et al. (1987), Hopkins & Hopkins (1997), Andersen (2000)) while others show that the relationship is inconclusive (e.g. Fulmer and Rue (1974), Kallman & Shapiro (1978), Gable & Topol (1987), McKiernan & Morris (1994)). Some even show that the relationship is negative (e.g. Sheehan (1975), Fredrikson & Mitchell (1984) and Whitehead & Gup (1985)).

Planning does not guarantee business success (Mintzberg, 1994). However, it is maintained that many of the contributing factors to business failures may be predicted and effectively address during the infancy of small business development when strategic planning is employed, thereby decreasing the failure rate for small business. Where
strategic planning has been adopted, businesses usually report that it benefits them (Baker et al. 1993). Sexton and Van Auken (1985) found in their longitudinal analysis that the survival rates of SMEs that apply formal strategic planning are higher. Boyd (1991) found that the probability of survival is substantially smaller for non-planning enterprises. Birley and Niktari (1995) found an association between the failure of small firms and a lack in business planning. Castrogiovanni (1996) linked the lack of strategic planning with higher mortality rates of SMEs. Miller and Cardinal (1994) claimed that planning produces better results than non-planning. Michalisin et al. (1997) stated that firms can achieve sustainable competitive advantage from such resources as strategic planning.

Robinson and Littlejohn (1981) found a positive relationship between strategic planning and financial success in their investigation of small business enterprises. Similarly, Jones (1982) found that small business ‘planners’ were shown to be more successful measured by return on assets than ‘nonplanners’. Besides, they were engaging more in anticipating changes in the marketplace and looking for ways to take advantage of these changes. Ackelsberg and Arlow (1985) have proven that strategically planning enterprises achieve better financial results. This implies that expenditures related to planning activities would be compensated financially. Further positive relationship between strategic planning and financial performance was discovered by numerous researchers in different industries (Peel & Bridge, 1998; Walter et al. 2001; Baker et al. 2001; Masurel and Smit, 2000).

According to Taiwo and Idunnu (2007) firms that do strategic planning significantly outperform those that do not. This is because firms that do not have strategic plans spend most of their time realizing and reacting to unexpected changes and problems instead of
anticipating and preparing for them and are thus always in crisis management situations. They are therefore always caught off guard and spend a lot of time, resources and energy trying to catch up with others and keep cope with immediate problems leaving them with little or no resources to anticipate and prepare for the next challenges.

Strategic planning improves organization performance as it helps organizations to develop strategic understanding which in effect focuses company direction. According to Johnson and Scholes (1999), focus drives performance and performance drives results. This thus means that when a firm has a strategic plan, it will perform better than if it does not as its actions are guided. Strategic planning also raises the company’s competitive advantage in its market place. According to Ansoff (1965) by continuously scanning the environment and matching its resources and activities to the environment an organization is able to gain strategic fit, which gives it competitive advantage. This thus means that the organization has an edge over other firms thus will perform better. Strategic planning also helps builds personal motivation among management. According to Johnson and Scholes (1999) by allowing management to personally contribute both emotionally and intellectually towards determining the direction of the organization, it creates commitment from them such that they are personally accountable to the performance of the organization. This makes them motivated and in effect improves performance. Strategic planning also leads to motivated and committed staff which in return leads to improved organization performance.

According to Johnson and Scholes (1999) strategic planning brings members of staff and management teams together so that they become change agents working together for the good of the company, which makes the staff own the plans and be committed to them.
According to Thompson and Strickland (1987) strategic planning improves organizational performance because it generates information, ensures a complete and thorough consideration of all feasible options after a firm has evaluated its environment, it stimulates new ideas, it increases motivation and commitment and it improves internal communication and interaction.

Various scholars have done studies to find out the effect of strategic planning on organizational performance. Many have found that a positive relationship between the two arguing that strategic planning improves organizational performance. Krager and Malik (1975) in their study compared financial performance of strategic planners to non planners and found that the former outperformed the latter on 9 out of 13 financial variables. They thus concluded that with regard to growth in earnings and sales formal planners out performed those who did not plan. Thune and House (1970) also found that formal planners financially outperformed informal planners in a study of 36 firms across 6 industries. Ansoff (1970) did a study and reported that firms using operational and strategic planning perceived that their objectives were obtained to a more substantial degree than those firms that did not plan. This thus meant that formal planners significantly outperformed non-planners.

Subsequent studies (Armstrong, 1986; Greenley, 1986; Mintzberg, 1990 as cited by Dalton, Shrader and Taylor (1984)) have contradicted the notion of a strategic planning-superior performance relationship. However, more recent studies (Miller and Cardinal, 1994; Schwenk and Shrader, 1993 as cited by Dalton, Shrader and Taylor (1984)) provide convincing evidence that strategic planning does indeed result in superior
financial performance. The fact that these studies accounted for factors three major components: (1) formulation, which responsible for past research contradictions (e.g. methodological flaws, non robust statistical methods) provides additional support for their conclusions.

Other scholars argue that it is not just having a strategic plan that leads to improved organizational performance. The strategic plan has to accurately anticipate environmental factors so that they are well planned for. According to Hambrick (1984), the purpose of strategic planning is to guide the organization in its relationship with the environment. Thus organizations that accurately project and anticipate environmental changes should distinctively outperform those that do not. Bowman (1978) argues that corporate strategy leads to better and more accurate environment scanning and spanning, which leads to improved performance. Bourgeois (1984) in his study found that organizations that accurately perceived the uncertainty in their environment performed better than those in which it was not.

Strategic planning consists of planning processes that are undertaken in firms to develop strategies that might contribute to performance (Tapinos et al., 2005). Griffin (2006) states that strategic planning involves resource allocation, priorities, and actions needed to reach strategic goals. Regarding the relationship between strategic planning and firm performance, Barney (2002) points out that firm performance is central in the study and practice of strategy. He explains that firms that gain a competitive advantage outperform firms that gain only competitive parity or a competitive advantage.
According to Meilich and Marcus (2007) the strategic planning improves the organizational performance in two ways: the first way, by reducing the uncertainty of companies' operation; and the second way, by improving coordination, communication and control activities in the companies. In the Fulmer and Rue study (1974), for example, the researchers compared financial performance of firms in the service industry over a period of 3 years. However, 50 percent of the firms studied indicated that they had implemented a strategic planning system only 2 years prior to the study. Because no positive relationships were found between strategic planning and financial performance in their sample of service firms, the researchers concluded that the firms had not yet reaped the benefits of their strategic planning efforts. In their study of the banking industry, Gup and Whitehead (1989) tested the notion that strategic planning only pays off after a period of time. They found no statistically significant relationship between the lengths of time banks had been engaged in the strategic planning process and their financial performance.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1. Introduction

This chapter explains how the research was carried out. It includes a description of the research design, information on how data was collected and how the analysis of the data was done. This research was based on a single case i.e. the Ministry of Foreign Affairs in Kenya.

3.2. Research Design

A survey research design was used in this study because of its low cost and easy access to information. According to Owens (2002) surveys are a good way to gather unique information that is not available from other sources.

Surveys ensure unbiased representation of population of interest through appropriate sampling. Surveys also ensure standardization of measurement such that same information is collected from every respondent.

3.3. Population

The population of study was 834 employees at the Ministry of Foreign Affairs. Employees in this case are all members of staff in the Ministry. This ensured that data was collected from all relevant parties thus making the research objective and unbiased.

To ensure that all employees were included, staff list was obtained from the Human Resources Department. This was used while carrying out the research and while sampling.
3.4. Sample design

Stratification random sampling was used to select the sample. Levin et al (2008) note that stratified sampling is effective as it ensures fair representation of the entire population. The target population was subdivided into 3 strata comprising of heads of divisions, senior staff and junior staff.

Simple random sampling was then used to select a proportionate representation of 10% from each stratum. Gay (1992) as cited by Mugenda and Mugenda (1999) advocates a sample size of 30 and above or 10% of the accessible population, as the rule of thumb.

Table 3.1: Sample Selection

<table>
<thead>
<tr>
<th>Strata</th>
<th>Target population</th>
<th>Sample proportion</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heads of divisions</td>
<td>73</td>
<td>10%</td>
<td>7</td>
</tr>
<tr>
<td>Senior Staff</td>
<td>236</td>
<td>10%</td>
<td>24</td>
</tr>
<tr>
<td>Junior Staff</td>
<td>525</td>
<td>10%</td>
<td>53</td>
</tr>
<tr>
<td>TOTAL</td>
<td>834</td>
<td></td>
<td>84</td>
</tr>
</tbody>
</table>

3.5. Data Collection

The study used primary data. Primary data was collected using a structured questionnaire. The questionnaire was administered to employees in the following departments at the Ministry of Foreign Affairs: Central planning Unit, Human resource management, multilateral affairs directorate, Foreign Service institute, finance and administration, Africa Division, Asia and Australasia Division, Europe division, Americas Division and Protocol Division. These respondents were selected upon because of their key role in determining the performance of the Ministry through their
management of perceptions. The questionnaire was administered through drop and pick method. The researcher was available for any clarifications that were needed by the respondents.

The questionnaire was divided into 2 parts. Part I comprised of general questions relating to the employees while part II entailed questions relating to strategic planning and organizational performance.

3.6. Data Analysis

According to Gay (1992) data analysis involves organizing, accounting for and explaining data. This therefore is the process of making sense of data in terms of the respondent’s definition of the situation, noting patterns, themes, categories and regularities.

After collection of the data, the questionnaires were edited for completeness and consistency to minimize the variations caused by missing responses, multiple entries and blank questionnaires. Coding was then done to enable analysis. Descriptive statistics including means, cross-tabulation, frequencies and percentages were used for comparison.
CHAPTER FOUR
DATA ANALYSIS AND INTERPRETATIONS OF RESULTS

4.1 Introduction

This chapter presents analysis of the data on employee perception of the influence of strategic planning on organization performance at the Ministry of Foreign Affairs. This chapter presents the findings of the study and discussions on the findings. The finding was intended on answering the study’s research questions. Data collected was collated and reports were produced in form of tables and figures and qualitative analysis done in prose.

4.2 Response Rate

Table 4.1 illustrates the response rate of the respondents that participated in the survey. The study targeted 84 respondents (heads of divisions, senior staff and junior staff) at the Ministry of Foreign Affairs in collecting data on employee perception of the influence of strategic planning on organization performance at the Ministry of Foreign Affairs. However, out of 84 questionnaires distributed 67 respondents completely filled in and returned the questionnaires contributing to 80%. This response rate was reached due to the data collection procedure, where the researcher personally administered questionnaires and made clarification to the respondents where necessary as waiting respondents to fill in, kept reminding the respondents to fill in the questionnaires through frequent phone call and picked the questionnaires once fully filled. The 20% questionnaires that were not returned were due to reasons like, the respondent were not available to fill them in at that time and with persistence follow-ups there were no affirmative reactions from them.
### Table 4.2: Response Rate

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled in questionnaires</td>
<td>67</td>
<td>80</td>
</tr>
<tr>
<td>Un returned questionnaires</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100</td>
</tr>
</tbody>
</table>

### 4.3 Demographic Characterization of the Respondents

The study establishes it decisive to ascertain the extensive information of the respondents since it forms the foundation under which the study can fairly entrance the relevant information. The analysis relied on this information of the respondents so as to classify the different results according to their knowledge and responses.

#### 4.3.1 Gender of the Respondent

The study aimed to investigate gender of the respondents. From the findings majority (59%) of the respondents were male while the rest (41%) were female. This implies that large portion of job opportunity in the ministry was occupied by male. However, gender distribution in terms of job opportunity is well dispersed.
4.3.2 Age Category

The researcher requested respondents to indicate their age bracket in which they were. From the findings, most (39%) of the respondents were between 41-50 years, almost the same number (38%) were between 31-40 years, 20% were within age category of 20-30 years while the rest (3%) were the least being at the age category of 51-60 years. This implies that most of the employees at the Ministry of Foreign Affairs were energetic staff such that they can be able to adopt any strategic practices put in place with aim of improving performance of the organization.

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>14</td>
<td>20.3</td>
</tr>
<tr>
<td>31-40</td>
<td>26</td>
<td>37.7</td>
</tr>
<tr>
<td>41-50</td>
<td>27</td>
<td>39.1</td>
</tr>
<tr>
<td>51-60</td>
<td>2</td>
<td>2.9</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3.3 Highest Education Level of the Respondents

The researcher was inquisitive to determine academic qualification that the respondent held. Table 4.3 summarizes the findings of the result. Most (45%) of the respondents held masters degree 26% were graduate (degree holders), 12% were postgraduate diploma, 14.4% was shared equally (7% in each case) by those who hold PHD and diploma while 3% were high school graduates. This depicts that almost staffs working at the Ministry of Foreign Affairs are well educated such that they are capable to formulate set strategies in all department concerned with core aim to improve the organization performance and effectiveness of delivering the service.

Figure 4.2 Highest Education Level of the Respondents

4.3.4 Job Group of the Respondent

Table 4.3 summarizes the finding of the study on job title that the respondent was ranked. From the findings, majority (68%) were at job group A-N. 28% were ranked job group M-P while the rest (4%) were ranked job group R-I. This implies that almost all job groups in the ministry were represented in the survey such that the result of the findings represents opinion from various job groups pertaining employee perception of the influence of strategic planning on organization performance.
4.3.5 Position held by the Respondents

The researcher aimed to investigate the position held by the respondents in the department of working. From the findings majority (52.2%) of the respondents were senior staffs. 39% were junior staffs while 9% were head of divisions. This depict that all staffs in the organization were involved in the study.

Figure 4.3 Position held by the Respondents

4.3.6 Duration of Serving

Figure 4.4 illustrates working duration of the respondents within the ministry of foreign affairs. From the findings 43.5% of the respondents had worked in the ministry for a period between 6-10 years. 28% had worked for a period between 1-5 years. 17.4%
had worked for a period between 15-20 years while 5.8% had worked for a period of 21-25 and over 25 years as per each case. This implies that most of the respondents of this study had worked for an ample time thus they were conversant of the information that the study sought from the organization and the information is reliable.

Figure 4.4 Duration of Serving

4.4 Strategic Planning

4.4.1 Level of Respondents' Agreement with Statements Relating to Strategic Planning

The researcher requested the respondents to indicate their level of agreement on the statements relating to management support practices used by organization in influencing corporate entrepreneurship. Most of the respondents strongly agreed that the Ministry of Foreign affairs has a Mission and Vision as shown by mean score of 4.68, followed by those who agreed that The Ministry has set objectives the Ministry has clearly defined responsibilities for planning as depicted by means score of 4.36. Further the respondents' agreed that the Ministry has set objectives as illustrated by mean score of 4.25 and that the Ministry has set Strategic Plan as depicted by mean score of 4.12.
On the other hand respondents were neutral that the Ministry monitors and evaluates implementation and achievement of set objectives as show by mean score of 3.43. respondents also were neutral that the Ministry’s objectives are set at all levels in the organization as shown by mean score of 2.87 and that implementation of the current strategic plan begun during the intended year.

Table 4.5 Level of Respondents’ Agreement with Statements Relating to Strategic Planning

<table>
<thead>
<tr>
<th>Strategic Planning</th>
<th>strongly disagree</th>
<th>disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>strongly agree</th>
<th>Mean</th>
<th>StDev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Ministry of Foreign affairs has a Mission and Vision</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>22</td>
<td>47</td>
<td>4.68</td>
<td>0.469</td>
</tr>
<tr>
<td>The Ministry’s Vision and Mission is well communicated to all employees</td>
<td>0</td>
<td>2</td>
<td>13</td>
<td>35</td>
<td>19</td>
<td>4.03</td>
<td>0.766</td>
</tr>
<tr>
<td>The Ministry has set objectives</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>30</td>
<td>31</td>
<td>4.25</td>
<td>0.914</td>
</tr>
<tr>
<td>The Ministry’s objectives are set by top management only</td>
<td>0</td>
<td>4</td>
<td>20</td>
<td>22</td>
<td>23</td>
<td>3.93</td>
<td>0.929</td>
</tr>
<tr>
<td>The Ministry’s objectives are set at all levels in the organization</td>
<td>19</td>
<td>5</td>
<td>21</td>
<td>14</td>
<td>10</td>
<td>2.87</td>
<td>1.403</td>
</tr>
<tr>
<td>The Ministry has a Strategic Plan</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>25</td>
<td>32</td>
<td>4.12</td>
<td>1.157</td>
</tr>
<tr>
<td>The strategic planning process is formal</td>
<td>8</td>
<td>2</td>
<td>17</td>
<td>30</td>
<td>12</td>
<td>3.52</td>
<td>1.171</td>
</tr>
<tr>
<td>The Ministry has clearly defined responsibilities for planning i.e. the Ministry has a planning department</td>
<td>0</td>
<td>2</td>
<td>7</td>
<td>24</td>
<td>36</td>
<td>4.36</td>
<td>0.785</td>
</tr>
<tr>
<td>Once developed, strategic plans are implemented at the Ministry</td>
<td>0</td>
<td>4</td>
<td>26</td>
<td>28</td>
<td>11</td>
<td>3.67</td>
<td>0.816</td>
</tr>
<tr>
<td>Implementation of the current strategic plan begun during the intended year</td>
<td>15</td>
<td>13</td>
<td>23</td>
<td>9</td>
<td>9</td>
<td>2.77</td>
<td>1.296</td>
</tr>
<tr>
<td>The Ministry monitors and evaluates implementation and achievement of set objectives</td>
<td>5</td>
<td>13</td>
<td>9</td>
<td>31</td>
<td>11</td>
<td>3.43</td>
<td>1.182</td>
</tr>
</tbody>
</table>
4.5 Organization Performance

4.5.1 Respondents Level of Agreement on Statements Relating to Organization

Table 4.5 summarizes respondents' level of agreement on statements relating to organization. From the findings, most of the respondents agreed that the Ministry has been continuously improving its service delivery as shown by mean score of 4.04. Respondents also agreed that the Ministry has delivered quality services its customers as depicted by mean score of 3.81. Respondents further agreed that the Ministry has been delivering on its mandate effectively as shown by mean score of 3.68. On the other hand, respondents were neutral that the Ministry has trained staff on what is expected of them as illustrated by mean score of 3.41. Also, respondents were neutral that the Ministry’s performance system is objective as shown by mean score of 3.36 and that the Ministry of Foreign Affairs has a Key Performance Indicators for every staff as depicted by mean score of 3.33.
Table 4.6 Respondents Level of Agreement on Statements Relating to Organization Performance

<table>
<thead>
<tr>
<th>Organization Performance</th>
<th>Strongly Agree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>StDev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Ministry of Foreign affairs has a Key Performance Indicators for every staff</td>
<td>3</td>
<td>15</td>
<td>12</td>
<td>34</td>
<td>5</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ministry’s performance system is objective</td>
<td>3</td>
<td>10</td>
<td>18</td>
<td>35</td>
<td>3</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ministry has trained staff on what is expected of them</td>
<td>6</td>
<td>5</td>
<td>15</td>
<td>41</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ministry has been delivering on its mandate effectively</td>
<td>0</td>
<td>5</td>
<td>19</td>
<td>38</td>
<td>7</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ministry has delivered quality services its customers</td>
<td>0</td>
<td>3</td>
<td>19</td>
<td>35</td>
<td>12</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ministry has been continuously improving its service delivery</td>
<td>0</td>
<td>0</td>
<td>13</td>
<td>40</td>
<td>16</td>
<td>4.0</td>
</tr>
</tbody>
</table>

4.6 Strategic Planning and Organization Performance

4.6.1 Strategic Planning and its Influence on Organization Performance

The researcher requested the respondent to indicate their level of agreement on the statements regarding strategic planning and its influence on organization performance. To this query, respondents had differing opinion within the statements. Most of the respondents agreed that strategic planning improves customer satisfaction as shown by mean score of 3.52. Respondents were neutral that strategic planning brings
about clear focus of the Ministry as shown by mean score of 3.43. Further respondents were strategic planning ensures delivery of timely and quality service and that strategic planning improves employee commitment and motivation as shown by mean score of 3.36 in each case. Further respondents were neutral that strategic planning ensures customer loyalty and that it promotes the Ministry’s innovation and creativity as shown by mean score of 3.19 in each case. Few of the respondents were neutral that strategic planning ensures cost management at the Ministry as depicted by mean score of 3.16.

Table 4.7 Strategic Planning and its Influence on Organization Performance

<table>
<thead>
<tr>
<th>Strategic planning and Organization Performance</th>
<th>Strongly Agree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Disagree</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning improves customer satisfaction</td>
<td>0</td>
<td>10</td>
<td>20</td>
<td>32</td>
<td>7</td>
<td>3.52</td>
</tr>
<tr>
<td>Strategic planning ensures customer loyalty</td>
<td>0</td>
<td>13</td>
<td>35</td>
<td>16</td>
<td>5</td>
<td>3.19</td>
</tr>
<tr>
<td>Strategic planning ensures cost management at the Ministry</td>
<td>0</td>
<td>20</td>
<td>21</td>
<td>25</td>
<td>3</td>
<td>3.16</td>
</tr>
<tr>
<td>Strategic planning ensures delivery of timely and quality Service</td>
<td>0</td>
<td>15</td>
<td>17</td>
<td>34</td>
<td>3</td>
<td>3.36</td>
</tr>
<tr>
<td>Strategic planning promotes the Ministry’s innovation and creativity</td>
<td>2</td>
<td>11</td>
<td>31</td>
<td>22</td>
<td>3</td>
<td>3.19</td>
</tr>
<tr>
<td>Strategic planning improves employee commitment and motivation</td>
<td>6</td>
<td>6</td>
<td>20</td>
<td>31</td>
<td>6</td>
<td>3.36</td>
</tr>
<tr>
<td>Strategic planning brings about clear focus of the Ministry</td>
<td>2</td>
<td>9</td>
<td>21</td>
<td>31</td>
<td>6</td>
<td>3.43</td>
</tr>
</tbody>
</table>
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on employee perception of the influence of strategic planning on organization performance at the Ministry of Foreign Affairs. The conclusions and recommendations are drawn there to. The chapter is therefore structured into summary of findings, conclusions, recommendations and area for further research.

5.2 Summary of the Findings

The objective of this study was to find out employee’s perception on the influence of strategic planning on organizational performance in the Ministry of Foreign Affairs. From the study findings it was clear that Ministry of Foreign affairs has a Mission and Vision with set objectives that clearly defined responsibilities for planning. On the same, the study noted that the Ministry monitors and evaluates implementation and achievement of set objectives by ensuring that they are formulated at all levels in the organization.

Further the study found that the Ministry has been continuously improving its service delivery, to ensure quality services to its customers. Additionally, the study found that the Ministry has been delivering on its mandate effectively due to highly trained staff and was determined to attain what is expected of them.

On the relationship between strategic planning and organization performance, the study established that strategic planning improves customer satisfaction and brought
about clear focus of the Ministry. Further, the study found that strategic planning ensures quality and timely delivery of service and that strategic planning improves employee commitment and motivation. With timely delivery on the strategic mission and objectives, the Ministry was able to deliver quality services to the citizens.

5.3 Conclusions

The study sought to find out employee perception of the influence of strategic planning on organization performance at the Ministry of Foreign Affairs. Based on the findings in relation to specific objective, the study concluded that employees perceived that exercising strategic planning results to establish of organization Mission and Vision statement with set objectives clearly defining responsibilities for planning.

On organization performance, the study concluded that organizations strive to improve its service delivery by ensure it deliver quality services to its customers and their satisfaction is uplifted. On the same the study concluded that qualified staffs are hired so that can bring to board the realization of that organization goals by ensuring that they attain what is expected of them.

On relationship between strategic planning and organization performance, the study concluded that strategic planning improves customer satisfaction and brought about clear focus of the organization hence commitment to deliver quality service. Inclusively, the study concluded that strategic planning ensures quality and timely delivery of service by improves employee commitment and motivation.
5.4 Recommendations

The study recommended that for employees to embrace strategic planning set in the organization, there should a clear communication of the intended impact of the same or be set in a clear manner that employees understood it. On the same the study recommended that seniors staffs should inform employees on the strategic plan they are intending to set so that employees can be aware of it and be prepared to face it as this process ease it formulation hence less resistance.

On organization performance, the study recommended that during the implementation of the strategic planning, expertise should be involved to ensure that set strategies are in line with the organization objective and they do not contradict with organization policies. Additionally, the study recommended that in order to the realization of the organization objective entire departments in the organization should have set strategies that target a common goal.

To the relationship between strategic planning and organization performance, the study recommended that quality services is core foundation of maintain and satisfying customer hence increasing organization thus there is dare need to set strategic plans that caters for both side-organization operation and customer satisfaction. Likewise the study recommended that both employees and customers should be given almost the same privileges when implementing strategic plans as they have great impacts towards organization performance in that output of organization are expected to be attained only when set strategic plan are embraced by employees hence delivering quality services to the customer resulting to mass market share and profitability as well.
5.5 Limitations of the Study

Being that this was a case study on one Institution the data gathered might differ from the employee's perception on the influence of strategic planning on organizational performance in other Government Ministries. This is because different institutions adopt different strategies that differentiate them from their competitors. In addition, the operating environment of Ministry of Foreign Affairs is different from any other Ministry hence making these findings unique to Ministry of Foreign affairs. The study however, constructed an effective research instrument that sought to elicit general and specific information on employee perception of the influence of strategic planning on organization performance.

The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on employee perception of the influence of strategic planning on organization performance. The study, however, minimized these by conducting the interview at the Institution's headquarter since it is where strategies are made and rolled out to other office.

5.6 Areas of Further study

The study suggested further research to be done on employee perception on the impact of strategic plan on organization performance by focusing on other ministries rather than in order to depict reliable information that illustrates real situation in ministries. The study also suggests that further research to be done on the factors
affecting implementation of strategic plan within organization in order to give both negative and positive sides that can be reliable.

5.7 Implications on Policy, Theory and Practice

The Kenyan public sectors especially the Ministry of Foreign Affairs should use the study to benefit the organization by understanding the influence of employee perception on the strategic planning on organization performance to counter the challenges of ever changing operating environment following increased globalization. The operating environment for the organization is ever changing calling for the ministry to be on the lookout for employees’ perception of the strategic planning on organizational performance because employees are key implementing agents in strategic planning.

The government and policy makers should get insight from the study in employee’s perception on the influence of strategic planning on organizational performance hence inform their regulatory policy formulation of strategic planning on organizational performance. Strategic planning is important in any organization because provides strategic direction for an organization thus enabling attainment of strategic objectives.

The academicians and scholars should use that the study as a basis upon which further studies on strategic planning could be researched. The findings should contribute to professional extension of existing knowledge in strategic planning by providing literature on strategic planning in organizations.
REFERENCES


Águilar, Omar (2003). How Strategic performance management is helping companies create business value. *a journal derived from Gunn Partners Performance*.


APPENDICES:

APPENDIX I: RESEARCH QUESTIONNAIRE

EMPLOYEE PERCEPTION OF THE INFLUENCE OF STRATEGIC PLANNING ON ORGANIZATION PERFORMANCE AT THE MINISTRY OF FOREIGN AFFAIRS, KENYA

Please take a few minutes to complete this questionnaire. This research is being undertaken for purely academic reasons. Your honest answers will be treated with high level of confidentiality. Your views will be very helpful and highly appreciated in this research. Kindly answer all questions.

PART I: BIOGRAPHIC DATA

Kindly tick as appropriate

1. Please indicate your gender (tick as appropriate) Male [ ] Female [ ]

2. In what age category are you?

20-30 [ ] 31-40 [ ] 41-50 [ ] 51-60 [ ] 61-70 [ ]

3. Your Highest Level of Education:

PHD [ ] Masters [ ] Postgraduate Diploma [ ]

Graduate [ ] Diploma [ ] High School [ ]

Other: Specify
4. Your Job Group:
   R-T [ ] M-P [ ] A-N [ ]

5. Position in the Organization:
   Head of Division [ ] Senior Staff [ ] Junior Staff [ ]

6. Years of service at the Organization:
   1-5 years [ ] 6-10 years [ ] 11-15 years [ ]
   15-20 years [ ] 21-25 years [ ] Over 25 years [ ]

**PART II: STRATEGIC PLANNING**

7. Below are statements on Strategic Planning in your organization. Please rate the extent to which you agree with the following statements using the following scale:

1 = strongly disagree  2 = Disagree  3 = Neutral  4 = Agree  5 = strongly agree

<table>
<thead>
<tr>
<th>Strategic Planning</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Ministry of Foreign affairs has a Mission and Vision</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2. The Ministry's Vision and Mission is well communicated to all employees</td>
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<td></td>
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<tr>
<td>3. The Ministry has set objectives</td>
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<td></td>
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<tr>
<td>4. The Ministry's objectives are set by top management only</td>
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<tr>
<td>5. The Ministry's objectives are set at all levels in the organization</td>
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<tr>
<td>6. The Ministry has a Strategic Plan</td>
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<tr>
<td>7. The strategic planning process is formal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8. The Ministry has clearly defined responsibilities for planning i.e. the Ministry has a planning department

9. Once developed, strategic plans are implemented at the Ministry

10. Implementation of the current strategic plan begun during the intended year

11. The Ministry monitors and evaluates implementation and achievement of set objectives

Part III: Organization Performance

8. Below are statements on the Organizational Performance. Please rate the extent to which you agree with the following statements using the following scale:


<table>
<thead>
<tr>
<th>Organization Performance</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Ministry of Foreign affairs has a Key Performance Indicators for every staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The Ministry's performance system is objective</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. The Ministry has trained staff on what is expected of them</td>
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<tr>
<td>4. The Ministry has been delivering on its mandate effectively</td>
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<td></td>
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<tr>
<td>5. The Ministry has delivered quality services its customers</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. The Ministry has been continuously improving its service delivery</td>
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<td></td>
</tr>
</tbody>
</table>
9. Below are statements on the relationship between strategic planning and organizational performance. Please rate the effect of strategic planning as a management tool on performance of your organization using the following scale:

1  Strongly disagree  2  Disagree  3  Neutral  4  Agree  5  Strongly agree

Rate the effect of strategic planning as a management tool on performance of the organization in the following areas:

<table>
<thead>
<tr>
<th>Strategic planning and organization performance</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic planning has improved customer satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Strategic planning has increased customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Strategic planning has ensured cost management at the Ministry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Strategic planning has ensured delivery of timely and quality Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Strategic planning has promoted innovation and creativity at the Ministry</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Strategic planning has improved employee commitment and motivation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Strategic planning has brought about clear focus of the Ministry</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

END

THANK YOU
DATE 8TH AUGUST, 2012

TO WHOM IT MAY CONCERN

The bearer of this letter

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

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

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

Thank you.

IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE
14TH SEPTEMBER, 2012

TO WHOM IT MAY CONCERN

RE: COLLECTION OF DATA FOR THESIS

This is to confirm that Evelyne Ong’ayo, Third Secretary at the Ministry of Foreign Affairs collected data from this Ministry for her research titled "Employee Perception of the Influence of Strategic Planning on Performance at the Ministry of Foreign Affairs, Kenya".

This is for your information and necessary action.

ROBERT NGEI
FOR: PERMANENT SECRETARY
Office of the Minister

Offices of the Assistant Ministers

Office of the Permanent Secretary

Office of the Political & Diplomatic Secretary

Directorate of Protocol
Directorate of Administration
Directorate of Multilateral Affairs
Directorate of Africa and AU Affairs
Directorate for the Foreign Service Institute
Directorate of Americas Affairs
Directorate of Asia and Australasia
Directorate of Middle East Affairs
Directorate of Consular & Diaspora Affairs
Directorate of Economic and External Trade Affairs
Directorate of European Affairs
Directorate of Legal Affairs
Department of Public Affairs and Communication
Department of Host Country Affairs

Source: Ministry of Foreign Affairs, 2008