FACTORS INFLUENCING STRATEGIC PLANNING PROCESS BY
MAJOR SUGAR PRODUCING FIRMS IN KENYA

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DECLARATION

I declare that this is my original work and it has not been submitted to any other college, institution or university other than University of Nairobi for academic credit.

Signed……………………………….     Date…………………………

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This Research Project has been presented to the University of Nairobi for Examination with my approval as the appointed university supervisor

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DEDICATION

I dedicate this work to my mother Rosemary Achieng Okumu, upon whom the foundation of education and self-discipline was laid. Mama I am grateful for receiving the best educational foundation from you, above all to the Almighty God for his countless blessings upon my life and the opportunity to enable me complete this course and the research study.
ABSTRACT

An organization’s strategy consists of many factors that form a formula or roadmap to provide guidance concerning the organization’s goals, how it will go about attaining these goals and the tactics and policies that are needed to attain those goals (Porter, 1980). With the many components of strategy, management’s understanding and use of strategy as a tool to ensure business success has been an important issue for many decades. This is further compounded by the competitive nature of business in the modern world, makes strategic planning an essential process for all organizations. It is through this process that organizations develop sustainable, relevant and valuable vision and mission statements, objectives and core values to reflect their relevance and intent. During the strategic planning process the organization need to critically define their capabilities, resources and match them in order to achieve its set objectives while evaluating the external environment, other key players and their effect on the organization. The strategic planning process requires that an organization defines the strategies that will best fit their resources and capabilities to the external and internal demands of the environment. Strategic planning is therefore effective in establishing the organization long term directions and ensures that the organization looks into the future and assumes a proactive posture. The Sugar industry has faced tremendous growth since inception and has gone through various changes in terms of regulations and liberalization thus increasing competition for Sugar and its products. Strategic Planning has enabled the Sugar firms to stay relevant and continue in operations in the complex, turbulent, political and competitive environment. The study sought to identify the factors influencing the strategic planning by major sugar producing firms in Kenya. The Target population of the study was the four major sugar producing firms who account for 70% of the total sugar produced in Kenya with wide experience in the industry. The study managed to obtain responses for 15 out of 20 questionnaires from the four major sugar producing firms which was a 75% response rate. Primary data was collected using semi-structured questionnaire. The respondents targeted were managers involved in the strategic planning process in their organization. The questionnaire was administered through email and follow up by phone calls to the target population. The data was coded and entered into Statistical Software for Social Science (SPSS) and descriptive analysis ran. The measures of central tendency were applied on the data and findings, conclusions; recommendations were summarized in the study. The data presented using bar graphs, percentages and frequency tables. The study concluded that all the major sugar producing firms have a formal documented vision and mission statement, however the factors influencing the strategic planning process were not consistent with the main objectives of the strategic planning but were more legislative than business oriented.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Every Organization or industry occasionally has to make momentous decisions, the kind of decisions that affect the destiny of the organization for years into the future. These decisions are designed to address major and important issues facing the organization. This therefore implies that Strategic Planning has something about major decisions. While the term strategic planning has been defined differently by various scholars, the basics about strategic planning seems to be constant and the concept of a systematic way to anticipate and respond to challenges of change is seen in all the definitions.

Strategic planning is the process undertaken to develop a range of steps and activities. That will contribute to achieving the organizational goals and objectives. Strategy development has received renewed attention from both scholars and practitioners as business environments become more competitive (Bettis 1995) and as academics and consultants advocate the necessity of enhancing strategic thinking within firms (Hamel, 1994). One specific modality of strategy development, namely strategic planning, has received significant research attention.

Strategic planning is the process adopted in identifying a strategy that best suits organizational capability within the environment. Strategic planning will enable an organization identify the prevailing opportunities and threats, and also to bring out or quantify the organization resources capabilities taking into account the strengths and weaknesses of its resources so as to align itself accordingly to cope with the environmental challenges (Kamau, 2008).

The evaluation of the performance effects of strategic planning has been a central concern of researchers for many decades (Hunt, 1999). While results are varied, evidence suggests that formal strategic planning is related to superior
performance. For example, Schrader (1993) conducted a research into the effects of formal strategic planning on the financial performance of small firms and concluded that strategic planning has a significant, positive association with financial performance.

According to Heathfield (2008), for effective strategic planning, organizations must have full and active executive support, effective communication, employee involvement, through organizational planning and competitive analysis and widespread perceived need for strategic planning. Organizations must engage in strategy planning that clearly defines objectives and assesses both the internal and external environments to formulate strategy, implement the strategy, evaluate the progress, and make adjustments as necessary to stay on track. The standard approach of strategic planning incorporates internal and external environment analysis to identify opportunities open to improve the organization’s business and threats that can be a potential hindrance to its business. (De Feo, 2001),

1.1.1 Concept of Strategy

Ehlers (2007) define strategy as “an effort or deliberate action that an organization implements to outperform rivals”. It is clear from this definition that a strategy may be perceived as a conscious decision or a planned move on the part of the organization. Thompson and Stickland (2007: 3) define strategy as the management action plan of an organization for running a business and conducting operations. Both these definitions fail to highlight the influence of external factors and therefore subscribe to the planning school or approach to strategy. Mintzberg (1998) argues that strategy comprises more than that which an organization either intends or plans to do. In other words, successful strategies may emerge within organizations without pre-planning. However, the effect of environmental forces on organizations necessitates strategic interventions, and therefore it may happen that organizations are found to be responding to outside pressure. Norton (2007) says strategy involves the utilization of internal resources and competencies of the organization and the building on organizational strengths in order to meet environmental challenges.
1.1.2 Strategic planning process

According to De Feo (2001), the following is the process of corporate strategic planning:- The first step is formulating the vision of the firm by top management to address the following issues, an expression of the mission of the firm in terms of product, market and geographical scope, and a statement of the way to achieve competitive leadership, the identification of the strategic business units of the firm and their interactions in terms of shared resources and shared concerns, an articulation of the corporate philosophy in terms of policies and cultural values. Step two is about strategic posture and planning guidelines, this is where the vision of the firm is expressed into pragmatic and concrete guidelines for developing the strategic proposals of businesses and major functions of the firm. Step three is where the mission of the firm is expressed in terms of products, markets geographical scope, and competitive uniqueness. Step four is about formulating of business strategy and broad action programs. Step five is formulation of functional strategies and broad action programs. Step six involves the consolidation of business and functional strategies at the corporate level. In step seven and eight the firm is involved in definition and evaluation of specific action programs at the business and functional levels. Step nine involves the resource allocation and definition of performance measurements for management control. The last three steps i.e. ten, eleven and twelve involve strategic operational budgeting, this planning process leads toward the development of an intelligent budget, one that is not a mere extrapolation of the past into the future, but an instrument that contains both strategic and operational commitments.

1.1.3 Sugar industry in Kenya

The sugar industry plays a key role in the agricultural sector, the mainstay of Kenya’s economy. Sugar is one of the largest contributors to the agricultural Gross Domestic Product (GDP), while the industry directly and indirectly supports an estimated 6 million Kenyans representing 20% of the Kenyan population. Currently, the industry produces over 500,000 metric tons of sugar for domestic consumption which falls short of the estimated 850,000 metric tons required for domestic consumption, and saves the economy in excess of US$ 250 million in foreign exchange.
The development of the sugar industry in Kenya started with private investments at Miwani in 1922, followed by Ramisi sugar company in 1927, Muhoroni (1966), Chemelil (1968), Mumias (1973), Nzoia (1978), South Nyanza (1979), West Kenya (1981), Soin (2006), and more recently Kenya Sugar Board licensed four new sugar milling factories namely: Butali, Kibos, Sukari Industries (Ndhiwa) and Transmara Sugar companies. It’s also expected that in the near future two additional sugar mills will be established at Kwale and Tana River District in the coastal region. With the closure of Miwani and Ramisi Sugar Company only 11 out of the 13 sugar mills are currently in operation.

The Kenya sugar industry has a myriad of different players with different and sometime conflicting roles and interests. The Ministry of Agriculture at the apex, the Kenya Sugar Board (KSB) -the regulatory institution answering to her parent ministry mandated to regulate, develop and promote the industry while at the same time coordinating the activities of individuals and organizations within the industry. For growth of the industry a Research and development body- Kenya Sugar Research Foundation( KESREF) was established in (2001). Other bodies include the Kenya Sugarcane Growers Association (KESGA) an association of the sugar cane farmers, Kenya Sugar Manufactures Association (KESMA) , the association of millers, The importers, cane transporters, financial institutions and consumers also do play key roles within the sugar industry.

The government’s development of the sugar industry was guided by two policy documents namely the swynnerlon plan of 1954 and Sessional Paper No 10 of 1965. The involvement of the state in the sugar industry was to provide citizens with the opportunity to improve their quality of life, improve their income, curb rural-urban migration, save on foreign exchange and to achieve self-sufficiency in sugar and its product. This meant that the sugar firms had to take up some social responsibilities like provision of education, health related services and infrastructure development, services which ideally should have been provided for by the central government. Political decisions were made as the area identified for the growth of sugar has scientifically been proven as not being the most physiologically suitable region. This effectively increased the cost of sugar production in Kenya, a factor which was not
given prominence at independence. During the one party rule the Government’s “protective” approach to economic development in general and the sugar industry in particular plus direct involvement of appointing manager’s based on political consideration rather than merit, made the sugar companies complacent. It is also during this period that government formed the habit of always bailing out sugar companies from collapse, by injecting huge amounts of money whenever the companies were faced with financial challenges thus giving them the assurance of a return on investments resulting in the companies not being innovative or competitive.

With Kenya opening up her market in compliance with the provisions of World Trading Organization (WTO), COMESA and EAC, and upon signing other Partnership Agreements, trade in sugar is increasingly facing competitions from other countries in the region and internationally.

In the last five years the Government has implemented short-term priority interventions necessary for recovery of the industry which have resulted in good corporate governance, reduced interest rates on Sugar Development Fund (SDF) funds, suspension of past charges on SDF loans and levies and a Kshs. 1.2 billion Government bail-out package to reduce farmers’ arrears. The partial success of these short-term interventions provides optimism for the industry to transit smoothly into a competitive and efficient industry in tandem with modern business expectations.

Despite the governments intervention, self-sufficiency in sugar has remained elusive as over the years the consumption continues to exceed supply. According to Kenya Sugar Board reports 2009 and 2012, the country ‘s annual national deficit on average is 200,000 metric tons of sugar which is imported to curb the deficit. This has precipitated stiff competition to the domestic sugar industry as the imports from more competitive common markets of Eastern and Southern Africa industries are cheaper. The sugar industry not withstanding is facing various challenges which include political interference, weak regulatory environment, socio economic factors, unpredictable rain patterns and reliance on rainfall for cane growing plus limited land holdings for cane growing amongst others.
1.1.4 Major Sugar Producing Firms in Kenya

The large scale sugar mills consist of six sugar companies namely Mumias, South Nyanza, Chemelil, Nzoia, Muhoroni, and West Kenya sugar factories. The largest and probably the most profitable mill is Mumias Sugar Company. This company was established in 1973 and accounts for about 50% of the total sugar produced in the country. The Company’s initial crushing capacity was 1,250 TCD (tones cane per day) expanded up to 9,200 TCD after the installation of a diffuser. Mumias Sugar Company has also established a power generating plant and is currently supplying electricity to the National Grid, a distillery for production of alcohol and spirits by using molasses and in the recent past ventured into water bottling business. South Nyanza Sugar Company (Sony sugar) was built in 1979 with an initial crushing capacity of 2,200 TCD, expanded to 3,000 TCD. It is currently the dominant player in the South Nyanza Sugar Belt. While the factory has achieved acceptable operational efficiencies over the years, it has faced major challenges in terms of cane supply and inadequate steam capacity. Chemelil Sugar Company started its operations in 1968 with a cane crushing capacity of 2,280 TCD, expanded to 3,000 TCD. Over the last five years the company has suffered from poor operational efficiencies due to inadequate cane supply and unsynchronized expansion programmes. As a result, the company has been unable to maintain operations at the rated capacity. Nzoia Sugar Company was commissioned in 1978 with an initial rated capacity of 2,000 TCD, expanded to 3,000 TCD. This company has continued registering improved performance over the last 8 years. Muhoroni Sugar Company (In receivership) was commissioned in 1966 with a cane crushing capacity of 800 TCD. The Company was later placed under receivership and the receiver managers have been able to rehabilitate the mill which has enabled the company significantly improve its efficiency. West Kenya Sugar Company is a privately owned sugar company established in 1981 with an initial capacity of 250 TCD, expanded to 2,500 TCD. The main challenge facing the company is the unpredictability of the cane supply in the absence of formal contracts with farmers, lack of nucleus estate and presence of a large number of jaggeries in the area.
1.2 Research Problem

Strategic planning is one of the most important functions of managers in any kind of organization. Among different manager's decisions on strategic planning is a complex process that must be understood completely before it can be practiced effectively. Those responsible for strategic planning face a task of extreme complexity and ambiguity. For these reasons, over the past decades, numerous studies have been conducted on the construction of models to aid managers and executives in making better decisions concerning the complex and highly uncertain business environment. In spite of the work that has been conducted in the area of strategic planning we still know little about factors influencing it. Results show that researches on contextual factors influencing strategic planning processes are either limited or have produced contradictory results especially studies relating to decision’s on familiarity magnitude of impact, organizational size, firm’s performance, dynamism hostility, heterogeneity, industry, cognitive diversity, cognitive conflict, and manager’s need for achievement of strategic planning processes. The sugar industry in Kenya has been experiencing problems due to changes in the operation, policy environment in the country and changes in the regional and international trading environment.

Given the critical role of strategic planning in organizations it is important to bring out the factors that influence strategic planning processes especially in the context of the sugar industry in Kenya. A number of studies have been conducted on strategic planning in organizations and the sugar industry in Kenya but none has focused on the factors which influence strategic planning processes in this sector. Kamau (2008) acknowledged that strategic planning is important but what is more important is how it is practiced in different organizations. Other studies on strategic planning processes include; Joy Murenga (2011) studied the strategic planning practices at Barclay bank, Githingi (2011) strategic planning practices at Kenya Ports Authority, Kimani (2011) on the factors influencing strategy choice in Commercial Banks in Kenya, Murgor (2008) on the strategic response of sugar companies in Kenya in the face of the changing environmental conditions, with the objective being to establish the challenges in sugar industry in the face of the changing operating environment.
None of the above mentioned studies has focused on factors influencing strategic planning process in the Sugar Industry. This study seeks to bridge the gap by focusing on factors influencing strategic planning process in the sugar industry in Kenya. This gap leads to the following research question: What are the factors influencing strategic planning processes among major sugar producing firms in Kenya?

1.3 Research Objectives

The objectives of the study were:-

i. To determine whether there are Strategic Planning practices within the major sugar producing firms.

ii. To establish factors influencing strategic planning processes in the major sugar producing firms in Kenya.

1.4 Value of the Study

This study is expected to be of value to policy makers in the sugar industry both private and public as it will shed light on the factors influencing strategic planning processes among the major sugar producing firms in Kenya hence enable them make informed decisions.

In the recent past several investors have shown interest in the industry and the potential investors would gain a greater appreciation of the opportunities and challenges facing the sector. The study will hopefully contribute and help the sugar industry operators in Kenya have an insight overview on the shortfalls in their part of planning processes.

The sugar industry is a source of livelihood to over 6million people and findings will be of immense benefits to them. The study is also expected to provide formation to future scholars who will want to research on the factors influencing strategic planning processes among the major sugar producing firms in Kenya.
The importance of the sugar industry in the economic development in Kenya cannot be underscored this study is expected to inform the various stakeholders in support of the realization of Kenya’s vision 2030 especially to donors.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter covers available literature on concept of strategy, strategic planning process, strategy implementation process, factors influencing strategic planning processes and importance of strategic planning.

2.2 Theoretical framework
The word strategy is derived from the Greek word “Strategies” which literary mean “General of the Army” (Hart, 1965). Strategic Planning is a broad concept that has been introduced in the main stream practices of today’s corporations. Strategic planning can be defined as an organizations process of defining goals direction and a decision making process that affects allocation of resources that include capital and people.

There has been tremendous growth in the last five decades both in the developed and third world countries. Planning has become a ubiquitous activity engaged in by nations, organizations and individuals, The theories from Igor Ansoff, Henry Mintzberg, Michael Porter and Kenichi Ohmae have been categorized as the four major planning theories which are:- Philosophical syntheses, which emphasizes a broad approach to planning and considers information on social, economic and ethical conditions as well as the environmental background of the institution or organization for which planning will be undertaken. The second is the rationalism which looks at the people as a utility and defines human relations in instrumental terms. Rationale planning models assume a sequential, observable cycle that includes setting goals, determining objectives, making plans, implementing the plans and reviewing results. The third theory to planning is the organizational development as a planning approach focuses primarily on ways to achieve organizational growth. The third is the organizational development approach and includes human relations approach to innovation and change management style, employee satisfaction, decision
making processes and the general health of the organization. While the fourth theory is Empiricism which acknowledges the importance of studies on system behavior by public administrators, economists and other social scientists concerned with planning theory. Empiricism is less normative; less concerned with planned social change and uses a positive framework for analysis.

2.3 Concept of Strategy Planning

The concept of planning emerged out of the development efforts and experiences of the third world countries when they adopted planning as the major instrument in the pursuit of their economic and social development. Development planning is principally an act of deciding ahead of time the what, the how, the when and the who of identifying and determining development goals, polices and plans and serious setting of alternative courses of action, procedures and strategies needed to achieve the purpose of institutions (NEDA, 1985). In the crafting of development plans, socio-economic and political development programs are treated separately but are integrated within the context of national policies, aspirations and goals.

Strategic planning is viewed as zeroing in on decision making, information, and the future. Its substance is concentrated on the consideration of current decision options based on available data and taken in the light of their possible effects and consequences overtime. Strategic Planning is therefore concerned with identifying foreseeable thrusts and weakness to avoid and strengths and opportunities to pursue. Strategic planning is the effective application of the best alternative information to decisions that have to be made to ensure a secure future (Day, 1997). Strategic planning is also defined by Peter Drucker (1993) as the continuous process of making entrepreneurial decisions systematically and with the greatest knowledge of their futurity, organizing systematically the efforts to carry out these decisions and measuring the results against the expectations through organized feedback.

From the point of view of education and social development strategic planning is considered as a set of purposeful actions that influence an organization in order to effect change. It is also regarded as a methodology aimed at future change of a present situation or as a methodology aimed at a future change of a present situation. Strategic
planning is viewed as a long-term planning in order to achieve a desired vision for an organization. It defines what’s to be achieved (Herman and Herman, 1994)

None of the definitions above has been able to capture and encapsulate all the facts or aspects of contemporary strategic planning practices even with the presentation of various disciplinal perspectives. It is generally agreed by experts than an acceptable definition of planning should embody the following features, namely an external orientation, a holistic systematic approach, a process for formulating plans, objective, strategies, and programs, sue of systematic methods in the analysis if strategic situations and alternatives, a commitment to action and a knowledge of results

2.4 Strategic planning process and practices

Strategy is the direction and the scope of an organization over long term, which achieves advantage for the organization through its alignment of its resources which are at its disposal within a dynamic environment to meet the market demand and stakeholders aspirations (Johnson and Scholes 2009). This indicates that strategic planning is a process that requires an organization to stay alert of its capacity and of the operating environment if competitiveness is to be realized.

The firm must match its activities to the environment. Effective strategic planning involves the processes which when successfully implemented at all levels of the organization- corporate, business and functional, can enhance efficiency and productivity. For strategic planning process to be followed in an organization, consideration has to be given to both the long term view and the short term requirements.

According to Bryson (1988) strategic planning is the process of determining what results an organization intends to achieve in future and how it will achieve them. Organization should be keen to answer the questions: where are we now? What do we have to work with Where do we want to be? How do we get there? He stressed that it is a disciplined effort to produce fundamental decisions and actions shaping the nature and direction of an organization’s activities within legal framework.
Other scholars like Steiner (1979) says that strategic planning is a systematic process through which an organization agrees on and builds commitment among stakeholders to priorities which are essential to its vision and mission and responsive to the operating environment. The process is strategic because it involves choosing how best to respond to the circumstances of a dynamic and sometimes hostile environment. Changing customer needs, competition, legislation, changing public perceptions and adapting to changing environment are the basic activities a firm should be concerned with when planning strategically.

Strategic planning process is about building commitment as asserted by Ken Whitney (1994). Engagement of stakeholders in identifying priorities allows disagreements to be engaged constructively and supports better communication and coordination. The process allows broad consensus to be built, resulting in enhanced accountability throughout the organization. Denhardt (2001) says strategic planning is making choices amongst alternative actions and finding the best options that suits and enhances a firm’s efficiency and productivity to be executed through the efforts of the people, therefore making it competitive.

Strategic planning improves the process of people working together. It brings everyone together to pursue opportunities for better meeting of stakeholders needs.

2.5 Challenges of strategic planning process

Strategic planning is anticipating the future and figuring out on how to reach there. This is a continuous process that includes activities, analyses, discussions, meetings, presentations, decisions, actions and evaluations. It involves all stakeholders. At its best, it fosters creativity to sustained success. Strategic planning also involves the collective set of actions that afford an organization a good shot at a competitive advantage that is sustainable for a period of time (Denhardt 2001).

The process of strategic planning has challenges and drawbacks as stated by McNamara (2007). The strategic planning process does not end when the firm decides what strategy or strategies to pursue. There must be a translation of strategic thought into strategic action. This translation is much easier if managers and employees of the firm understand the business, feel part of the company,
and through involvement in strategy formulation activities have become committed to helping the firm to succeed. Without understanding and commitment, strategy implementation efforts face major challenges.

Alexander (1985) notes that the most frequently occurring strategy implementation problems include understanding the time needed for implementation, poor communication systems and resistance to change. The problems associated with strategy implementation are identifying key areas for discussion as addressed by (Reed 1988). He acknowledge the challenge and the need for a clear fit between strategy and structure and claim the debate about which comes first is irrelevant provided there is congruence in the context of the operating environment.

Several factors serve as major challenges in post strategic planning in a firm. Kotler (2000) mentions lack of understanding or confusion as to what is meant by vision and mission by employees within the firm or what the firm business is, complaints that mission statement is too long or needs explanation, he further argued that that objectives lost in extensive narrative, motherhood statements (best in the word) inconsistency in the choice of words, or is too complicated, plans do not address governance and self-righteousness on the part of management that ideas are sound.

It has been noted that creating a Strategic Plan is not enough. Developing effective programs, projects, action plans, budgets and implementation processes will bring life to the strategies and create real value for the firm and its stakeholders. According to Erden (2007), all efforts get certainly in vain, if the management doesn’t move the chosen strategy to a success in adapting into programs, policies or transmitting it into other plans.

2.6 Importance of Strategic Planning

A number of reasons are given by authors as to why organizations should engage in strategic planning. Many research studies show both financial and non-financial benefits which can be derived from strategic planning approach to decision making. Studies done by Eastlack (1970), Thune (1970), Ansoff
(1990), Karger (1975) and Hofer (1978) indicate that formalized strategic planning does result in superior performance by organizations. Their studies concluded that organizations that adopt strategic planning approach can expect that the new system will lead to improved performance or attainment of overall organizational objective.

Ansoff (1990), said that regardless of profitability, strategic planning has several behavioral effects which can be expected to improve the welfare of the firm. He says that strategic planning determines whether an organization excels, survives or dies. Strategic planning is important because it guides all functional areas of the firm.

While on the other hand Pearce (2003) says that strategic planning is an integral part and important function of the organization life, however successful organizations are successful for many reasons: adequate resources, good products and services etc. While strategic planning is not a solution to a firm’s problems its process is a powerful tool. Its value lies on the executives and their ability to use this tool.

2.7 Factors influencing strategic planning process

There are diverse factors identified as influencing the strategic planning processes. The following are the major identified as factors influencing strategic planning processes. Leadership is one of the factors as leadership is the ability to influence others to achieve specified goals and objectives. Johnson (2005) views leadership as giving the following functions; giving of orders which are clear, complete and within the capabilities of the subordinates to accomplish the assignments for achieving intended objectives. This indicates that leadership has a critical role to play in strategic planning process.

Organizational structure and politics is one of the factors influencing strategic planning processes in organizations. Thompson (1998) observes that company politics present strategy leaders with the challenge of building consensus for the strategy and its subsequent implementation. Politics play a great role in strategy formulation and implementation. Effective formulation and implementation of
strategy is not possible without being perceptive of organizational politics. Organizational politics in turn may be driven by organizational structure. Organizational structure as defined by Heinz (1993) is the grouping of activities and people into departments of tasks for efficiency and clarity of purpose and coordination of independent parts of the organization to ensure organizational effectiveness.

Availability of resources is an important aspect of strategic planning processes. It requires significant resources ranging from human resources, financial resources to intellectual and political capital. The latter is tied closely with leadership and politics. Edelman (1997) argues that resource constraint can be a real challenge in strategy formulation and implementation.

Organizational culture is a critical component factor that can influence strategic planning processes. Pearce (2003) defines it as a set of important assumptions that members of an organization share in common. While Thompson (1998) views organizational culture as the central norms that may characterize an organization. He says norms are expectations about what are appropriate attitudes and behaviors. They are socially created standards that help integrate and evaluate events. He further argues that culture can be a powerful instrument for success of strategic planning because it eases communication, facilitates organizational decision making and control as well generating high levels of cooperation and commitment. But he argues that culture can also be a source of weakness as important shared values and beliefs interfere with decision making. Organizational culture also provide context of the organization’s internal environment as its difficult for an organization to achieve success without a compatible internal environment.

Mintzberg (1998) says that external environment is an important factor which influences strategic planning. He defines it as to all those various factors outside the organization’s context related to markets, political climate, economic conditions and so on. He says an external environment of an organization influences it when it has a potential of affecting its products and services. He argues that matching the organization’s strategic plan to external environment
requires accurate managerial assessment of the environmental forces. He says that in strategy formulation environment takes precedence because it is the environment that drives the organization, which responds continuously and eclectically in certain periods. Johnson (2005) argues that the external environment is divided into three levels; macro environment, industries and sectors and more specifically, the competitors and markets. Pearce (2003) categorizes it as simply remote and industry environment, where remote environment comprises factors that originate beyond, and usually irrespective of any single firm’s operating environment be it economic, social, political, technological or ecological, while industry environment refers to the nature and degree of competition within the industry. Porter (1985) identified the five forces upon which competition hinges; the threat of new entrants, the bargaining power of customers, bargaining power of suppliers, the treat of substitute products or services.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter outlines the research design and methodology followed in conducting this study. It describes the entire process that the researcher used to obtain the data, research design, data collection method, the sample size, target population, data collection instrument, data collection procedure and data analysis.

3.2 Research Design
The research design was a descriptive survey study on the factors influencing strategic planning processes among the major sugar producing firms in Kenya. This study design seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitudes, behavior or values (Mugenda and Mugenda 2003). This design enabled the researcher to document the factors that influence strategic planning among the major sugar producing firms in Kenya.

According to Kothari (2008), descriptive survey involves the collection of data from a number of cases. In this design, data was collected at a single point in time. The design helped the researcher to do a summary of the findings on the factors influencing strategic planning in the major sugar producing firms in Kenya.

The study employed purposive sampling design called judgment sampling. According to Cooper (2003) this sample design is used when a researcher selects sample members to conform to some criterion.

3.3 Data Collection
Collection of data covered four major sugar producing firms in Kenya namely: Mumias, Sony Sugar, Western Sugar Company and Nzoia Sugar. These firms have wide experience in the industry and are responsible for more than 70% of the total local sugar production in Kenya. The firms have been operation for over ten years and their capacity in terms of Cane Crushed, Sugar made and Recovery by Factory
have been racked higher than the other factories in Kenya. In collecting the data the researcher targeted managers involved in strategic planning process within the firm.

The Primary data was collected by using a semi-structured questionnaire. A questionnaire is research instrument consisting of a set of questions (Kothari, 2004) and is for the purpose of gathering information from responded. The questionnaire was emailed and then followed up by phone call. The respondents then emailed back the completed questionnaire and in some cases the researcher administered the questionnaire on phone. Part A of the questionnaire covered information on the respondent, part B covered strategic planning practices and Part C covered factors influencing strategic planning in their organizations. The respondent was asked to rate the factors that influence strategic planning processes in their organizations on a likert scale of 1 to 5. The questionnaires were administered to the respondents by the researcher within a specified period of time. The data was collected from the managers who are in involved in strategic planning processes in these firms. Permission to administer the questionnaires was granted by an introductory letter from the School of Business.

3.4 Reliability and Validity
A pilot test was carried out to test the reliability and validity of the research instrument. The reliability is a measure of the degree to which a research instrument yields consistent results after the repeated trials, while validity is the degree to which results obtained from the analysis of the data represents the phenomenon under study Mugenda and Mugenda (2003). The questionnaire was pre-tested on six Managers involved in formulation and implementation in the sugar regulatory organization. The Instrument was found to be suitable and was administered to the target group.

3.5 Data Analysis
The raw data was examined, checked and cleaned for completeness and comprehensibility by eliminating unusable data, interpreting ambiguous answers and eliminating contradictory data from related questions. The data was the coded and entered into statistical package for social sciences (SPSS) program and descriptive analysis ran and data analyzed and cleaned. Descriptive statistics was
used to analyze quantitative data and qualitative data was analyzed using content analysis. The data was in qualitative and quantitative in nature and data presentation was done by the use of tables and figures.
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction
This chapter represents the analysis and interpretation of research findings. The data analysis is divided into 3 parts: Part A will cover the general information about the respondent, part B the strategic planning practices within the major sugar producing firms and part C will look at the factors influencing the strategic planning process. The research targeted 4 major Sugar producing firms and all of the firm’s responded representing 100% response rate. In each firm we targeted 5 senior managers which would have given us a total of 20 responders. We received 15 responses representing a 75% response rate.

4.2 Background Information
The study sought to find out the general characteristics of the firms and the responded information in terms of number of years the firm has been in operation, the job titles and number of years’ experience of the responders. The study requested the respondents to state the number of years the firm had been in operations and all the four firms have been in operation for more than 20 years.

In order to establish the seniority level of the responder, the respondent was asked to state their current position and their level of experience. All the respondents held management positions and the Figure 4.1 indicates the position held by the responders while Figure 4.2 indicate their experience in terms of years.
Figure 4.1: Position of the respondent

Source: Author’s own: from data analysis

Figure 4.2: Numbers of years of experience of the respondent

Source: Author’s own: from data analysis
The study required the respondents to state the number of departments there were within the organization and as indicated in table 4.1 below the study was able to cover most of the departments therefore the researcher can rely on the generalization of findings as being inclusive.

<table>
<thead>
<tr>
<th>No of departments</th>
<th>Numbers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5</td>
<td>6</td>
<td>40%</td>
</tr>
<tr>
<td>6 to 10</td>
<td>7</td>
<td>47%</td>
</tr>
<tr>
<td>10 to 15</td>
<td>3</td>
<td>20%</td>
</tr>
</tbody>
</table>

Table 4.1: Number of departments

Source: Authors own

4.3 Strategic Planning Practices

The study sort to find out the existence of a vision and mission statements, the levels of involvement in there formulation, the modes of communication, the persons responsible and the processes used in the strategic planning activities.

All the respondents (100%) indicated that they had a documented vision and mission statement. In order to establish the planning cycle of the organizations. The study then sort to find out the time frame of the objectives. Only one organization representing 7% had an annual planning cycle while 93% or (14) of the responder’s indicated that the planning cycle was between 3-5 years.

The responders were then requested to indicate who participates in strategic planning process. A 19% level of participation by all staff was indicated, with management taking up to 58%, the Board 16% and 6% level of participation by others like consultants, shareholders or other stakeholders. If we take the Board and Management level that gives us 74% level of participation by the top management. The figure 4.3 below indicates the level of participation by various groups in the planning process. From the analysis it is evident that different organizations have different level of employees who participate in setting up the objectives for the
organizations with the top management taking up the largest responsibility that is at 74%.

![Participants in setting organizations objectives](image)

Figure 4.3: Participants in setting organizations objectives
Source: Author’s own: from data analysis.

To determine how long the organizations have had strategic plans in place, the study sort to establish when the first strategic plan was formulated. A majority 80% said that the first strategic plan were first developed over 5 years ago, while 20% indicated that it was first conducted between 4-5 years ago. A further analysis of the responses indicated that 3 out 4 of the firms have had strategic plans for a period longer than 5 years and only one firm developed its first strategic plan in the last 3 years.

To establish who was responsible for the strategic planning in the organization, the responders were requested to indicate whether it was the Chief executive Office, a consultant, strategic planning committee or specify who in their view was responsible. The finding of the study are indicated in Figure 4.4. 55% of the responded indicated that it was the responsibility of the Chief Executive officer, while 40% indicated that it was the responsibility of the strategic planning committee. Only 5% indicated that it was responsibility of the Board of Directors.
73% of the respondents indicated that the chief executive officer was responsible for strategic planning while 20% indicated that it was the strategic planning committee and 2% indicated that it was the other and in this case indicated that it was the board that was responsible.

![Persons Responsible](image)

**Figure 4.4: Persons Responsible for Strategic Planning**

Source: Author’s own: from data analysis.

The techniques used in the strategic planning process was also investigated with respondents being asked to indicated whether it was through a brainstorming , intuition or any other process which they are to specify. All the respondents (100%) indicated that the techniques used during the strategic planning process was brainstorming.

**4.3.1 Strategic Planning process:**

The respondents were asked to indicate the tool used during the strategic planning process. From the respondents a combination of the analysis of internal and external environment is undertaken by all the organizations. 80% of the respondents indicated that they review the mission statements and 73% indicated that during the strategic planning process they choose a specified strategy and adopt it as their own as indicted in the Table 4.2.
<table>
<thead>
<tr>
<th>Strategic Planning Process</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of external environment</td>
<td>15</td>
<td>100%</td>
</tr>
<tr>
<td>Analysis of internal environment</td>
<td>15</td>
<td>100%</td>
</tr>
<tr>
<td>Revising mission</td>
<td>12</td>
<td>80%</td>
</tr>
<tr>
<td>Choosing specified strategy</td>
<td>11</td>
<td>73%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 4. 2: Strategic Planning Process
Source: Author’s own

4.3.2 Characteristics of the strategic Planning process

The study was also interested establishing the characteristics of the strategic planning process and whether they were structured and scheduled. From the figure below the 100% of the respondents indicated that the process was through formal meetings of which 80% were planned for. Other activities done were through assigned responsibilities 67% and 60% through planning departmental committees. No other form was indicated as depicted by Figure 4.5 below.

![Characteristics of planning process](image)

Figure 4. 5: Characteristics of the Planning Process
Source: Authors own: from data analysis
4.3.3 Communication of the strategy
To whom the strategy is communicated to after its development was also investigated. All 100% the respondents indicated that the strategy is communicated to all the staff member and all the stake holders.

The respondents were also requested to indicate whether a budget was provided for the strategic planning process and all (100%) confirmed that there is provision within the budget for the activity.

4.3.4 Tools used in during the strategic planning process
The study was also interested in knowing the tools used by the firms during the strategic planning process. Figure 4.6 summarizes the responses which indicates that most firms used a combination of different tools during the strategic planning process. The data findings indicated that the highly considered tool was the SWOT analysis at 94%, followed by Strategic gap analysis at 73% and PESTEL analysis at 67%. Portfolio analysis is not as popular and had a score of 53%.

![Strategic Planning Tools](image)

**Figure 4. 6: Strategic Planning tools**
Source: Authors own: from data analysis
4.4 Factor Influencing Strategic Planning Processes

When asked to indicate the factors influencing the strategic planning process table 4.3 below, compliance with the legal documents scored the highest at 87% followed by availability of financial resources at 73% and then the type of leadership in the organization at 60%. The other factor that the responded noted as influencing to a great extend was the internal business environment at 60% and technological trends at 53%. The respondents viewed the political environment and social cultural factors both at 33% has having the least influence on the strategic planning process. Those that have moderate effect in terms of ranking were the organizational culture at 47% followed by social cultural factors at 33%.

<table>
<thead>
<tr>
<th>Factors Influencing the strategic Planning Process</th>
<th>Not at all</th>
<th>To a little extend</th>
<th>Moderate</th>
<th>To a great extend</th>
<th>To a very great extend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with legal documents</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>13%</td>
<td>87%</td>
</tr>
<tr>
<td>Availability of financial resources</td>
<td>0%</td>
<td>0%</td>
<td>27%</td>
<td>0%</td>
<td>73%</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>0%</td>
<td>7%</td>
<td>47%</td>
<td>33%</td>
<td>13%</td>
</tr>
<tr>
<td>External business environment</td>
<td>0%</td>
<td>0%</td>
<td>13%</td>
<td>47%</td>
<td>40%</td>
</tr>
<tr>
<td>Internal business environment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Political environment</td>
<td>0%</td>
<td>33%</td>
<td>20%</td>
<td>33%</td>
<td>13%</td>
</tr>
<tr>
<td>Availability of human resources</td>
<td>0%</td>
<td>27%</td>
<td>13%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Type of leadership in the organisation</td>
<td>0%</td>
<td>27%</td>
<td>0%</td>
<td>13%</td>
<td>60%</td>
</tr>
<tr>
<td>Technological trends</td>
<td>0%</td>
<td>13%</td>
<td>7%</td>
<td>53%</td>
<td>27%</td>
</tr>
<tr>
<td>Social cultural factors</td>
<td>0%</td>
<td>33%</td>
<td>33%</td>
<td>7%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Table 4.3: Factors Influencing Strategic Planning Process

Source: Authors own: from data analysis

4.4 Discussions

The study revealed that all the major sugar producing firms have been in operation for more than 20 years and the staff compliment in management position have several years’ experience, more than 5 years. Reviewing the respondents position the study revealed that the all the firms were multi departments. ALL the major Sugar producing firms have a formal documented strategic plans with the Vision, Mission and objectives being communicated to all the stake holders, and a majority of these firms have had the plans in place for more than 5 years. These strategic plans covered
a period of 3-5 years and the setting of the objectives is done mainly by the top management and tends to be an inclusive process with various cadre of staff participating in the process.

The responsibility of development of the strategic plan was seen mainly by the respondents as being that of Chief executive officer and top management as the main drives. The study also revealed that the strategic planning process is mainly through brainstorming sessions and is in structured manner, this process is budgeted and planned for and conducted mainly through formal meetings.

The strategic planning process involves strategy formulation, developing mission and vision statements setting major goals and objectives, assessing both the internal and external environments, evaluating and selecting strategy alternatives. Strategic planning enable organizations achieve they mission and vision, to enable them optimally utilize their limited resources and achieve competitive advantage.

The study established that the major sugar producing forms operated in a fairly stable environment and the firm conducted a SWOT analysis, Strategic gap analysis PESTEL analysis to evaluate both the external and internal environment during the strategic planning process. Based on the findings the study demonstrated that the sugar producing firms were consistent with the recommended strategic planning practices.

The study revealed that there were various factor which influenced the strategic planning process but to varied degrees. The study also revealed that Compliance with legal documents was the main driver for the strategic planning process at 87%, followed by availability of the financial resources 73% and type of leadership 60% these 3 factors had the greatest influence on the strategic planning process as compared with the External and internal business environment at 40% or the technological trends at 40%.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter summarizes the conclusion from the research findings. It is a syntheses of the entire study that looks at the findings from the study based on the data collected, alongside the objective of the study and give the conclusions drawn from the findings, the recommendations, the limitation of the study and the suggestions for further research.

5.2 Summary of findings
The main objective of the study was to investigate the factors influencing the strategic planning processes by major Sugar producing firms in Kenya. The data was analyzed in three major categories, Background information; which looked at the company information and information relating to the respondent, the strategic planning practices; undertaken by the company and lastly the factors influencing the strategic planning processes within the company. Before the analysis of the data, a brief summary of the characteristics of the firms will provide help in the interpretation of the findings.

5.2.1 Background information
All the major sugar producing firms have been in operation for more than 20 years. Majority of the respondents involved in the strategic planning process hold management positions with the Finance Managers, Marketing Managers and Procurement Managers constituting 60% of the respondents or 20% each, followed by planning and Strategy Managers and Human Resources and Administration Managers at 26% or at 13% each. The other officers involved are the Public Relations and Credit Officers at 14% or 7% each. Majority of the respondents (53%) had over 20 years working experience, followed by 40% of them having six to ten years of experience, and 7% of them had experience ranging from eleven to fifteen years.
5.2.2 Strategic planning practices

Analysis of the company information indicates that all the companies have a strategic plan with a documented vision and mission statements. The objectives of the companies are also documented and communicated to all the staff members and stakeholders. The time frame for the organizations objective is mainly three to five years according to 93% of the respondents while 7% of the respondents indicated that the planning cycle was on an annual basis. The participants in the Strategic planning process are mainly at the management level and or Board Members. The analysis also indicate that the strategic planning process is an inclusive process with 19% of the respondents indicating that all staff members are included in this process. However the processes is mainly controlled at the management level and at the Board level with a74% response rate.

80% of the organizations have had strategic plans running for more than five years and only 20% had their first strategic plan in the last 3 years. In view of the fact that all the organizations have been in operation for more than 20 years it was expected that all the organization would have developed their first strategic plan over 10years ago. All the organization sampled had strategic plans running for four to five years.

According to the analysis the strategy development process was mainly driven by the chief executive officer of the organization. However some respondents stated that it was mainly driven by the Strategic Planning Committee and the Chief executive officer.

From the analysis the strategic planning process was a formal process and the technique employed was brainstorming. During the brainstorming session the participants wound undertake the following strategic planning process: Analysis of the external and internal environment at 100% and in some cases revise the mission statement as indicated by 86% of the respondents. Some responders stated that they would choose a specified strategy during this process. Further analysis of the characteristics of the planning process indicated that they were all formal and were budged for, with 80% of the respondent indicating that the strategic processes was included in their work plans. In all instances the strategic plan they would then be communicated to all the staff and the stake holders after development.
The SWOT analysis where the participants would evaluate their strengths and weaknesses, while at the same time look at the opportunities available and the threats in their areas of operation was the most popular tool used by the participants during the planning process. This was then followed by the analysis of the strategic gap and the PESTEL analysis. From the data the portfolio analysis did not seem as popular as the others.

5.2.3 Factors Influencing Strategic Planning Process
The factors influencing the strategic planning process within the major sugar producing firms are varied, with compliance with legal documents being the main factor as indicated by the respondents followed by the availability of the financial resources. 60% of the respondents also indicated that the type of leadership in the organization did influence the strategic planning process to a very great extent. The internal business environment and the technological trends were also indicated as other factors which did influence the strategic planning process to a great extent.

5.3 Conclusions
Large organizations with several years of experience and extensive planning processes prefer formal approaches to strategic planning development. This approach encourages long term view of strategy, which is then used as a means of directing, coordinating, controlling and communicating the strategy, creating ownership and makes it more inclusive in terms of the various facets of the organization. Since leadership in any organization has been cited as being a major contributing factor in the development of the strategic plans, such leaders do influence the short and long term direction of the organizations. The main Sugar producing firms fall in the category of large organizations and do conform the strategic planning process adopted by large organizations. It is also clear from the findings that the Sugar Industry is still largely controlled by the government. The Sugar Sub-sector is controlled by the Sugar Act 2001 with Kenya Sugar Board with the responsibility of regulating and coordinating key activities and therefore it is not surprising that compliance with the legislative requirements is a major factor influencing the strategic planning process as affirmed by 87% of the respondents.
5.4 Recommendations

Based on the findings from the study, the major factors influencing the strategic planning process as indicated by the respondents was compliance with the legislative requirements. While it is important that where there are legislative requirements, these be adhered to, purpose of the strategic planning which is to develop a range of steps that will contribute to achieving the organizational goals and objectives within the given environment and to support the organization outperform the rivals and maximize on the owners wealth should be the key rider. Strategic plans are working documents for the organization to support the managements in achieving its objectives and not documents for fulfillment of legislative requirements.

All the respondents affirmed that leadership is important for the success of the organization, it is therefore of paramount importance that the Sugar Industry sub sector reviews some of its current leadership structure and recruitments processes to help support the industry move forward.

5.5 Limitations of the study

A greater depth of information could have been obtained by the researcher having more contact with target sample. Personal interview could elicit greater information regarding participant’s knowledge and attitudes, this methodology could have added important qualitative data and greater insight into the responder’s thoughts and opinions.

My methodology could have also included surveying or interviewing middle level management staff. The participation of the responders could have been more evenly distributed between the different carder of staff rather than concentrating on upper management level. The responders were mainly at upper management level and their views and experience in strategic planning process could differ from those of other staff members.
5.6 Suggestion for further studies

The findings reveal that all the major sugar producing firms have strategic plans, invariably this means that these firms do document their desired ideal future and fundamental guiding principles which is very different from the results achieved. This therefore calls for further studies to be conducted to establish the appropriateness of the strategic plans and actual implementation or use of these strategic plans beyond the fulfillment of the legislative requirements. This could help establish what exactly is ailing the Sugar industry resulting in the current dismal performance despite the fact that they do have strategic plans.

It would also suffice to corroborate these further by the factors influencing the strategic planning process between privately owned mills, listed companies and Government owned mills as the performance of the mills seems to be different despite being within the same geographical region.
REFERENCES


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Murgor Paul Kimutai (2008) Strategic response of sugar companies in Kenya in the face of changing environmental conditions. Unpublished MBA project, School of Business University of Nairobi


Appendix: Questionnaire

This questionnaire consists of three parts; part A is about background information of the organization, part B is about strategic planning practices and part C is about Factors influencing of strategic planning processes.

PART A: BACKGROUND INFORMATION

1) Name of company: ____________________________________________

2) Years of operation:
   a) 1-5  b) 6-10  C) 11-15  d) 15-20  e) Over 20 years

3) Position held: ____________________________________________

4) Years of experience:
   a) 1-5  b) 6-10  C) 11-15  d) 15-20  e) Over 20 years

5) Number of departments:_______________________________________

PART B: STRATEGIC PLANNING PRACTICES

6) Do you have a vision statement
   a) YES  b) No

7) If yes is documented
   a) Yes  b) No

8) Do you have a mission statement
   a) Yes  b) No

9) If yes is it written
   a) Yes  b) No

10) What is the timeframe of your organization’s objectives
    a) 0-1 yrs  b) 2-3 yrs  c) 3-5 yrs  d) 5 and above
11) Who participates in setting your organization’s objectives?
   a. All staff
   b. Selected strategic planning committee
   c. The CEO of your organization.
   d. Board of directors
   e. Others, explain please ________________________________

12) When was the first strategic plan conducted in your organization?
   a) < 1 yr ✔️
   b) 1-3 yrs
   c) 4-5 yrs
   d) over 5 yrs

13) What is the time frame of your strategic plan?
   a) 1-3 yrs
   b) 4-5 yrs
   c) 6-10 yrs
   d) over 10 yrs

14) Who is responsible for strategic planning in your organization?
   a. CEO
   b. Consultant
   c. Strategic planning committee
   d. Others, please specify ________________________________

15) Which of the following describes the techniques used in strategic planning in your organization?
   (a) Brainstorming
   (b) intuition
   (c) others ____________

16) Which of the following do you undertake during strategic planning processes?
   a. Analysis of external environment
   b. Analysis of internal environment.
   c. Revising mission
   d. Choosing specified strategy
   e. Others ________________________________
17) Which of the following characterize your planning processes?
   a. Formal meetings
   b. Informal meetings
   c. Planned timetables
   d. Assigned responsibilities
   e. Planning departmental committees
   f. Others_____________________________________________________

18) When you have a strategy, to which of the following is it communicated to?
   a. All staff
   b. All stakeholders
   c. Others_____________________________________________________

19) Does your organization have provision for budget for strategic planning?
   (a) Yes ■   (b) No ■

20) Which of the following tools do your organization use in strategic planning processes
   a. SWOT analysis
   b. Strategic gap analysis
   c. PESTEL analysis
   d. Portfolio analysis
   e. Others_____________________________________________________

PART C: FACTORS INFLUENCING STRATEGIC PLANNING PROCESSES

Indicate the extent to which each of the following factors influence your organization’s strategic planning processes?

(Use a 5 point scale where 1= not at all; 2= to a little extent; 3= moderate; 4= to a great extent; 5= to a very great extent)

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with legal documents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of financial resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External business environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal business environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of human resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of leadership in the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technological trends</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Social cultural factors</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Others (specify here below)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>