

**STRATEGIC PLANNING PRACTICES BY KAJIADO COUNTY
GOVERNMENT IN KENYA**

BY

CHRISTINE LUMADI CHOGO

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

NOVEMBER, 2015

DECLARATION

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

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

CHRISTINE LUMADI CHOGO

D61/64744/2013

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

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

MR .ELIUD O.MUDUDA

LECTURER

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

ACKNOWLEDGEMENTS

I am indebted to The Almighty God for having brought me this far. His abundant love ,care, and grace not only instilled in me the courage that carried me throughout the MBA program but also cultivated in me profound hope and faith that my prayers will be answered at last.

My heartfelt gratitude and appreciation goes to my supervisor Mr Eliud O. Mududa, under whose able supervision and guidance that this project has been a success. His advice, support, constructive criticism throughout the study enabled me to complete this project. I am convinced that without his support, this study would not have been a success. I extend my gratitude to my lecturers who taught me in the MBA programme, therefore enriching my research with knowledge. The County Government executives, who were my respondents, deserve my appreciation for their support and willingness in providing the required information during data collection period.

Special thanks to my friends and colleagues Japheth, Jacinta, Lerah, Uba, Eric and Lorna for their support, encouragement and inspiration without which, I could not have been challenged to keep moving on when the going got rough. Finally to my mother Mrs. Janet Chogo and entire family who have given me much support throughout and their undying understanding and encouragement throughout my study. I salute you all and may God bless you in abundance.

DEDICATION

This study is dedicated to my father Mr. Rodgers Anduvateh Chogo for instilling values of hard work and the value of education to all his children, his constant support, encouragement and patience throughout my academic struggle, thus realizing my long cherished dream.

ABSTRACT

Strategic planning involves articulating the direction, objectives and clear actions required to realize the desired strategic vision of an organization (Balanced Scorecard Institute, 2013). The aim of this research project was to investigate on strategic planning practices adopted by Kajiado County. The study was a case study and used both primary and secondary data. The target population was the executive committee of the County Government of Kajiado. Primary data was collected using self-administered interview guides. The data collected through the interview guides was qualitative in nature and was analyzed thematically using content analysis. From the findings, the study concluded that Kajiado County was actively involved in strategic planning. The study also concluded that strategic planning at Kajiado County was formal and that the vision and mission statement, and strategic plans at the county were formally documented. The County has a well stated vision and mission that is in line with Kenya vision 2030. The study also concluded that the county carried out an extensive situational analysis to analyze its stakeholders, and review its internal and external environment. The study also established that financial constraints, time constraints and consensus building were the major challenges faced during strategic planning at Kajiado County the strategic plan developed own content based on the vision. The respondents revealed that there are a number of issues that are covered under the Kajiado County strategic plan. The plan clearly elaborates the county plans on social and economic transformation within the county; development of infrastructure to facilitate service delivery; provision of reliable energy in order to assist in the development of manufacturing sector in the county; to improve science and technology and innovation; to conduct land reforms in the county; to engage in the development of human resources and provision of efficient and effective public service; promotion of tourism activities in the county and promotion of manufacturing activities in the county in order to provide employment opportunities to many unemployed young people. Based on the findings of the study, the researcher recommends that further research should be done on the other counties within the country and further research should be done as well on Strategic planning implementation by Kajiado County.

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS.....	ii
DEDICATION.....	iii
ABSTRACT	iv
TABLE OF CONTENTS	v
ACRONYMS AND ABBREVIATIONS.....	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.1.1 Concept of Strategy	3
1.1.2 Strategic Planning Process	4
1.1.3 Strategic Planning Practices	6
1.1.4 Counties as Governance Units within Kenya.....	7
1.1.5 Kajiado County.....	8
1.2 Research Problem	9
1.3 Research Objectives.....	11
1.4 Value of the Study.....	12
CHAPTER TWO: LITERATURE REVIEW.....	14
2.1. Introduction	14
2.2 Theoretical Foundation	14

2.2.1 Open System Theory	14
2.2.2 Resource Based View.....	15
2.2.3 McKinsey 7-S Framework	16
2.3 Concept of Strategic Planning.....	17
2.4 Strategic Management.....	18
2.5 Organizational Performance	19
2.6 Strategic Planning and Organizational Performance	20
CHAPTER THREE: RESEARCH METHODOLOGY	23
3.1 Introduction.....	23
3.2 Research Design.....	23
3.3 Data Collection	23
3.4 Data Analysis	24
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION	26
4.1 Introduction.....	26
4.2 Background Information of Respondents	26
4.4 Kajiado County Performance.....	32
4.5 Strategic Planning Outcomes	34
4.6 Discussion of Findings.....	38
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ..	41
5.1 Introduction.....	41
5.2 Summary of the findings.....	41

5.3 Conclusion	44
5.4 Recommendations	45
5.5 Limitations of the Study.....	46
5.6 Suggestions for Further Research	47
REFERENCES	48
APPENDICES.....	i
APPENDIX I: INTRODUCTION LETTER TO RESPONDENTS	i
APPENDIX II: INTERVIEW GUIDE	ii

ACRONYMS AND ABBREVIATIONS

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

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic management provides overall direction to an organization and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans (Pankaj, 2002). Henri Fayol included Planning as one of the responsibilities of management, defining it as an examining of the future, deciding what needs to be done and developing a plan of action (Wren *et al.*, 2002). Strategic planning helps determine the direction and scope of an organization over the long term, matching its resources to its changing environment and, in particular, its markets, customers and clients, so as to meet stakeholder expectations (Johnson & Scholes, 1999).

Strategic planning applies an open system theory by looking at a company as a system composed of subsystems. The concept of strategic planning has found robust application in business arena due to the complex and dynamic nature of the business environment. This is because from open systems theory, organizations are open systems. They receive various inputs from environment; transform them in some way and export outputs. Haines (1972) states that a deeper understanding of the interrelatedness of the influencing factors in the environment when applying open systems theory to the strategic planning model produces a richer and better appreciation of the sub-systems that compose the larger synergistic general system.

Strategic planning results in a viable match between the firm and its external environment, strategy concerns an analysis of the firm's environment, leading to what the firm, given its open system environment, should achieve. Environmental scanning and analysis allows the firm to be connected to its environment and guarantees the alignment between the firm and its environment. Environmental analysis reveals the market dynamics, business opportunities and challenges, customer expectations, technological advancements and the firm's internal capacities and this provides the basis for strategy selection.

Most of the reasons that Kajiado county government implements strategic planning is due to organizational change. The financial cost of doing strategic planning can be difficult as well as the decision-making, due to complexity. This can make consensus building on what goals the county should be pursuing very difficult. This interdependence of Kajiado county government can make it difficult for the implementation of strategic planning because of the need to include all relevant stakeholders. However, Kajiado county government can gain many benefits from implementing a strategic plan, according to Pindur (1992).

Strategic planning can help identify important issues in a community and how resources should be used. The planning process can also help educate citizen participants about the functions and goals of the county government, It can also assist Kajiado county government in bringing together various stakeholders such as; citizens, business owners, and staff of all levels through consensus building. Finally, strategic planning can improve organizational performance and the ability of the government to reach stated

objectives because Kajiado county staff and citizens are working toward the same mission.

1.1.1 Concept of Strategy

Chandler (1962) defines strategy as the determination of the basic long term goals and objectives of an organization and the adoption of courses of action and the allocation of resources necessary to achieve these goals. John & Scholes (1999) on their part see it as the direction and scope of an organization over the long term which achieves advantage for the organization through the configuration of resources within a changing environment to achieve the objectives of meeting the needs of a market and fulfilling the stakeholder expectations.

Mintzberg (2001) states that the field of strategic management cannot afford to rely on one term for the definition of strategy. He goes on to define strategy as plan, ploy, pattern, position and perspective. As a plan, strategy is defined as a consciously intended course of action to deal with a situation. It deals with how leaders try to establish direction for organizations, setting them on predetermined courses of action. As a ploy, strategy is seen as a maneuver intended to outwit an opponent or a competitor. This looks at direct competition where threats and various other maneuvers are employed to gain competitive advantage.

As a pattern strategy is seen as a consistent behaviour whether intended or not. Here the focus is on action while reminding us the concept is empty if it does not take behaviour into account. Strategy as a position is seen as a means of locating the organization in an

environment. This enables us to look at strategy in context and specifically in the competitive environment, how an organization finds its position and protects it in order to meet competition, avoid it or subvert it. Lastly as a perspective, strategy is seen as the character or “personality” of the organization. This focuses on the reflections and actions of the collectively and how intentions diffuse through a group to become shared as norms and values and how patterns of behaviour become deeply ingrained in the group.

1.1.2 Strategic Planning Process

Strategic planning is one part of an organization’s management effort and is seen by some as the principal part of that effort (Poister *et al.*, 2010). Bryson & Roering (1988) define strategic planning as “a disciplined effort to produce fundamental decisions and actions that define what an organization (or other entity) is, what it does, and how it does it”. The strategic planning process helps to unify the organization around a common mission, goals, and objectives based upon appropriate internal and external analyses.

The scheduling for the strategy planning process depends on the nature and needs of the organization and its immediate external environment (Almond & Barlow, 2010). For instance, an organization whose products and services are in an industry that is changing rapidly, strategic planning should be carried out frequently. However an organization which has been in operation for a longer time and is in a fairly stable market place can carry out strategy planning after a longer period, for example, annually. The guidelines on when strategic planning should be conducted are; when an organization is just getting started, in preparation for a new major venture and annually in preparation for the coming fiscal year.

To develop good strategies, focus should be on the core building blocks that often get overlooked (Bradley *et al.*, 2013). One is the need to gain agreement before creating strategy on the essential decisions and the criteria for making them. Another is to ensure that the company is prepared and willing to act on a strategy once it is adopted. The resulting strategies are therefore often flawed from the start. Strategic planning is a journey and should therefore not take a formula-driven approach.

Hawkins & Catalano (1992) argue that strategic planning is the essential step between figuring out your objectives and making the changes to reach them. They add that strategies should always be formed in advance of taking action, not deciding how to do something after you have done it as without a clear idea of the how, a group's actions may waste time and effort and fail to take advantage of emerging opportunities. Strategies should also be updated periodically to meet the needs of a changing environment, including new opportunities and emerging opposition to the group's efforts (Bradley *et al.*, 2013).

According to Bradley *et al.* (2013), the process of strategic planning is made up of six major components; Direction, this articulates where the organization is heading and its sub components are purpose, values, mission and vision. The second is situational analysis; this involves getting all the facts about the organization's present situation. Third is to define with clarity what the intended mission is. The fourth component is to determine the critical path; this refers to the things that must be done in order to achieve the vision and mission spelt out. The fifth component is resource release whereby

resources are allocated wisely ensuring that enough of the right resources get to the right need in time and matching resources with necessity and opportunity.

The last component is to evaluate and refine, commitment to evaluating and refining forces of an organization to become a learning organization, leading to continuous improvement. Almond & Barlow (2010) however argue that strategic planning though described as disciplined does not typically follow smoothly from one step to the next. It is a creative process and the fresh insight arrived at today may very well alter the decision made yesterday.

1.1.3 Strategic Planning Practices

Over the past decades, researchers have investigated the effects of formal strategic plans on overall performance in organizations. Many have concluded that there is no consistent association between the process leading to strategic plans and performance (Cappel, 2000). Steiner (2009) provides a thorough conceptualization of a strategic plan that it is an attitude and an outcome of a process concerned with the future consequences of current decisions. Despite research by Steiner (2009) founded on the critical assumption that strategic plans are important, the debates rages on in the literature; the key question being if there is really a link between strategic plan formulation, implementation and organizational Performance.

Langley (1998) also provided support for the benefits of strategic plans, identifying four roles of formal planning. In the public role, formal strategic plans are intended to impress or influence outsiders. The information role provides input for management decisions.

The group therapy role is intended to increase organizational commitment through the involvement of people at all levels of the organization. Finally, the direction and control roles are fulfilled when plans serve to guide future decisions and activities toward some consistent ends.

According to Roach & Allen (2003), the strategic plans are the product of the best minds inside and outside the corporation. The process considers future implications of current decisions, adjusts plans to the emerging business environment, manages the business analytically, and links, directs, and controls complex enterprises through a practical, working management system. This process plays a vital role in firm performance.

1.1.4 Counties as Governance Units within Kenya

The quest for devolved system of governance in Kenya has been a longstanding one. The promulgation of the Constitution of Kenya 2010 (CoK, 2010) on the 27 August 2010 paved way for realization of the “dream” system of governance (Lubale, 2012). Chapter eleven (Cap 11) of CoK 2010- devolved government specifically provides for the setting up of the county governments. The constitution of Kenya 2010 creates 47 county governments. The number is based on the delineation of administrative districts as created under the Province and District Act of 1992. The adoption of the CoK 2010 aims at fundamentally altering the governance framework through far reaching reforms.

Devolution of political power, responsibilities and resources have the most profound and transformative impact on governance and management of resources. If faithfully implemented, the CoK 2010 in general, and devolution in particular, should lead to revolutionary transformation of Kenya and facilitate achievement of Kenya Vision 2030. Devolution, however, is the most complex and the least understood aspect of the CoK

2010. It permeates all spheres of society and organs of government. Effective implementation of devolution, therefore, calls for recognition of this fact. It requires a comprehensive and well-coordinated government strategy based on consultation and cooperation between the various arms and departments of government.

The Fiscal Strategy Paper (FSP) outlines the macroeconomic performance of the county which informs and guides the formulation of budget, tax and revenue policies. The main result of the FSP process is an estimate of resources that will be available to finance county recurrent and development expenditures. It goes into details regarding the contents of the FSP and covers the purpose of the strategy, contents of the macroeconomic framework, and contents of the fiscal framework. This FSP has followed the guidelines of the draft regulations although it has not been passed. In future the development of the FSP will be guided by both the national and the county Public Finance Management (PFM) regulations.

1.1.5 Kajiado County

Kajiado County lies at the southern edge of the former Rift Valley province, about 80km from the Kenya capital city of Nairobi. It is divided into five constituencies: Kajiado North, Kajiado Central, Kajiado South, Kajiado West, and Kajiado East. The county has a population of over 680,000 people composed of 50.2% male and 49.8% female according to 2009 National Census. It covers over 21,200 square kilometers, it is a semi-arid area with annual temperature of about 18 degrees Celsius and receives about 500mm of rainfall annually. Livestock rearing is a major economic activity amongst others such as: Poultry farming, tourism, forestry and agriculture (GoK, 2009). The county's vision is; "A prosperous, globally competitive county, offering quality life' and its mission

statement is; “To promote equitable and sustainable socio economic development through efficient resource utilization and inclusive participation”.

The county like the rest, faces scarcity of vital resources such as water and social amenities required to enhance the economic and livelihood of its inhabitants, although there are several hospitals and health centres in Kajiado county, the state of healthcare in the rural areas is in a deplorable shape and residents walk for long distances to access the medical facilities. However international organizations such as AMREF are working to bring them closer to the community. Kajiado County major challenge being balancing demand for elite citizens and the needs of the ordinary citizens which is affecting county resource management, service delivery and realization of devolution benefits as well as county stability (Odinda, 2014).

The county of Kajiado need to develop a clear and compelling economic and social vision for their areas understand the various dynamics operating within their areas, deliver the appropriate services to build livable places, and develop strategies for realizing and financing that vision in partnership with other stakeholders (Odinda, 2014). To do this, they will require an integrated development planning framework to effectively and proactively harness the resources at their disposal.

1.2 Research Problem

The importance of effective strategic planning is recognized by most organizations. A majority of organizations understand the need to clearly identify their mission and objectives, their priorities and targets for improvement, and the action to be taken to achieve them. Good progress has been made over a long period to improve the rigor of

strategic planning. There is no one clear way advocated by scholars on how institutions should go about in conducting or practicing their strategic planning. Different authors and scholars have advanced that strategies can form implicitly as well as be formulated explicitly (Mintzberg 1991, Johnson & Scholes 2002).

In Kenya, county governments were on transition with respect to strategic planning. They were required by the government to carry out strategic planning which was previously not the case (GoK, 2012). Strategic planning requires some complex techniques in complex environments and the techniques from one organization are not always readily applicable in the other organization. Strategic planning also requires more resources, in terms of time, money, and people, than public organizations typically have to invest. Resources are needed for analysis, meetings, administration of the planning effort, and, later in the process, for writing report and disseminating results.

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

Several studies have been conducted too on the relationship between strategic planning and organizational performance in several organizations in Kenya. Muturia (2009) studied multi-dimensional strategic planning practices and firm performance. Arasa (2008) carried out a research on strategic planning, employee participation and firm performance in Kenya's insurance industry. Ong'ayo (2012) carried out research on employee perception of the influence of strategic planning on organization performance at the ministry of foreign affairs, Kenya.

It is noted that the past studies did not give attention to the individual steps that make up the strategic planning process and approaches that is followed by different organizations. It is perceived that the manner and extent to which each of the strategic planning steps is addressed could have implications on the realization of the expected organizational goals. This study matched this gap as it was set to carry out an analysis of factors that influenced strategic planning practices and process by Kajiado county of Kenya, by answering the following research question; what are the strategic planning practices adopted by Kajiado county government and how do they relate to their performance?

1.3 Research Objectives

The objectives of this study were:

- i. To establish the strategic planning practices adopted by Kajiado county in Kenya.
- ii. To determine the influence of strategic planning process on positive performance of the county.

1.4 Value of the Study

This study has ascertained the extent of strategic planning practices in Kajiado county of Kenya and will benefit persons in various capacities, key among them are: Practitioners in county strategic programmes, county government, managers, policy maker, scholars, and future researchers.

Managers will benefit from the study as the study has the potential to improve management, decision-making, stakeholder involvement in public organizations, and performance. This is in view of the fact that the study findings will point out the key drivers for successful strategy planning process hence it will aid managers to unify various parts of an organization through better communication and to enhanced ability to respond to the organization's environment, in terms of responding to crisis or to take advantage of new opportunities.

Policy makers will also benefit from the study findings, as recommendations made herein will present an empirical platform on which to make informed policies on the relatively new concept in the country. These include the Kajiado county government officials, ministry of devolution policy makers as well as other county government officials within the country.

Scholars will also benefit from this study as it will add to the body of knowledge concerning strategic planning practice, process and performance. The study findings may be of great importance to the researchers, as it may contribute to both theoretical and

practical knowledge on the same. The study will further address the conspicuous knowledge gap in the country's literature with respect to strategy planning practices. As such, future researchers in the same field will find the study findings resourceful as a source of reference material.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter provides a general review of the available literature pertinent to the study problem. It delves into the theoretical foundation guiding the study; concept of strategic planning, strategic management, organizational performance and finally examining the correlation between strategic planning and organizational performance.

2.2 Theoretical Foundation

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

2.2.1 Open System Theory

The concept of strategy dates back to the early 20th century. With the onset of industrial revolution, the military lexicon, strategy, was borrowed into business to mean configuration of resources to achieve advantage against competitors (Yabs, 2007). Later on, the concept of strategic planning emerged focusing on identifying competitive moves and business approaches to grow the business, compete successfully attract and please customers and conduct operations to achieve the targeted level of performance (Thompson *et al.*, 2007). Strategic planning metamorphosed from the widely known financial planning of the 1950s and long-range planning of the 1960s into strategic management of today. Strategic management is a relatively new field of study that is still at a pre-paradigmatic stage; it's multidimensional and unifies the concepts of strategy and strategic planning in the broad endeavor of an organization to achieve its purpose (Johnson *et al.*, 2008).

The concept of strategic planning has found robust application in business arena due to the complex and dynamic nature of the business environment. This is because from open systems theory, organizations are open systems. They receive various inputs from environment; transform them in some way and export outputs. Haines (1972), states that a deeper understanding of the interrelatedness of the influencing factors in the environment when applying open systems theory to the strategic planning model produces a richer and better appreciation of the sub-systems that compose the larger synergistic general system. Open Systems theory provides a deeper understanding of the trends and the critical nature of the interplay between these various components with the bottom-line being able to manage organizational changes, achieve an internal fit and adjust to external environmental changes.

2.2.2 Resource Based View

The resource-based theory argues that any firm is essentially a pool of resources and capabilities which determine the strategy and performance of the firm; and if all firms in the market have the same pool of resources and capabilities, all firms will create the same value and thus no competitive advantage is available in the industry (Barney, 1991). The basis of the resource-based view is that successful firms will find their future competitiveness on the development of distinctive and unique capabilities, which may often be implicit or intangible in nature. Thus, the essence of strategy is or should be defined by the firm's unique resources and capabilities. Furthermore, the value creating potential of strategy, that is the firm's ability to establish and sustain a profitable market position, critically depends on the rent generating capacity of its underlying resources and capabilities (Conner, 1991).

The resource based theory suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors (Barney, 1991). These resources and capabilities can be important factors of sustainable competitive advantage and superior firm performance if they possess certain special characteristics. They should be valuable, increasing efficiency and effectiveness, rare, imperfectly imitable and non-substitutable (Barney 1991).

2.2.3 McKinsey 7-S Framework

The 7-S framework of McKinsey is a Value Based Management (VBM) model that describes how one can holistically and effectively organize a company. Together these factors determine the way in which a corporation operates. The interconnecting centre of McKinsey's model is: Shared Values, which underscore an organization's central beliefs and attitudes. The model proposes 7 interdependent factors – 3 hard 'S' i.e. strategy, structure, systems; and 4 soft 'S' i.e. shared values, skills, style and staff. The hard 'S' are more tangible, easily to define and easy to influence than the soft 'S'.

McKinsey summarizes these into seven key areas named the Ss, which include: Strategy: Plans for the allocation of a firm's scarce resources, over time, to reach identified goals. Environment, competition, customers; structure: the way the organization's units relate to each other: centralized, functional divisions (top-down); decentralized (the trend in larger organizations); matrix, network, holding, among others; system: the procedures, processes and routines that characterize how important work is to be done: financial systems; hiring, promotion and performance appraisal systems; information systems; staff: numbers and types of personnel within the organization; style: cultural style of the organization and how key managers behave in achieving the organization's goals; and

skill: distinctive capabilities of personnel or of the organization as a whole (McKinsey, 1994). The framework exhibits key strengths that are pertinent to the present study: a diagnostic tool for understanding organizations that are ineffective; guides organizational change; combines rational and hard elements with emotional and soft elements; managers must act on all Ss in parallel and all Ss are interrelated (Rapert *et al.*, 2007).

2.3 Concept of Strategic Planning

Generally, a plan is an intentional prior arrangement to achieve a particular purpose. Strategic planning is defined as a tool to determine the mission, vision, values, goals, objectives, roles and responsibilities, timelines and personnel responsible for moving an organization or institution from the current to the desired state in future (Chiuri & Kiumi, 2005). Strategic planning consists of competitive moves and business approaches managers employ to grow the business, attract and please customers, compete successfully, conduct operations and achieve the targeted level of performance.

Strategic planning is fundamental in aligning organization's internal activities to the ever changing external environment. Organizations engage in strategic planning in order to achieve clarity of future direction, design internal action approaches, make proper choices and priorities, deal effectively with organizational changes and uncertainties in external environment, build team work and expertise based on resources, processes and people and develop effective strategies to improve organizational performance (Cole, 2004; Peng, 2009).

The concept of strategic planning has notably gained popularity in modern organizations due to scarcity of resources, increased competition, increased need to meet customer and stakeholder expectations and need to resolve issues effectively and efficiently. It is therefore evident that strategic planning is a vital tool to the present-day managers to navigate through the current complex, dynamic, competitive and uncertain business environment because as Gode (2009) correctly notes, strategic planners must adapt to a world where growth isn't steady; it can slow down, increase or be interrupted in an unpredictable manner. It is therefore, a surmise to say that strategic decisions should be sustainable, should offer competitive advantage, should develop processes to deliver the strategy, should exploit the linkages between the organization and its environment and should move the organization forward to a significant position (Lynch, 2009).

2.4 Strategic Management

Strategic Management relates to positioning and relating a firm to its environment in a way that will assure continued success (Lawrence & William, 1988). This requires application of various principles, techniques and advanced tools in strategic management. In the past focus on long-range planning assumed that the future was not expected to be significantly different from the past so extrapolation of history was sufficient. Strategic planning assumes the future is not expected to be a resemblance of the past.

Strategic management is a stream of actions which leads to the development of an effective strategy or strategies to help achieve corporate objectives. The strategic management process is the way in which strategists determine objectives and make strategic decisions (Lawrence & William, 1988). Strategic management main focus is the

achievement of organizational goals taking into consideration the external and internal environmental factors.

Porter (1985) argues that the essence of formulating comprehensive strategy is relating a company to its environment. It permits the systematic management of change. It enables the organization to purposefully mobilize resources towards a desired future. Chandler (1962) also argued that any effective successful strategy is dependent on structure, thus to achieve any effective economic performance the organization needs to alter its structure. Strategy is the determination of the basic term goals and objectives of an enterprise and the adoption of course action and the allocation of resources necessary for carrying out these goals.

2.5 Organizational Performance

Performance can be defined as a collection of work activities, operational efficiency, and effectiveness, their measurement and subsequent outcomes attained (Dessler, 2008). Every organization has well defined mechanisms of measuring performance which enable it to evaluate current and past achievements relative to expected standards but the methods used to measure performance are relative to context in which the organization operates and the strategic objectives pursued (Akinyi, 2010).

Carton & Hoffer (2010), reports the observation of Venkatraman & Ramanujam (1986) that there is little dispute that one of the core purposes of both entrepreneurship and strategic management theory and research is the improvement of organizational performance but there is no consensus regarding the best or even sufficient measures of organizational performance. They consent that different measures of organizational

effectiveness and performance have been used with little attention to the limitations these measures may impose on the interpretation of the results of the research.

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

The need to measure both financial and non-financial aspects of performance has led to use of the balanced scorecard proposed by Kaplan & Norton, (1992). However, selection of appropriate performance measures to ensure consistency of measurement is a challenge due to context of operation and variety in strategic objectives pursued by firms. In spite of this challenge, researchers and scholars tend to agree that strategic planning is positively correlated to organizational performance (Ansoff, 1990).

2.6 Strategic Planning and Organizational Performance

Strategic planning is a step by step process with objectives and end-products that can be evaluated. Performance is the end result of activities while strategic planning aims to improve the quality of these results. It can be measured by quantitative methods such as; net or gross profit, return on investment, equity or capital, return on equity employed, among others or qualitative methods such as; absenteeism levels, job satisfaction, industrial relations, team work, best management practices, Corporate Social

Responsibility, new product development, operational sufficiency, employee and stakeholder satisfaction, among others (Foster, 1993).

Performance is the heart of every organization. Researchers and analysts have over the past decades investigated the influence of strategic planning on organizational performance. For instance, Mazzarol (2009) reports that some twelve research papers from 1950's to the early 1980's indicated that planning was positively correlated with better performance. Researchers suggest that strategic planning positively influences firm performance and that measurement methods and contingency factors are primarily responsible for the inconsistencies reported in literature. For instance, Armstrong (1982) argues that without a proper description of the planning techniques, it's not possible to assess value of planning in a scientific manner. Strategic planning viewed as systematized, step by step, chronological procedures to develop or coordinate an organizational strategy leads to the concept of formality in strategic planning (Johnson *et al.*, 2008).

Formality is the extent to which a strategy is deliberate, documented, communicated and the time spent on planning as well as the degree of involvement of participants and specification of the process, resources and responsibilities (Gode, 2009). Generally, greater formality in strategic planning positively correlates to high firm performance. Although Wheelen & Hunger (2008) cautions that some studies have found out that too much formalization of the strategic planning process may actually result in reduced performance. Ansoff (1990) notes that deliberate and systematic pre-planning of

acquisition of strategy produces significantly better financial performance than unplanned opportunistic, adaptive approach.

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

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section defines research methods, research instruments and research tools. It also presents the instruments and tools that were selected for this study. The chapter further describes the methods and procedures that were used in collecting relevant data and how it was analyzed.

3.2 Research Design

The study used a case study research design. A case study was suitable for the present study as it involved a complete observation of a social unit (person, group or social institute) emphasizing in-depth rather than in-breadth analysis (Robson, 2003). Research design is an arrangement of conditions for collection and analysis of data (Chandran, 2004). It is a means to achieve the research objectives through empirical evidence that is required economically. The choice of a design is determined by: research purpose as described by the research problems and questions, categories of data needed, sources of data and cost factors (Mugenda & Mugenda, 2003). In this case, the research study is strategic planning practices in County Government of Kajiado. Thus, this approach was appropriate for this study as it helped to describe the state of affairs as they exist without manipulation of variables which is the aim of the study.

3.3 Data Collection

According to Cooper & Schindler 2006, data can either be primary or secondary. This study used both primary and secondary data. Primary data refers to that source of data collected directly from the original sources such as respondents or field; it is used due to

its accuracy and control over error (Mugenda & Mugenda, 2003). Secondary refers to data that already exists in that it is collected and stored in a systematic way by other researchers and was collected for different purposes (Cooper & Schindler, 2006). Secondary data allows some level of interpretation of events. The researcher used an interview guide to collect primary data. The primary data composed of the responses that were received from the county officers while the secondary data were from relevant literature review.

The researcher administered the interview guide through personal interviews. A total of eight respondents were drawn from various departments. These included: Human Resource Director, Account Officer, Finance Director, Director of Administration, and Chief of Staff, Principal Clerk, Procurement Officer and Finance Minister. These respondents were better placed in providing required data because they play a leading role in ensuring that they position the county government to transition smoothly and to improve its performance. Each item in the interview guide was geared towards addressing the study objective.

3.4 Data Analysis

The present study employed the qualitative type of analysis, specifically the content analysis. Data analysis is defined as the whole process, which starts immediately after data collection and ends at the point of interpretation and processing of results (Kothari, 2004). Two main categories of data analysis exist, namely, qualitative and quantitative. Quantitative analysis entails analyzing numbers about a situation by choosing specific aspects of that situation. Of particular interest to the present study, qualitative analysis

entails analyzing in words or pictures by collecting data, recording peoples' experiences not selecting any pre-chosen aspect (Cooper & Schindler, 2006).

The field interview guides were checked for consistency, cleaned and coded before data analysis. Content analysis was used for data that was qualitative in nature or aspect of the data that was collected from the open ended questions. According to Mugenda & Mugenda (2003), the main purpose of content analysis is to study the existing Information in order to determine the factors that explain a specific phenomenon. According to Kothari (2000), content analysis uses a set of categorization for making valid and replicable inferences from data to their context.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on the strategic planning practices by Kajiado County in Kenya. The study was based on the following two objectives: To establish strategic planning practices adopted by Kajiado County in Kenya and to determine the influence of Strategic Planning Process on Positive Performance of Kajiado County.

The study had targeted 8 executives from Kajiado County. The study however was unable to attain 100% response rate. The study managed to successfully interview 6 respondents hence attaining a response rate of 75%. According to Cooper and Schindler (2006), a response rate of 75% is sufficient enough for scientific and social studies to proceed. The chapter covers the demographic information, and the findings based on the objectives.

4.2 Background Information of Respondents

This section presents the results of analysis on general characteristics of the respondents. The general information of this study comprised of the respondents position at the county and the duration of time that they had been working for the county. This information was

Used to ascertain the respondents' appropriateness in responding to questions about strategic planning practices by Kajiado County.

The respondents were drawn from different departments including; Human Resource Director, Account Officer, Finance Director, Director of Administration, Chief of Staff, Principal Clerk, Procurement Officer and Finance Minister. It therefore implies that, the information collected from them is all-round and therefore more reliable owing to the rich source. From the county government structure these are the main departments which are headed by executive directors. These directors report to the county governor, hence they link the lower level staff and the county governor.

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

4.3. Why Kajiado County Decided to Undertake Strategic Planning

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

The respondents revealed that there are a number of issues that are covered under the Kajiado County strategic plan. The plan clearly elaborates the county plans on social, political and economic transformation within the county in regard to; political uncertainty, organizational change, population growth, increased demand for services and decline of industries. They further revealed that the county plans on development of infrastructure to facilitate service delivery; provision of reliable energy in order to assist in the development of manufacturing sector in the county; to improve science and technology and innovation; to conduct land reforms in the county; to engage in the development of human resources and provision of efficient and effective public service; promotion of tourism activities in the county and promotion of manufacturing activities in the county in order to provide employment opportunities to many unemployed young people.

4.3.1 Planning Committee

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

4.3.2 Formulation of Vision and Mission Statement

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

4.3.3 Integration of Strategic Planning With Human Resource

Respondents were asked to what extent is Kajiado County integrating strategic planning with human resource. The researcher established Human resource management as an integral part of Kajiado county strategic plans. Human resource management ensures that the county has the workforce to meet strategic goals, retain those employees, develop their skills, and keep them motivated.

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

4.3.4 Stakeholders' Participation in Strategic Planning

The researcher further sought to find out whether stakeholders were involved in strategic planning at Kajiado County. The respondents reported that strategic planning at the county is an inclusive formal process. The researcher also established that stakeholder participation is an integral part of the strategic planning process at the county. The respondents reported that the national government, independent commissions, development partners, general public, the representatives of the business community, employees, financial partners, and the county executive participate in strategic planning through public consultative meetings and forums organized by the county's planning

committee. During these meetings, the county planning committee receives views, ideas and proposals from the stakeholders which are then evaluated and incorporated into the strategic plans developed by the county.

4.3.5 Situational Analysis

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

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

4.4. Kajiado County Performance

The respondents also confirmed that the county ensures that its strategic plan is balanced in a way that its financial, customer, internal business process and learning goals are all balanced. The department was headed by the transitional authority team. Financial management of the county resources is guided by the constitution of Kenya, Public Finance Management Act 2012 (PFMA, 2012) and other relevant financial regulations. The Constitution requires openness, accountability and public participation in all public finance matters.

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

The respondents also confirmed that the county implemented the re-engineered IFMIS system which enhances accountability through increased efficiency in operations, accuracy and proper financial reporting. Adherence to procurement procedures as envisaged in the public procurement and oversight authority guide lines prevents the malpractices associated with poor financial management. Proper management of revenues through proper and accurate record keeping and reporting, adherence to

revenue collection procedures and regulations, regular banking and maintenance of bank reconciliations are the various modes that ensures accountability in the use of resources.

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

4.4.1 How Kajiado County Integrates Strategic Planning With Performance Measurement

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

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

4.4.2 Correction of Non Performing Performance Indicator

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

4.4.3 Kajiado County Overall Performance

The study revealed that Kajiado County has a number of ongoing projects carried forward from the defunct Local Authority most of which are in their final stages of completion, and overall performance of the county has improved tremendously in the past three years. This finding depicts that the financial performance of the county is excellent and has greatly impacted on the strategic planning process positively. The transition to devolved system has been a success because of the financial capacity of the county and the proper absorption of the development projects revenue.

4.5 Strategic planning outcomes

The study investigated on Kajiado county achievement of strategic goals and objectives. The study findings established that Kenya Vision 2030 aims to transform Kenya into a modern, globally competitive, middle income country providing a high quality of life to all its citizens. The Vision is anchored on three pillars: Economic; Social; and Political. The Economic Pillar aims to achieve an average Gross Domestic Product (GDP) growth rate of 10 percent per annum and sustain the same till 2030 in order to generate more resources to reinvigorate the economy to meet its envisaged goals and aspirations. The key sectors in this pillar include: tourism, agriculture and livestock, manufacturing, wholesale and retail trade, Business Process outsourcing (BPO) and financial services.

Taking cognizance of the recent developments, a seventh sector, oil and other mineral resources, has now been added. The Social Pillar seeks to build a just and cohesive society with social equity in a clean and secure environment. The main sectors under this pillar include education and training, health, water and irrigation, environment, housing and urbanization, gender, sports, youth and culture. The Political Pillar aims at realizing a democratic political system founded on issue based politics that respect the rule of law, and protects the fundamental rights and freedoms of every individual in the Kenyan society.

The three pillars are anchored on a number of foundations, which serve as enablers that create an environment that is geared towards the realization of Vision 2030. These include: macroeconomic stability; continuity in governance reforms; enhanced equity and wealth creation opportunities for the poor; infrastructure; energy; Science, Technology and Innovation; Land Reforms; Human Resource Development; Security and Public Sector Reforms. An additional enabler, national values and ethics, has been included following the passing of the Constitution of Kenya 2010.

The study revealed that the broad key priority areas which will be the focus of the Second MTP include: employment creation; development of human resource through expansion and improvement in quality education, health and other social services; reducing the dependence of the economy on rain fed agriculture through expansion of irrigation; higher investment in alternative and green sources of energy; improving the economy's competitiveness through increased investment and modernization of infrastructure; increasing the ratio of saving, investment and exports to GDP; implementation of key Kenya Vision 2030 Flagship projects; improving national

security; promoting national values and ethics; and continue implementing the Constitution including devolution.

These findings depict that Kajiado County Integrated Development Plan is aligned to the Medium Term Plan II and the Vision 2030 as required by law, County Government Act, 2012, which stipulates that county government shall plan for the county and no public funds shall be appropriated outside a planning framework. As such the CIDP provides essential linkages of the National and County Governments by facilitating the implementation of Vision 2030 flagship projects as well as other projects and programmes that will ensure implementation of Kenya Vision 2030 at both levels of Government. The study further revealed that the Identification of specific projects was through public participation forums at different levels.

4.5.1 Challenges That Kajiado County Faced When Attaining Achievement

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

The study established that financial constraints were a challenge during strategic planning at the county. The study established that the county had a budgetary constraint hence the amount allocated to strategic planning was limited. This forced the planning

committee to come up with specific planning timeframes and prudent financial practices in order to utilize the allocated funds.

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

4.5.2 Benefits of Strategic Planning

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

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

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

4.6 Discussion of Findings

Strategic planning process involves various activities which are aimed at formulation of an organization's long-term mission and near-term objectives, identification of its strengths, weaknesses, opportunities and threats through a thorough strategic analysis of its environment (Pearce & Robinson, 2011). This study established that Kajiado County scanned its environment during strategic planning with the key aim of understanding its effect on its operations. Legal issues including guidelines on budgeting and procurement as set out by the constitution of Kenya, 2010 are crucial aspects in strategic planning by the county. In light of the above, the county has repositioned its strategic plans with the constitution and also streamlined them with Kenya's vision 2030 economic blue print.

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

stakeholders but also to ensure that the planning process does not deviate from the expected targets.

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

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

Kajiado County also sought to analyze and understand its stakeholders with an aim of understanding the county's obligations to the stakeholders as well as understanding on methodologies of how best to engage them in strategic planning and future engagements. According to Bryson (2004) analysis of stakeholders is important in managing relationships between an organization and the parties that are involved or affected by its

operations. The county being a public institution is obligated in creating value to the general public. According to Bryson (2004), analysis and attention to stakeholders by public institutions is important since their operational success and survival depends on satisfying their needs.

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

The study confirmed that the perceived source of challenges in implementing the County strategic plan is financial constraints, unavailability of resources and poor coordination of development activities. The implementation of the County strategic plan depends largely on the revenue allocated by the central government and the revenue that will be collected locally at the County. This same view is held by Lynch (1997) who argues that this same view is also held by Lynch (1997) who argues that Resource constraints are apparent during strategic planning in public entities, in particular, those dependent on the government for funding. This is so partly because such entities are subject to political factors, making funds availability and allocation more difficult when compared to the private sector. In some instances, political support might be lacking to fund strategic projects even though there could be demand from the community.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

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

5.2 Summary of the Findings

The study revealed that Kajiado County was actively involved in strategic planning. This illustrates that strategic planning was key factor in the county's operations. Additionally, the study also established that strategic planning was essential in streamlining the operations of the county to achieve operational efficiencies and better service delivery. The county has developed a five year strategic plan and a county integrated development plan that stipulates its strategic objectives and targets to be attained.

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

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

The study also established that Kajiado County applied the following strategic planning practices; resource allocation for the strategic planning process, establishment of a strategic planning unit to guide through the strategic planning process, development of strategic objectives which contribute to the realization of the county's vision, conducting a comprehensive situational analysis to understand the county's position in relation to its environment and development of realistic strategies with well-defined operational goals and performance targets and indicators.

The respondents also confirmed that the county implemented the re-engineered IFMIS system which enhances accountability through increased efficiency in operations, accuracy and proper financial reporting. Adherence to procurement procedures as envisaged in the public procurement and oversight authority guide lines prevents the malpractices associated with poor financial management. Proper management of revenues through proper and accurate record keeping and reporting, adherence to

revenue collection procedures and regulations, regular banking and maintenance of bank reconciliations are the various modes that ensures accountability in the use of resources.

The findings revealed that Kajiado County has a number of ongoing projects carried forward from the defunct Local Authority most of which are in their final stages of completion, and overall performance of the county has improved tremendously in the past three years. This finding depicts that the financial performance of the county is excellent and has greatly impacted on the strategic planning process positively. The transition to devolved system has been a success because of the financial capacity of the county and the proper absorption of the development projects revenue.

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

5.3 Conclusion

From the foregoing discussions, the following conclusions were deduced. The study concluded that Kajiado County was actively involved in strategic planning. The study also concluded that the strategic planning process at the county was a formal process which resulted into formulation and documentation of the strategic vision and mission statement, and strategic plans.

The study concluded that, strategic planning process at Kajiado County is a participatory process that involves employees, the general public, the business community and representatives of the national government at the county and non-governmental organizations. The county's strategic planning committee is also an inclusive unit comprising of key stakeholders at the county.

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

The study also concluded that the county adopted the following strategic planning practices; establishment of a planning committee with clear a mandate, resource allocation to the strategic planning process, formulation of the county's vision and mission, and building key county strategies and objectives around the vision. From the findings, the study concluded that Kajiado County situational analysis was done during strategic planning.

The study concluded that SWOT, PESTEL and Stakeholder analysis methods were used by the county to analyze its environment as well as to identify the areas of strengths and weaknesses of the county.

From the findings, it was possible to conclude that communication was a key factor in strategic planning at Kajiado County. The county communicated its vision and strategic plans internally through the internal communication channels and externally through public forums. This was meant to build consensus during strategic planning and to create awareness by stakeholders.

The study also concluded that financial constraints, time constraints and stakeholder commitment challenges were encountered during strategic planning at Kajiado County. Additionally, the study concluded that financial constraints during strategic planning at the county arose from low budgetary allocation.

5.4 Recommendations

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

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

The study further recommends that the County Government of Kajiado should conduct a research and pre-tests the different strategic planning practices to ensure that only the best practices are implemented.

5.5 Limitations of the Study

The study was a case study and hence the research was limited to Kajiado County only on strategic planning practices adopted by the county. The findings of the study therefore, were specific to Kajiado County only and as such, cannot be generalized for other counties in Kenya.

Each county is unique and may adopt different strategic planning practices. It was also not possible to compare strategic planning practices adopted by the county with other counties and public institutions in Kenya.

The study was limited by the tight schedule of the respondents which limited their availability for the interview. However, the researcher made appointments with the respondents which facilitated their participation in the interview.

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

5.6 Suggestions for Further Research

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

An organization can have a good strategy but fail in implementation of the strategy. I would therefore recommend that further research can also be done on Kajiado County looking at strategic implementation process. This would give us a better understanding of Kajiado County and how successful implementation of strategy has contributed to its success and overall performance.

REFERENCES

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

Bryson, J.M., Berry, F.S., and Yang, K. (2010). *The state of public strategic management research: A selective literature review and set of future directions*. American Review of Public Administration.

Busolo D. (2003). *Strategic planning at the motor vehicle franchise holders in Nairobi*. Unpublished MBA Project, University of Nairobi.

Carton, R.B. (2010). *Organizational Financial Performance: Identifying and Testing Multiple Dimensions*. Academy of Entrepreneurship Journal, 16 (1), 1-20.
Retrieved from <http://www.alliedacademies.org>.

Chandler, A.D. (1962). *Strategy and structure: chapters in the history of the industrial enterprise*. M.I.T. Cambridge, MA: Press.

Chiuri, L.W. & Kiumi, J.K. (2005). *Planning and Economics of Education*. Egerton University, Kenya: Pangolin Publishers ltd.

Conner, K. R. (1991), A Historical Comparison of Resource-Based Theory and Five Schools of Thought within Industrial Organization Economics: *Do we have a New Theory of the firm?* Journal of Management, 17,121–154.

Cooper R.D & Schindler S.P. (2003). *Business Research methods*, 7th Edition, N, Y Irwin.

County Fiscal Strategy Paper (CFSP) 2014.

Dessler, G. (2008). *Human Resource Management .11thEd.* Upper Saddle River, New Jersey: Pearson Prentice Hall.

Eadie, D.C., and Steinbacher, R. (1985). *Strategic agenda management: A marriage of organizational development and strategic planning*. Public Administration Review. 45 (3), 424-430.

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

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

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

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

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

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

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

APPENDICES

APPENDIX I

INTRODUCTION LETTER TO RESPONDENTS

Dear Respondent,

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

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

Thank you in advance.

Christine Lumadi Chogo

MBA Student

Mr.Eliud O.Mududa

Supervisor

APPENDIX II

INTERVIEW GUIDE

SECTION A: Background Information of Respondent

(a) Name-----

(b) Department of work-----

(c) Interviewee's position at the County-----

(d) Academic achievement-----

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

SECTION B: Strategic Planning Practices in Kajiado County

(a) Why did Kajiado County decide to undergo strategic planning?

(b) Is strategic planning at the County formal or informal?

(c) Are the strategic plans formulated reactive or proactive?

(d) Does the organization have a strategic planning committee?

(e) Does Kajiado County have a formally documented vision and mission statement?

(f) Who was involved in the formulation of the vision and mission statement?

(g) To what extent is Kajiado County integrating strategic planning with human resource management?

(h) What has been the County's effort to include various stakeholders in strategic planning between 2013 and 2015?

(i) Is Situational Analysis done during strategic planning at Kajiado County?

SECTION C: Performance of the County Government of Kajiado

(a) What is the county's effort to link strategic planning with financial management between 2013 and 2015?

(b) How does Kajiado County integrate strategic planning with performance measurement efforts?

(c) In case a particular performance indicator is not performing how is it corrected?

(d) Has the overall performance of the county improved, worsened or stayed the same over the past three years?

SECTION D: Strategic Planning Outcomes

(a) To what extent are you satisfied with the achievement of Kajiado county strategic goals and objectives between 2013 and 2015?

(b) What are the challenges that Kajiado County faced when attaining the achievement?

(c) How can the County overcome these challenges?

(d) Overall, how would you rate the benefits of strategic planning as compared to the costs?

THANK YOU