

**STRATEGIC PLANNING AND PERFORMANCE OF THE
YOUTH ENTERPRISE DEVELOPMENT FUND OF KENYA**

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DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university.

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God bless you all.

DEDICATION

This research project is dedicated to my family: more specifically my mother Naomi Mnyazi who persistently and patiently made me to understand the importance of education even though she is illiterate; my elder brother John Mrima who kept on asking me when I would finish my research project; my wife Lucy, my daughter Lynn and son Lolani for their inspiration, encouragement, understanding and prayers towards the successful completion of this course. I pay glowing tribute and gratitude to the Almighty God who has given me the wisdom and energy to undertake this course.

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ABBREVIATIONS AND ACRONYMS

BK	-	Biashara Kenya
BOD	-	Board of Directors
CAP	-	Chapter
CEO	-	Chief Executive Officer
ERS	-	Economic Recovery Strategy
FSP	-	Formal strategic planning
GOK	-	Government of Kenya
KIE	-	Kenya Industrial Estates
M& E D	-	Monitoring and Evaluation Department
MDG's	-	Millennium Development Goals
MOYAS	-	Ministry of Youth Affairs & Sports
MSEA	-	Micro and Small Enterprises Authority
PC	-	Performance Contracting
RBM	-	Results Based Management
RBV	-	Resource Based View
SLA	-	Service Level Agreement
SP	-	Strategic Plan
UNDP	-	United Nations Development Programme
WEF	-	Women Enterprise Fund
WP	-	Work Plans
YEDF	-	Youth Enterprise Development Fund
YEDFB	-	Youth Enterprise Development Fund Board

ABSTRACT

In a competitive business environment, effective strategic planning is necessary for an organization to survive and make appreciable contribution in their business units by identifying the prevailing environmental opportunities and threats while at the same time seizing the opportunities that are present to positively affect its performance. Strategic planning is considered as a systematic effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it. On the basis of the important role that the strategic planning process plays, the objective of the study was to establish the effect of strategic planning on the performance of the Youth Enterprise Development Fund of Kenya. The study adopted a case study research design while the targeted interviewees were managers in Business Development, Finance, Human Resource, Regional Coordination, and Monitoring and Evaluation. The study found out that the factors that affect the successful strategic planning process in the organization included efficient communication channels, prudent utilization of the available resources, committed staff, teamwork and partnerships, transparency and accountability, and commitment to meeting timelines. In addition, the top leadership of the organization affects the strategy implementation process through directing both human and material support towards the strategy implementation process. The performance of the organization was found to be positively affected by the strategies it develops to face and capture the opportunities in the business environment by leveraging on its strengths. Several challenges were identified in the strategic planning process in the organization and these include political interference, a lack of adequate resources (material, human and finances) and inadequate support from the organizations leadership. Some of the steps taken to counter the challenges include the need to align the organization culture to its strategy, motivation of staff to enhance performance, effective communication of the strategy and team work. This study concluded that there are many benefits that accrue from an effective implementation of the strategies by both public institutions as well as private entities. The study recommends that the organizations strategic planning be an all-inclusive exercise and more participatory where the junior staff, community and non-governmental organizations views are accommodated in order to realize reduced resistance during the implementation phase.

CHAPTER ONE

INTRODUCTION

1.1 Background

Most organizations – irrespective of their size, age, or industry – are increasingly faced with the challenge of continuous and dynamic change and therefore needs an effective, comprehensive business plan because the process of developing the plan forces the entrepreneur to think about the harsh “reality” of the business world, rather than the more common dream world (Herter, 2005). Effective strategic planning is necessary for organizations to survive and make appreciable contribution in an environment characterized by high competition. While there have been great breakthroughs in other fields, there has not been any significant breakthrough in the field of strategic planning to enable organizations respond effectively to the challenges posed by the current and the unfolding environment in which they exist. This has mostly been the case because there has been lack of investment on strategic planning practices in general as compared to other fields of knowledge and practice (Patel, 2005).

This study is based on a number of theories that includes: Behavioural Theory of the firm and the Resource –Based Theory. The resource-based view (RBV) argues that resources are simultaneously valuable, rare, imperfectly imitable and imperfectly substitutable and are a crucial source of competitive advantage (Barney, 1995), and contribute to sustained performance differences between companies (Hoopes et al., 2003). Behavioural theories are based on the assumption that for the realisation of a certain business strategy certain employee behaviour is necessary.

In this way, employee behaviour forms the bridge between business strategy and firm performance. In this view, human resource management and practices are seen as a means to “... elicit and control employee attitudes and behaviours” (Wright & McMahan, 1992, p. 303) which are believed to be most effective in realising the aims of the organisation.

Youth empowerment is a critical pillar for political and socio-economic success for any country and even more important for the African continent. This is especially so due to the fast increasing youthful population with unmatched employment opportunities. This therefore, makes the creation of the Youth Enterprise Development Fund Corporation of Kenya very critical, a first of its kind in East Africa and modelled around a similar one in South Africa. Several studies have been done on the Fund targeting certain aspects of its performance but none on its overall performance. Being the first initiative by the Government of Kenya, makes it a unique study to seek to find out whether strategic planning has worked for the Fund to deliver on its mandate and by extension if the Government of Kenya (GOK) has delivered on one of its key programme (flagship project) under the social pillar of the vision 2030 where the Fund is anchored.

This proposal therefore, attempts to evaluate and examine the fit between strategic planning and firm performance in the context of the Youth Enterprise Development Fund Board of Kenya (YEDF). The measures includes, the performance of the fund in realization of its strategic objectives, variables relating to the challenges facing the fund, opportunities and its critical success factors since its inception.

1.1.1 The Strategic Planning Process

Strategic planning is the process of determining the mission, major objectives, strategies, and policies that govern the acquisition and allocation of resources to achieve organizational aims (Pearce et al., 2007). The key components of strategic planning include an understanding of the firm's vision, mission, values and strategies thus strategy, narrowly defines means by which it is seeking to get there. A strategy is seen as a roadmap or the path chosen to follow towards the end vision. The vision outlines what the organization wants to be, or how it wants the world in which it operates to be in its long-term view and concentrates on the future, (O'Regan and Ghobadian, 2002).

The mission defines the fundamental purpose of an organization or an enterprise, succinctly describing why it exists and what it does to achieve its vision while the values are beliefs that are shared among the stakeholders of an organization. Values drive an organization's culture and priorities and provide a framework in which decisions are made. For an organisation's vision and mission to be effective, they must become assimilated into the organization's culture, (Pascale, 2004).

They should also be assessed internally and externally. The internal assessment is focused on how members inside the organization interpret their mission statement. The external assessment which includes all of the businesses stakeholders is valuable since it offers a different perspective. These discrepancies between these two assessments can provide insight into their effectiveness, (Whitehead and Gup, 2005).

With increasingly intense competition, shrinking product cycles, accelerated technological breakthroughs, and progressively greater globalization, the business arena may best be described as being in a chronic state of flux with continual variation in its external environment, (Whitehead and Gup, 2005). Given such ever changing environmental conditions, a firm's ability to change direction quickly and to reconfigure strategically is crucial to its success in achieving sustainable competitive advantage (Hambrick, 2000).

Besides the personal satisfaction of taking charge of the organizations future, strategic planning forces a look into the future and therefore provides an opportunity to influence the future, or assume a proactive posture, provides better awareness of needs and of the facilities related issues and environment, helps define the overall mission of the organization and focuses on the objectives, provides a sense of direction, continuity, and effective staffing and leadership and plugs everyone into the system and provides standards of accountability for people, programs, and allocated resources. It is the key to helping stake holders collectively and cooperatively gain control of the future and the destiny of the organization, (O'Regan and Ghobadian, 2002).

When developing strategies, analysis of the organization and its environment as it is at the moment and how it may develop in the future, is important, (Andersen, 2000). The analysis has to be executed at an internal level as well as an external level to identify all opportunities and threats of the external environment as well as the strengths and weaknesses of the organizations. The external situation analysis, includes, markets (customers), competition, technology, supplier markets, labour markets, the economy and the regulatory environment.

Analysis of the external environment normally focuses on the customer. Thus the management should be visionary in formulating customer strategy, and should do so by thinking about market environment shifts, how these could impact customer sets, and whether those customer sets are the ones the company wishes to serve, (Hambrick, 2000).

1.1.2 Organizational Performance

Organizational performance is described as an organization's ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuit of its operations goals (Griffins, 2006). Thus, organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives.

The performance of an organization can be measured in various ways which include qualitative and quantitative. Firstly, how efficient the organization utilizes its resources to produce a profit and secondly is to set of measure based on the prevailing price of an organization's stock (Delaney and Huselid, 2006).

The organization performance is affected by the strategies that the organization has chosen, thus performance may take many forms depending on whom and what the measurement is meant for. Organizational performance encourages three specific areas of firm outcomes: financial performance (profits, return on assets and return on investment), product market performance (sales and market share) and shareholder return (total shareholder return and economic value added) Richard *et al.*, (2009).

Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

1.1.3 Strategic Planning Process and Organizational Performance

Organizational performance involves the measurement of actual results as compared to intended results. These results are normally in form of goals and objectives. According to Richard (2009) organizational performance encompasses three areas of a firm's output. Financial performance measures performance in terms of profits, return on assets and other measures that looks at organization's efficiency in utilization of funds. Product market performance measures performance in the light of sales, market spread, market penetration and market share among others. Shareholder return measure performance in terms of total shareholder value added.

Through strategic planning, vision, mission and values of an organization are created and this guides the management in establishing strategic goals for a given planning period. This is all done in the light of available resources i.e. an organization's strategic capabilities. Once goals are established, they are communicated and cascaded downwards to an organization's different functions. This may be done using different tools the most popular one being the Balanced Scorecard.

1.1.4 Kenyan Public Enterprises

The State Corporations Act Cap 446, Section 2 defines State Corporations as a state corporation established under section 3 of that Act; or a body corporate before or after the commencement of this Act by or under an Act of Parliament or other written law but not- the Permanent Secretary to the Treasury incorporated under the Permanent Secretary to the Treasury (Incorporation) Act; a local authority established under the Local Government Act ; a co-operative society established under the Co-operative Societies Act ; a building society established in accordance with the Building Societies Act ; a company incorporated under the Companies Act which is not wholly owned or controlled by the Government or by a State Corporation ; the Central Bank of Kenya established under the Central Bank of Kenya Act.

This definition also includes a bank or a financial institution licensed under the Banking Act or other company incorporated under the Companies Act, where the whole or controlling majority of the shares or stock of which is owned by the Government or by another State Corporation; and also a subsidiary of a state corporation.

The above description puts together commercial entities , regulatory bodies , service providers , universities, training institutions and research institutions without taking into account their mandates and operational requirements and are all subjected to a uniform regulatory regime. According to the Presidential Task Force on Parastatal reforms (2013) there were 262 state corporations in Kenya as at 9th October 2013, all categorized into the above named categories.

Ongoing reforms seek to transform the public service from a process orientation to a result management culture to facilitate the achievement of the Economic Recovery Strategy (ERS) and attain Millennium Development Goals (UNDP, 2008) and the Vision 2030 blue print. The government launched the Civil Service Reform Programme, (1993) to enhance Public Service efficiency and productivity.

The Civil Service Reform Programme was designed to proceed in three phases: Phase 1 – Cost containment; Phase 2 – Performance Improvement, and Phase 3 – Consolidation and, sustenance of gains made by reform initiatives. While phases 1 and 2 succeeded in reducing the Civil Service workforce by 30% (from 272,000 in 1992 to 191,670 in 2003), productivity and performance remained a fleeting illusion. This paved way for introduction of Results- Based Management (RBM) guided by the Economic Recovery Strategy (ERS) for Wealth and Employment Creation (Republic of Kenya, 2003). In the 2003-2007 Public Service Reforms, the Government started implementing the Economic Recovery Strategy (ERS) for Wealth and Employment Creation (Republic of Kenya, 2003). All Government agencies have since been directed to align their strategic plans to the national vision as enshrined in the Vision 2030 blue print.

1.1.5 The Youth Enterprise Development Fund of Kenya

It is essential that young people themselves are strategically engaged as architects and agents in the development landscape. This organization is a state corporation in Kenya under the State Corporations Act, Cap 446 of the Laws of Kenya.

It's a services sector corporation wholly owned and funded by the Government of Kenya, which is not for profit but is charged with the huge responsibility of promoting youth empowerment through entrepreneurship and providing credit without following the conventional/traditional lending mechanisms that are purely collateral driven. The Youth Enterprise Development Fund (YEDF) paradigm is one that promotes young people as valued assets in the development process in Kenya by ensuring that they have the tools and encouragement they need to play an active part in the reversal of marginalisation, poverty, illiteracy, unemployment, and diseases.

The work of the YEDF is youth empowerment and it is underpinned by the provisions outlined in its first three year strategic plan, which was developed in 2008 (2008 – 2011), (Youth Enterprise Development Fund Board, 2008); and in its second strategic plan of 2013-2017. The fund was conceived by the government in June 2006 as one of the strategies of addressing youth unemployment. The fund was a key strategy in the Ministry of Youth affairs and Sports' (MOYAS) broader programme on youth and employment and now in the Ministry of Devolution and Planning. Thus the strategic plan is a road map towards youth empowerment and the vehicle to deliver on the youth economic development in Kenya.

The strategic objectives were to, increase the core funding to Ksh. 5 billion over the three years, and leverage it by an average of 3 times, facilitate marketing of products and services for youth enterprises locally and internationally and provide specialised support to 3,000 youth enterprises over the three years, facilitate employment abroad of 10,000 youth a year by 2011, provide capacity building to youth enterprises and business development services to 21,000 youth enterprises at constituency level by 2011 and support 3000 youth enterprises develop linkages with large enterprises, (Ministry of State for Youth Affairs, 2006).

1.2 Research Problem

Even though the concept of strategy may have had its original underpinnings in the military and its war efforts, over many decades it has become a mainstay and a major process in for-profit and not-for-profit organizations (Jarzabkowski, 2008). Organizations are using formal planning as a positive control over market forces, create competitive advantages, improve organizational effectiveness, and improve its performance. Strategy is designed to help firms achieve competitive advantage. In the broadest sense, competitive advantage is what allows a firm to gain an edge over its rivals. Competitive advantage enables a firm to achieve high performance over an extended period of time. Strategic planning therefore is part of the contemporary managerial tool kits not only for dealing with the inevitable uncertainty in the management environment but also, for stimulating organizational performance.

The Kenyan Government through the Ministry of Youth Affairs and Sports (MOYAS) introduced the Youth Enterprise Development Fund (YEDF) in 2006 as a strategic move towards arresting youth unemployment (MOYAS, 2006). The fund's strategic focus is on enterprise development as a key strategy that will increase economic development in the country and contribute to the realisation of the Kenyan Vision 2030, (MOYAS, 2006). As such a strategic plan was developed under the Ministry to outline the issues, concerns and challenges affecting the youth which includes youth and employment, empowerment and participation, education and training, access to information communication technology and health, crime and drugs, environment, leisure, recreation and community service. The strategic plan further outlines the objectives and strategies that the Ministry pursues to enable the youth in Kenya to fully participate and hence contribute to the achievement of vision 2030 to become globally competitive and an emerging economy, (MOYAS, 2007).

Strategic planning and performance has been the subject of much academic debate in the recent past, but little empirical research and analysis exists on this subject in various government development projects world over. Many international scholars and researchers have examined this area of strategic planning and organizational performance. They include:- Bobek and Stojan (2012) on strategic planning effectiveness who aimed at investigating the relationship between strategic planning and the organizational effectiveness examined a wider list of strategic planning dimensions and different approaches and measures to assess the strategic planning effectiveness in the case of the Republic of Macedonia. Javad and John (2006) examined the relationship between various facets of strategic planning and performance in small community banks. *Creating Public Value: Strategic Management in Government* (Moore. 1997) and *Strategic Planning for Public Managers* (Mercer, 1991). Impact of various forms of strategic and operational planning activities on a variety of financial performance measures for both large and small firms (Robinson, et al, 1994).

Looking at all these studies the Kenyan context has not been fully taken care of looking at the uniqueness of the Kenyan environment. Locally a number of studies have also been conducted, such as: Awino, Muturia and Oeba (2007) evaluated strategic planning, planning outcomes and organizational performance of the Kenyan Commercial Banks. Kamadi (2013) did a research on the factors influencing the repayment of the YEDF loans by youth groups; effect of YEDF on Youth Enterprises in Kenya by Oduol (2013); the role of YEDF in job creation by Momanyi & Gongera (2013); challenges in the disbursement of YEDF loans by Gachuru & Mwirigi, (2014) among others.

All these point to the fact that for YEDF to meet its objectives it must have been involved in planning and properly connected its objectives, goals with the techniques and tactics to achieve the same having taken into consideration its resource base and the environment under which its operating, thus the need for this research to establish that link between strategic planning and its overall performance and the value to the tax payers of this country.

The above empirical studies have presented literature on the relationship between strategic planning and performance from an organizational perspective and are focused mainly on private business enterprise or government bodies but not in the same sector with YEDF. They do not give solid empirically based conclusions concerning the usefulness of strategic planning on the performance of unique government programmes like the youth enterprise development fund.

The local studies on the Fund have only skirted around few elements of performance but the overall performance as aided by strategic planning. The present study takes an alternative dimension by examining strategic planning by the Youth Enterprise Development Fund and its effect on its overall performance since inception. The study seeks to answer this research question: how has strategic planning affected the performance of the YEDF?

1.3 Research Objective

The objective of this study was to establish how the strategic planning process has affected the performance of the Youth Enterprise Development Fund of Kenya.

1.4 Value of the Study

This study will be useful to scholars, students and other researchers upon completion. In their future studies, researches will have information from this study to refer to in their work. They will also be informed on what was researched on and further to this they will avoid duplication of the same study unless they want to replicate the research. The study may also highlight other relationships between strategic planning practices and organizational performance which may not have been known previously.

The findings of this study will be beneficial to the management of the Youth Enterprise Development Fund since it brings to the fore the performance of the YEDF since its inception and the extent to which the strategic planning process has led to its failure/ success. The study will help the government, policy makers and other interested parties in the welfare of youth in Kenya in accessing the extent to which the parties have been able to address the plight of youth and any challenges that have been realised in the implementation of the programme since inception.

The study will also be useful in the testing of the, resource based and behavioural theories in strategic planning. It will test its link to performance of the state owned corporations and especially in this kind of programmes whose performance may not necessarily be measured using the traditional parameters such as profitability and market share among others. This study will create a body of new knowledge that may be useful in deepening the understanding of the area of strategic planning in organizations and even generate further interest in carrying out further studies in related areas.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section deals with the selection of available documents both published and unpublished on strategic planning and performance of the organization to convey the knowledge and ideas that have been established on the topic, and what their strengths and weaknesses are. It discusses essential issues that form the background of the study. It is organized systematically starting from the theoretical literature, main discussion, empirical evidence on the relationship between strategic planning and firm/organizational performance in YEDF and finally the summary.

2.2 Theoretical Foundation

Strategic planning is a combination of strategy and planning (Leslie, 2008). Strategic planning was designed to help organizations to anticipate and respond effectively to their dramatically changing environments. Johnson and Scholes (2004) see strategic planning as a special kind of decision-making process with some distinct characteristic. Many governmental organizations are reported as having adopted some form of strategic planning.

2.2.1 The Behavioural Theory of the Firm

The decision to classify the behavioural theory of the firm as part of an organizational economics approach to strategic management has its precedents, notably in the work of Barney and Ouchi (1986). Furthermore, the behavioural theory of the firm serves as an important block in transaction costs theory; it is also a building block in dynamic capabilities theory and evolutionary economics (Nelson and Winter, 2002).

The theory emphasizes the actual process of making business decisions and provides detailed observation of the ways in which organizations make these decisions. Cyert and March (1992) present the rudiments of a behavioural theory of the firm that have proven to be relevant both to economic theory and to the theory of complex organizations. Organizations provide those in responsible positions the means for exercising authority and influence over others. Organization influences the environment of information and strategies in which decisions are carried out.

2.2.2 Resource-Based Theory

Resource based theory at business level is used in explorations of the relationships between resources, competition, and profitability including the analysis of competitive imitation, the appropriability of returns to innovations, the role of imperfect information in creating profitability difference between competing firms, and the means by which the process of resource accumulation can sustain competitive advantage. Together, these contributions amount to what has been termed “the resource-based view of the firm.”

The implications of this “resource-based theory” for strategic management are unclear for two reasons. First the various contributions lack a single integrating framework. Second, little effort has been made to develop the practical implications of the theory. This theory proposes a framework for resource-based approach to strategy formulation which integrates a number of key themes arising from strategic planning literature. The framework involves five-stage procedure for strategy formulation; analyzing the firm’s resource-base; appraising the firm’s capabilities; analyzing the profit-earning potential of the firm; selecting a strategy, and extending and upgrading the firm’s pool of resources and capabilities for results in performance (Rumelt, 1984).

2.3 Strategic Planning in the Context of Firm Performance

Strategic planning can be considered from content or a process viewpoint (O'Regan and Ghobadian, 2002). The content relates to the distinct elements of the strategic plan, which differ from firm to firm. Process relates to the mechanisms for the development of the strategic plan and its subsequent deployment. A strategic planning system focuses on two areas, the impact of strategic planning on firm performance and the role of strategic planning in strategic decision making, (Robert and Peter, 2012) Strategic decision making explores the organizational processes of strategy formulation. Strategy formulation distinguish between prescriptive schools which includes design, planning and positioning and descriptive schools which are the cognitive, learning, power, cultural and environmental, or elements which have both, entrepreneurial and configuration, (Rhyne, 1996).

The dynamic capabilities approach embodying notions of core competence, strategic intent and stretch, Mintzberg and Lampel (1999) sees it as prescriptive and practitioner-focused and classify it as a hybrid of the learning and design schools. The resource-based view to appears to be descriptive and research-focused and they classify it as a hybrid of the learning and cultural school.

The tendency has been to view the different schools as representing fundamentally different processes to strategy formation, (Powell, 1992). The relationship between strategic planning (SP) and an organization's performance is associated with the field of strategic management from its earliest foundations. These early developments significantly include that of Andrews (Learned et al., 2005) and Ansoff (2005). Strategic planning has also been known under various labels encompassing long range planning, corporate planning, and strategic management in addition to strategic planning.

Strategic planning as an organizational managerial process is defined as the process of determining the mission, major objectives, strategies and policies that govern the acquisition and allocation of resources to achieve organizational aims (Pearce et al., 2007). The term strategic planning is used with the intent to convey that a firm's strategic planning process involves explicit systematic procedures used to gain the involvement and commitment of those principal stakeholders affected by the plan. Although the principles of strategic planning should, of course, have universal application, there may be national differences in strategic planning, country dependent influences from business culture, and influences from different national trading conditions (Greenley and Foxall, 1997).

2.4 Success Factors in Strategic Planning and Organizational Performance

The question regarding the nature of strategy formulation in organizations has centred on the so-called design versus process debate, which emphasizes the difference between deliberate and emergent strategies (Mintzberg and Lampel, 1999). Deliberate strategies are defined as intentions rebased from strategies that are formulated in advance, whereas an emergent approach produces evolving strategic patterns despite or in the absence of intentions. One side advocates a formal, systematic, rational, strategic planning process, (Goold, 1992).

Evidence on strategic planning works in the real world in the investigation of the strategic planning practices of the major oil companies; Grant (2003) found that the strategic planning systems of the international oil majors could be described as processes of planned emergence. The primary direction of planning was bottom up from the business units to the corporate headquarters and with business managers exhibiting substantial autonomy and flexibility in strategy making.

At the same time, the structure of the planning systems allowed corporate management established constraints and guidelines in the form of vision and mission statements, corporate initiatives, and performance expectations. Harrington et al. (2004) reach a similar conclusion that a firm's strategy formulation processes are either deliberate or emergent. Consequently, the norm has been to separate strategy formulation into deliberate and emergent categories.

However, Harrington et al. (2004) argue that it should be treated as a continuum in order to better tap into the idea that both approaches can be present in organisations. Because dynamism and its associated uncertainty are on a continuum, managers do not have an either/or approach to strategy formulation managers are cognizant of the environment and they respond by manipulating the strategy formulation process (Harrington et al., 2004). Further, Andersen (2000) demonstrate that decentralized strategic emergence, where relatively autonomous managers are empowered to take initiatives of potential strategic consequences, and strategic planning activities that integrate diverse market experiences and coordinate strategic actions are both important to achieve superior performance.

High levels of performance may result in strategic planning, as greater performance allows for the allocation of resources to planning. Or, as Mintzberg and Lampel, (1999) puts it only rich organizations can afford planning, or at least planners. While Rhyne (1996) in his study found that firms with planning systems more closely resembling strategic management theory were found to exhibit superior long term financial performance, both relative to their industry and in absolute terms, he concluded that whether strategic planning resulted in superior performance or superior performance permitted strategic planning remains difficult to specify (Rhyne, 1996).

The issue of the measurement of organization performance is a controversial area (Goodman, 1992). A major problem is the choice of the appropriate yardstick(s) to be evidence on strategic planning used when assessing organization performance. Essentially this concerns the appropriateness of traditional financial measures as providing a unique measure of performance versus the relevance of other indicators such as maximizing shareholders' wealth; qualitative returns to non-financial stakeholders such as customer satisfaction, (Golden, 1992).

Armstrong (2002) considered 12 studies reporting positive, null or negative benefits to formal planning, and concluded that these studies supported the usefulness of formal planning, but that serious research problems were found in these studies, so few conclusions could be drawn about how to plan and when to plan, Pearce et al. (2007) examined 18 studies and concluded that empirical support for the effect of formal planning has been inconsistent and contradictory and that only a tenuous link between formal strategic planning and financial performance had been identified. Shrader et al. (2004) examined 18 studies and concluded that there is no clear relationship between formal-long range planning and organizational performance.

2.5 Challenges Associated with Strategic Planning and Organizational Performance

Strategic planning is one area that businesses large and small should pursue to ensure that all employees are involved, especially in activities designed to achieve the company's mission, vision, values and core strategies. Strategic planners face a number of challenges that they need to be alert to and prepared to overcome. Good strategic plans should create some level of organizational change, a shift in direction, a shift in focus, new missions, (Shrader et al. (2004).

But it can be hard to realize the intention to change with limited resources and a high pressure environment. It is a challenge to lay a set of new stretch initiatives on top of the daily work of just running the organization. It requires a regular presence on-site to help the organization stay on track strategically and align its structure and governance to support its strategic plan, (Slevin and Covin, 1997). If the organization has a strategic plan, it is about making sure the plan is on track and being implemented. If the organization does not have an active plan, it is about coaching the executive director and senior staff on strategic issues to which they should be responding, (Zachari et al. 2007).

A key challenge that strategic planners face is engaging the right people in the planning process. The words strategic planning can strike fear in even the most experienced business person, but small businesses are most at risk of avoiding this important task. It can help to avoid or minimize the business jargon and to clearly explain to those involved the benefits of the planning activities; primarily helping the business to focus on those activities most likely to generate success, (Wernerfelt, 2010).

Probably the most challenging aspect of strategic planning is people. Strategic planners face the need to get a large number of people with different backgrounds, interests and perspectives to agree on the direction the organization should take. Achieving consensus can be challenging, but fortunately there are a number of business tools that can be used from simple brainstorming, to mind mapping to nominal ranking, (Thune and House, 1991). The greatest challenge for strategic planners in any environment is execution, actually putting the plan in place.

Too often so much effort and attention is focused on developing the plan that once it's developed the planning team feels that their work is through. But it is at this point when the real work just begins, (Thompson and Strickland, 1992). Actually achieving the goals, objectives, strategies and tactics in the plan is the point of the entire process, as effective strategic planners know.

It is important that the strategic management services be provided by someone who is an outsider, not on staff. Organizations are systems, and systems tend to fall prey to inertia, a tendency to do things the way they have always been done. It is crucial that the person charged with this role has the perspective that comes from not being part of the system, so the consultant can help the client stand back from daily life and see the important trends or issues they might otherwise miss, (Steiner and Cannon, 1996).

Several papers have reviewed this body of empirical work in an effort to integrate strategic planning and firm performance. Greenley and Foxall (1997), for instance, identified a total of 29 relevant and published empirical studies, where the overall aim of each study was to investigate whether or not an association can be identified between strategic planning and performance. Greenley and Foxall classifies these studies into three groups. In the first group there are nine studies where the researchers concluded that there is no association between strategic planning and company performance. In the second group there are 12 studies, which support an association between strategic planning and company performance (Ansoff et al, 2005).

In the third group of nine studies it was concluded that companies with strategic planning outperform companies without strategic planning, Thune and House (1991) notes that an initial examination of these results suggests that, on balance, the evidence supports an association between strategic planning and company performance. However, this conclusion does not include an appraisal of the methodological rigor of these results. He argues that there were many methodological weaknesses, which challenge this initial conclusion.

2.6 Empirical Studies and Knowledge Gaps

Strategic change researchers and academicians have contributed to the literature by examining the conditions under which specific practices, resources or structural arrangements contribute to sustainable competitive advantage. However, strategic management or strategy is a relatively young field facing all the problems and difficulties associated with a rising academic discipline. The strategy field is large and disparate, with contributions from many background, disciplines, and little fundamental agreement upon ontological and epistemological premises.

Historically, the field of strategy was viewed as 'integrative'. Most academics actively involved in the study of strategy hail from a host of disciplines – anthropology, sociology, population ecology, finance, marketing, political science, and theology to name only a limited number. However, in a pre-paradigmatic field such as strategy, one would appreciate such pluralism as theories and concepts from various related and non-related disciplines have really expanded and enriched the knowledge base of strategic management.

A study by Kaplan and Norton (2008), argues that to manage both strategy and operations, companies must take five steps: Developed strategy, based on a company's mission, values and its strengths, weakness and competitive environment; Translate the strategy into objectives and initiatives linked to performance metrics; Create an operational plan to accomplish the objectives and initiatives; Put the plan into action and monitoring its effectiveness; Test the strategy by analyzing cost, profitability and correlations between strategy and performance. Optimally position the organization in its external environment to achieve the organization's mission. According to Thompson and Strickland (1998), many organizations adopt one or more generic strategies to demonstrate their service delivery approach to the community they serve.

This is a holistic statement of the organization's strategic orientation. Grand strategies provide the basic direction for strategic action. An increasing number of academicians are now extolling the central role of business processes in improving performance. Most recently, Kaplan and Norton's book "Strategy Maps: Converting Intangible Assets into Tangible Outcomes" places business processes at the Centre of their approach of measuring a firm's progress in implementing strategy (Spanyi, 2004).

Many international scholars and researchers have examined this area of strategic planning and organizational performance. They include:- Bobek and Stojan (2012) on strategic planning effectiveness who aimed at investigating the relationship between strategic planning and the organizational effectiveness examined a wider list of strategic planning dimensions and different approaches and measures to assess the strategic planning effectiveness in the case of the Republic of Macedonia. Javad and John (2006) examined the relationship between various facets of strategic planning and performance in small community banks.

Creating Public Value: Strategic Management in Government (Moore, 1997) and Strategic Planning for Public Managers (Mercer, 1991). Impact of various forms of strategic and operational planning activities on a variety of financial performance measures for both large and small firms (Robinson, et al, 1994). Looking at all these studies the Kenyan context has not been fully taken care of looking at the uniqueness of the Kenyan environment.

Locally a number of studies have also been conducted, such as: Awino, Muturia and Oeba (2007) evaluated strategic planning, planning outcomes and organizational performance of the Kenyan Commercial Banks. Kamadi (2013) did a research on the factors influencing the repayment of the YEDF loans by youth groups; effect of YEDF on Youth Enterprises in Kenya by Oduol (2013); the role of YEDF in job creation by Momanyi & Gongera (2013); challenges in the disbursement of YEDF loans by Gachuru & Mwirigi, (2014) among others.

All these point to the fact that for YEDF to meet its objectives it must have been involved in planning and properly connected its objectives, goals with the techniques and tactics to achieve the same having taken into consideration its resource base and the environment under which its operating, thus the need for this research to establish that link between strategic planning and its overall performance and the value to the tax payers of this country.

Looking at many of the studies done both locally and internationally it is clear that many of them have indicated that there is apposite correlation between strategic planning and organizational performance. Many of the international studies have looked at organizations in general.

However, apart from a few local studies on specific narrow dimensions e.g. on repayments, absorption rates in the Fund, they have not looked at the organization in its entirety and assessed whether strategic planning has worked for the Fund to deliver on its mandate bearing in mind that it touches on a number of sectors i.e. partially a financial institution and purely created to address the socio-economic issues surrounding youth unemployment and participation in economic development as outlined in the vision 2030 as a flagship project. Not all state Corporations are flagship projects of the vision 2030.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used to carry out the study. The chapter describes the proposed research design, data collection and data analysis.

3.2 Research Design

The research design was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. Case studies allow a researcher to collect in-depth information, more depth than in cross-sectional studies with the intention of understanding situations or phenomenon.

The reason for this choice was based on the knowledge that case studies are the most appropriate for examining the processes by which events unfold, as well as exploring causal relationships and also they provide a holistic understanding of the phenomena through prodding of the interviewee to give answers to the questions.

3.3 Data Collection

Primary data sources were used in this study where data was obtained through interactive interviews. According to Mugenda and Mugenda (2008), primary data refers to data that the researcher collects from respondents while secondary data refers to data from other sources like records and documents, thus primary data was considered more reliable and up to date. In structured interviews, emphasis was on obtaining answers to carefully phrased questions whereas under in-depth interviews, the interviewers sought to encourage free and open responses, and this allowed a trade-off between comprehensive coverage of topics and in-depth exploration of a more limited set of questions.

Patton (2002) asserts that, the quality of the information obtained through these methods is largely dependent on the interviewer's skills and personality. In-depth interviews also encourage capturing of respondents' perceptions in their own words, a very desirable strategy in qualitative data collection. In this study data was collected by interviewing ten managers in Human Resource Department, Finance Department, Strategy Department and Operations Department.

3.4 Data Analysis

The data obtained was analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study.

Content analysis, as a class of methods at the intersection of the qualitative and quantitative traditions, is used for rigorous exploration of many important but difficult-to-study issues of interest to management researchers (Carley, 2003). This approach is more appropriate for the study because it allows for deep, sense, detailed accounts in changing conditions. Thus the qualitative method is suitable for this research because this research will be conducted within the environment where the implementation initiatives occurred.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to establish the effect of strategic planning and performance of the Youth Enterprise Development Fund of Kenya. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

4.2 Interviewee Profile

This part of the interview guide was intended to assess the capacity of the respondents to answer the questions on the interview guide and also whether they are versed with the strategic planning process of the Youth Enterprise Development Fund (YEDF). In addition the section covered questions on the strategic planning process and practices, design process, stakeholder involvement, environmental scanning and challenges faced in the strategic planning process.

The specific respondents in the interview were: Supply Chain Manager; Finance Manager; Business Development Manager, Public Relations Manager; Audit Manager; Senior Accountant; Lending & Investment Manager; Human Resource Manager; Regional Coordinator; and Senior Monitoring and Evaluation Officer. In terms of the job experience, the interviewees had all worked for a cumulative 27 years in different levels in the Youth Enterprise Development Fund as well as other youth oriented projects in the Kenya and the East African region. The total number of respondents were ten thereby making the level of responses received to be 100% (hundred percent).

In terms of the interviewees' professional and academic qualification, it was found out that all the interviewees had a bachelor's degree in business related fields as well as operations. In addition, four of them had master's degree in business related fields.

Three of the interviewees had in addition undergone further training in foreign countries and attended seminars that were organized by organizations such as , Commonwealth Secretariat; African Development Bank; Grameen Bank among others to enhance their capacity in handling youth related investment and financing. Having worked in the organization for such a period, the researcher believes that the interviewees were well suited in answering the questions appropriately. Further, with this solid background in form of the interviewees academic qualification and work experience, it was felt that the interviewees were knowledgeable enough on the research subject matter and thus of help in the realization of the research objective.

4.2 Strategy Planning Practice at Youth Enterprise Development Fund

An organizations' strategic plan is long-term in nature and it is expected that the day-to-day operational plan and annual program should be undertaken in such a way to ensure that the long term strategic objectives are achieved. Towards this end, the researcher sought to establish whether the YEDF operational and annual programs work in tandem towards the achievement of the overall strategic plan. The guiding principle of a firms strategic plan is its vision and mission which all the interviewees acknowledged that the organization has in place. The organizations strategic plan is geared towards realization of its set performance targets and objectives.

On the question of how the organization's strategic planning practices have impacted the organization's performance, the respondents pointed out that the Monitoring and Evaluation Department that is in charge of the strategic planning process was actively involved in the attainment of its objectives. The respondents especially the Human Resources Manager was prodded further, I specifically pushed her to tell me how her department links up with the M & E department without creating confusion in the organization bearing in mind that they both handle an element of managing performance. She responded by stating that the departmental roles are clearly stated and demarcated in their job descriptions for every employee. It was found that the department plays an important role in monitoring and evaluating the strategic plan; helps in consolidating the annual work plans and produces quarterly reports on the performance contract.

In addition, the interviewees noted that the monitoring and evaluation department is charged with the task of monitoring the implementation of the strategic objectives, tracks the action plans using the implementation matrix /framework and also prepares the Fund's performance contracts and monitors their implementation. The department was also identified as playing an important role in training the organizations staff and also continuously appraising them on the environmental changes being experienced in the business environment and how the organization should respond to them. I sought for more detailed information from the Senior M & E Officer on how the staff members view her work and whether they give her maximum cooperation, she responded to the fact that sometimes it is difficult to get 100% support from the staff members, unless the very top management steps in because her work is sometimes viewed suspiciously as one who is out for witch hunt.

The development of an organization's strategic plan is usually determined by some factors that the organization finds will affect its operation and realization of its objectives. It was noted that YEDF comes up with its strategic plans based on the environmental scanning process that the firm undertakes and justifies the need to develop a different strategy and this will in most cases be determined by the expiry of the previous plan. The need to align the organizations activities with the Government's policies on youth necessitates the development of a new strategic plan. They noted that in general, the Fund has not achieved its mandate of Youth Economic empowerment as envisaged in the Government targets and this necessitates need to develop a new strategy to realize the targets. Generally therefore, the need to adapt to the demands of the market explains the strategic plan of the organization.

The organizational strategic planning process involves among others setting the strategic direction of the firm, designing quality service system, stakeholder involvement, enhancement of operational efficiency, clarifying future direction and establishing priorities as well as assessing and sustaining organizational competence and impact. The researcher also sought to establish how these strategic planning practices was being applied at the Youth Enterprise Development Fund. The interviewees pointed that the setting of the strategic direction of the firm was being set and directed by the Board, key parent Ministry staff, Vision 2030 division and key stakeholders to the organization.

They noted that as a Government institution with a mandate to provide funding to the youth in Kenya, its strategic planning process will have to be guided by the Government policies towards the youth in Kenya. It was noted that the mandates of the Fund are linked and compared to the national vision 2030 as well as legal notices issued.

The development of organizations strategic plans is dependent upon the persons tasked with the preparation of the same strategy as well as the resources directed to the program and used. At YEDF, it was found that the organization uses ISO guidelines in the strategy preparation and continuously trains the strategy developers and implementers on how to effectively realize the objectives set. Constant communication and the creation of common values within the groups is a guiding principle in the organization as well as creating linkages with resource partnerships. The other process that the YEDF uses in its strategic plans is to set service level agreements with its suppliers and staff on how to address customer's complaints and adoption of the new lean supply chain operation system. The respondents noted that the other consideration which the planners consider is development of products that are customer oriented since without adapting the product offering to the market demands, there is a high likelihood that the target customer needs will not be met and therefore making the whole strategy development process an exercise in futility.

A firm's strategic planning process requires that the stakeholder's views are considered and satisfied since they have a role to play in the strategic planning process. It was found out that the Youth Enterprise Development Fund regularly conducts baseline surveys on customers' satisfaction levels, carrying out impact assessment surveys as well as coming up with a resolution mechanism of customer complaints. In addition, the organization designs and implements a service charter that guides their relationship with the clients.

In addition to holding breakfast briefings with key stakeholders and releasing status reports- feedback regularly, the organization holds stakeholders forums aimed at ensuring that their clients understand their business fully and that the client is well served to satisfactory levels.

They pointed out that all these actions undertaken during the strategic planning process are aimed at achieving a broad stakeholder support during the strategy implementation phase having realized the importance of stakeholder support. Some of the stakeholders that were consulted continuously include youth based organizations, NGO's, parent ministry, donors, partnering financial & non-financial institutions and the education based institutions.

The other strategic planning practice that was employed by the organization is the maintenance of the operating efficiency and clarifying future direction and establishing priorities. The organization was found to set targets through work plans, budgets and tracking of expenditures such that the outcomes at any given time are compared against the budget and any resultant unfavourable variances investigated. This management practice is what is termed as management by exception. It was also found that the organization undertakes frequent training to staff as well as youth groups to empower them in addressing the challenges faced in the day –to-day business operations. Being a Government organization, the interviewees acknowledged that in setting future direction, YEDF continuously aligns its strategies to the national blue print (vision 2030) and the mandate of the Fund and using the feedback that it receives from its customers. It was also found that the organization enlightens the public of its mandate and the opportunities that it has through print media, radio and through Youth forums talking repeatedly about YEDF and what they do.

In the case of the Youth Enterprise Development Fund, there has been a lack of sync between strategic planning process and the implementation of the same strategy. Consequently, the researcher sought to establish from the interviewees ways in which the same can be strengthened.

The suggestions of how the same was to be achieved was wide and varied. They noted that the strategic process need to be consultative and should involve a wide range of stakeholders, including the staff, Board and at the same time developing appropriate accountability mechanisms to ensure linkage between the strategy implementation and the core business of the Fund. The important role of the organizations staff in the strategy implementation process was highlighted such that they pointed out that there is need for them to be involved in the strategic planning process. The capacity of the staff to properly track and monitor the performance of the strategy implementation phase was pointed out as a critical step. Constant communication with users /stakeholders and setting the tone at the top with proper and elaborate cascading of the management thinking was found to be important too.

Determination of the desired results; how and when they will be measured, involve key implementation staff when planning and measuring results, use friendly language in engaging stakeholders was also found to be critical. I sought to understand what the respondents meant by being involved fully, I especially prodded the regional co-ordinator further , and he said “ as for me I think before the process began , all the staff should have been asked to fill out a questionnaire as a means of reviewing the previous strategic plan and also use it to gather useful information from the staff, thereafter at the final stage after validation and approval the general staff fraternity should have been brought together through the regions for them to understand and as a way of cascading and for them to own it”.

One of the important strategic planning practices is the undertaking of an appropriate environmental scanning process whereby an external analysis of the environment in which the organization operates in, competitor strategy and regulatory framework that exist is performed.

The researcher sought to find out how the YEDF undertakes this practice and it was found that the use of SWOT analysis was a common practice. This is achieved by holding discussions with industry players such as the CBK; partnering institutions; Vision 2030 Delivery Board and other industry specific players to understand the political, socio-economic factors at play. In addition, the organization uses consultants, Board and staff workshops to understand more on the environment that it operates in. As a Government organization the interviewees also pointed to the use of PESTEL technique to better understand the political, economic, technological, environmental and legal changes that are being witnessed in the country.

In addition, it was found that YEDF understands the operating business environment through conducting occasional impact assessment and holding stakeholder's forums where feedback is received first hand, analysis of customer complaints and using the services of consultants and the research office to better understand the changes in the operating environment that affects the organizations performance.

A firm's strategic planning process should not be considered as a one off activity but a continuous activity throughout the planning horizon. In this regard, the researcher sought to find out the evaluation and control process in the organization during the strategy implementation process. It was found that the monitoring and evaluation process involves the Mid-term reviews of the strategy, undertaking staff performance management to assess their input on the realization of the organization objectives and come up with suggestions on how improvement can be achieved. Internal communication among the internal and external implementers of the strategy was found to be a constant attribute of the implementation process in the organization.

If part of the organization strategy is being done by the external partners, then it was found that before the relationship is formalized, then the organization develops a partnership agreement that will govern their relationship. The performance of the external partners in actualization of the strategy is continuously evaluated on a monthly basis. The interviewees also pointed out the use of both internal and external audits team to evaluate the performance and development of performance contract reports were some of the tools used.

The objective of coming up with a strategic plan in an organization is to assist in its realization of its objectives. The researcher in addition sought to determine how the strategic plans set by YEDF has contributed to the success of the organization.

On this, the interviewees pointed out that the same had guided the organization to being focused and also facilitate the allocation of resources to specific activities being undertaken and this has improved the level of efficiency. The degree of aligning the organization to its mandates, the new constitution and Government objectives such as Vision 2030 and the current MTEF (medium term expenditure framework) (2013-2017) has been enhanced through the development of the strategic plans. This objective of aligning of the organization to the overall country objective was assessed to be around 60 - 70%. Indeed, they noted that 75% of the organization strategic goals in the 5 years strategic plan are aligned to 2nd MTP (Medium term plan) which is the 2nd phase of vision 2030 it the basis for annual target setting and budgeting process. The development and implementation of an organizations strategic plan is not only influenced by internal factors but also external variables beyond the reach of the firm.

On the challenges that face the organization in realization of its strategic plan objectives, the respondents pointed the furtherance of personal interests among the stakeholders, political interference. Lack of adequate resources and lack of an understanding of the mandate was identified as a major impediment to effective implementation of the organizations strategy.

In addition, lack of a strong and committed team to spearhead the implementation of the strategic plans were also pointed out as an impediment. Un expected changes by external bodies such as political influences, resistance to change by some stakeholders wielding political influence and power especially where it is stated as a fact that the mandates of the Fund are too many and some suggested that others needs to be dropped. Being the first Government body in Kenya and even within the East African region entrusted with increasing the economic empowerment of the youth, it was noted that it lacked any other organization to benchmark its operations with on the best practices and this was found to be a challenge.

As the senior most respondent, I asked the General Manager to explain this issue of political influence and interference as being a critical issue in the development and implementation of strategies in YEDF; in his own words he said: “ Government needs and policies keep on changing with time especially with the change of Governments after every election, as you are aware with the coming in of the Jubilee Government, there first agenda was to create a Fund called Uwezo Fund , this meant that YEDF will not get either the usual or additional funding as part of it was to be channelled through the Uwezo Fund; later in 2013 the President appointed a task force to review all the state corporations and of the key recommendation was that YEDF was to be merged with the WEF (Women Enterprise Fund); MSEA(Micro and

Small Enterprises Authority) and KIE (Kenya Industrial Estates) to create Biashara Kenya (BK), this led to the freezing of a number of operations which were part of the strategic direction of YEDF as we await the merger and hence this by and large means that our strategy implementation is hampered to some extent”.

A number of mechanisms were found to be employed by the organization in addressing the above challenges. The interviewees pointed out that where the challenge involved more than one party, a consensus, and lobbying and advocacy process was advocated by the organization. This was done through organizing stakeholder forums and creating sustainability mechanism. In a situation where there are no adequate resources, the respondents noted that they negotiate with the Government on sourcing additional funds. In some cases members involved in strategy implementation were not allowed to leave the office position during the strategy implementation period. This helped to nurture good teamwork and cohesion and generated good ideas from it. A review of the previous strategic plan, utilisation of the suggestions by the business process owners was also a common strategy adopted. Key stakeholders were engaged in discussions through round table meetings that necessitated negotiation. In cases where the management deemed that further training was necessary, various employee development programs were arranged.

The performance of a firm is dependent upon the strategic plans that the organization puts into place. Effective strategic plans are expected to affect positively the performance of the entity as measured by both financial and non-financial measures. To YEDF, it was found that strategic plans have helped in deepening the partnership and linkages among the many organizational stakeholders and also improved the periodic reviews of the individual staff performance and the organization as a whole.

The need to involve stakeholders in the organizations strategic planning processes and management has facilitated improved county sensitization programs aimed at enhancement of the organizations visibility at the grassroots level of the country which has made the functions of the organization to be appreciated in all regions of Kenya.

In addition, it was found that the organization has been able to properly cascade its objectives and at the same time be compliant to a large extent to the service charter which has facilitated resource mobilization. The standardization of the organizations operations and procedures has enabled the firm to move towards achieving ISO certification as well as making auditing of the process more effective.

In order to strengthen the relationship between strategic planning and performance at the Youth Enterprise Development Fund, the interviewees pointed a number of steps that should be undertaken. A popular approach advocated by majority of the interviewees was that staff involvement need to be enhanced in the strategic planning process as well as coordinating with other Government agencies that offer complementary services. In addition, it was suggested that the organization reviews its mandates to make it more autonomous such that the interest rates for the loan disbursement as well as sourcing for additional funding can be made without much Government bureaucracy. In cases where there has been in effective communication down the organization, it was suggested that the organization should come up with proper dissemination of information across all cadres of staff.

The interviewees also pointed out that top management at YEDF should take the lead by setting a good example of interacting and as well as motivating the technical staff members who may be involved in the execution of the strategy as well as to encourage a bottom up management system and enhanced capacity of regional branches. To improve the performance of individual staff, it was suggested that the work plans of individual staff should be cascaded down to individual staff and follow up on the same by allocating budgets based on the approved work plan activities. Continuous analysis of the performance at the end of every financial year to identify areas that need improvement and on how to address them should also be undertaken.

4.3 Strategic Planning Steps related to Organizational Performance

This section of the interview guide sort to establish the strategic planning actions undertaken by the organization that determines effectiveness and efficiency of its operations. The factors considered were environmental scanning, strategy formulation, strategy implementation, and evaluation and control practices.

The research found out that the process of identifying the mission and objectives of the organization was guided by the stipulated mandate of the organization as spelt out by the government and the government vision on the youth population as contained in Vision 2030. The organization's mission statement was determined based on the functions of the organization and out of this, it is still referenced by the staff in coming up with a particular period strategic plan.

The objectives of the organization's mission was identified through a coordinated participating process from the Board, staff, other stakeholders and partners with references to the legal instrument on the mandates and the vision 2030 blue print.

By considering all these, the organization has been able to realize its objectives and performance targets to a large extent. Due to having an over bearing Board of Directors , sometimes developing and implementing strategies may face a serious challenge especially where some of the members have or want tom push a different agenda for political reasons depending on which political wing or inclination he/she belongs to or comes from.

To this extent I sought to get a deeper understanding , I asked the Public Relations Manager , because he is one of the longest serving employee of YEDF to share his experience and understanding of the same and this is what he had to say: “ the Youth Fund was formed though purely for socio-economic reasons , it was created during an election year and was perceived as a political tool to answer political questions, this by and large affected the perception by the youth and other stakeholders and to a larger extent that of the staff, to start with when the first strategic plan (2008-2011) was developed there were no staff , the staff were simply handed a document to implement that they were not party to in its development and so they did not own it, secondly when there was a change of guard and a new Board was inaugurated, it was due to wrangles between the Board, the CEO and the Parent Ministry that led to the resignation of the initial Board and hence this affected the implementation of the strategic direction; similarly the Board that came in was purely political as opposed to the initial which was by and large professional, this then meant that crafting the next phase of the strategic direction was to a large extent going to be affected by political considerations especially from the highest policy organ”.

The other strategic planning practice that influences the performance of YEDF was found to be the level of environmental scanning and analysis done by the organization. This step was found to be a critical component in the strategic management process of the firm and facilitates the coming up with appropriate strategies that will improve the performance of the firm. Effective analysis of the business environment was found to enable the organization to come up with an appropriate strategy that will counter the threat from the external forces.

The use of external consultants during the analysis and strategy formulation stage enables the Youth Enterprise Development Fund to scan the business environment more objectively and advise the youth better on the most appropriate business ventures at any given time and region. An organizations' strategic plan is long-term in nature and can be characterized as top-down and is expected that the day- to- day operational plan and annual program should be undertaken in such a way to ensure that the long term strategic objectives are achieved. Towards this end, the researcher sought to establish whether the organizations operational and annual programs work in tandem towards the achievement of the overall strategic plan.

The respondents pointed that indeed the organization's annual program are developed and performed in line with the overall strategic plan. All the respondents noted that all the work plans and programs are formulated from the strategic plans.

4.4 Process of Strategy Implementation

Formulating an appropriate strategy is not enough. For effective strategy implementation, the strategy must be supported by decisions regarding the appropriate organization culture, structure, management, leadership, resources and capacity.

Just as the strategy of the organization must be matched to the external environment, it must also fit the multiple factors responsible for its implementation. The culture of an organization affects the success its strategy implementation process. There is need to align the organizations culture to its strategies. On the question of whether the YEDF culture is aligned to the realization of the overall objectives, the respondents answered to the contrary. It was found that there is no strong organization alignment towards goal achievement, and employees are not consistent in performing well and also team cohesiveness is lacking.

In some cases the culture of resisting change even if it is to the betterment of the overall organizations good, was highlighted to affect the level of success of the strategies. However, some respondents indicated that the culture that has been adopted by the organization might be affected by external factors such as political pressures and economic conditions.

Ineffective coordination and sharing of responsibilities among the staff came out as another factor that affects the success of implementing strategies in the Youth Enterprise Development Fund. Overlapping of activities during the implementation phase was found to create confusion among the implementers and therefore leading to delays in implementation and unnecessary bureaucracies.

In some cases, the respondents also noted that conflicts/mistrust amongst relevant stakeholders and those implementing the strategy have created unnecessary tension between the work force and members of the public which has led to low level of cooperation between the two groups. Implementers of the strategies need to be answerable for their actions.

However, it was found that in some instances, there has been a lack of accountability in the organization especially for some actions and this becomes a source of discouragement to the other staff members whom by themselves are expected to be accountable. Another challenge that was faced by the organization has been a lack of morale amongst implementers, misinterpretation of the organization's strategy, lack of proper reporting and therefore no feedback. Proper monitoring of strategy implementation was also found to be lacking.

The respondents agreed unanimously that resource constraints hindered implementation of its strategies in the organization. They pointed out that Human resource capacity in terms of qualifications, competence and numbers were identified as a constraint while financial limitations made some of the projects not to be completed in time.

In addition, some projects were pointed out to be financed by donors as well as contributions from the Government and as such inadequate project planning may lead to disillusionment of the youth. Therefore, as far as resources are concerned setting and communicating deadlines that are workable as well as prioritizing on the policies is key in ensuring the success of the projects within the set timelines.

4.5 Discussion of the Findings

An organizations' strategic plan is long-term in nature and it is expected that the day-to-day operational plan and annual program should be undertaken in such a way to ensure that the long term strategic objectives are achieved. It was found that in the case of the Youth Enterprise Development Fund (YEDF), it was noted that the organizations strategy is guided by its Vision and the changing expectations of the Government.

The strategic plans were therefore found to change in line with the business environment. Thus the organizations strategic plans was emergent. This finding is consistent with that of Harrington et al. (2004) who reached a similar conclusion that a firm's strategy formulation processes are either deliberate or emergent and that the norm has been to separate strategy formulation into deliberate and emergent categories. This finding was also similar to that of Smith (2000) who found out that the revised plan must take into consideration emergent strategies, and changes affecting the organization's intended course.

In addition it also came out that stakeholder involvement during the strategic planning process was important in realization of the firm's objective. This is consistent with Freeman (1991) in the stakeholder theory who found out that an organization's value is created when it meets the needs of the firm's important stakeholders in a win-win fashion by attending to the interests of all their stakeholders - not just their shareholders.

He stressed that many actors are involved in decision making and that these actors not only possess vital resources to realize policy goals and outcomes but also have different perceptions on the problem definition and have different information and ideas on solutions. Hence in any firm, it is important that all necessary stakeholders be incorporated in the strategic decisions of YEDF since the realization of the same objectives will be dependent upon their support.

Leadership is the key to effective strategy implementation in an organization and this point came out strongly during the research. The respondents pointed that the leadership of the organization should support the process through directing both human and material support towards the strategy implementation process.

The leadership should also liaise with other stakeholders outside the organization that will affect the success of the strategies being undertaken and seek their support in realization of the same strategies. This finding is consistent with that of Hill and Jones (1997) who also found out that the right managers must also be in the right positions for effective implementation of a new strategy since the top management goodwill and ownership to drive the process is also critical to effective implementation of strategy.

This finding is also similar to that of Thompson (1997) who observed that a strategic leader must direct the organization by ensuring that long term objectives and strategies have been determined and are understood and supported by managers within the organizations who will be responsible for implementing them.

Ineffective coordination and sharing of responsibilities among the staff came out as another factor that affects the success of implementing strategies in the Youth Enterprise Development Fund. Overlapping of activities during the implementation phase create confusion among the implementers and therefore leading to delays in implementation.

In some cases, the respondents also noted that conflicts/mistrust amongst relevant stakeholders and those implementing the strategy have created unnecessary tension between the staff and members of the public which has led to low level of cooperation between the two groups. This finding is similar to that of Giles (1991) when he observed that one of the reasons why strategy implementation processes frequently result in difficult and complex problems – or even fail at all – is the vagueness of the assignment of responsibilities.

He therefore recommended that an organization's structure should be clearly defined to limit the level of these conflicts and overlapping of responsibilities. The study also found that indeed the performance of the organization is dependent upon the strategic planning practice that the YEDF adopts. This performance was exhibited by the organization meeting the set targets, customer satisfaction, and Government policy such as Vision 2030 and benchmarking with other similar organizations in the industry. This is consistent with Rhyne (2006) who was of the view that while firms with planning systems more closely resembling strategic management theory were found to exhibit superior long term financial performance, both relative to their industry and in absolute terms, he concluded that whether strategic planning resulted in superior performance or superior performance permitted strategic planning remains difficult to specify

A key challenge that the organization faced in strategic planning process was interference from the Government and having inadequate resources – both financial and human, to facilitate the implementation of the said strategies. Wernerfelt (2010) pointed out that strategic planning can strike fear in even the most experienced business person, but small businesses are most at risk of avoiding this important task. It can help to avoid or minimize the business jargon and to clearly explain to those involved the benefits of the planning activities; primarily helping the business to focus on those activities most likely to generate success. He further points out that the most challenging aspect of strategic planning is people. Strategic planners face the need to get a large number of people with different backgrounds, interests and perspectives to agree on the direction the organization should take.

Achieving consensus can be challenging, but fortunately there are a number of business tools that can be used from simple brainstorming, to mind mapping to nominal ranking, (Thune and House, 2001). From the results it is identified that human resource can be a great challenge during strategy implementation. Further, the management in YEDF requires to employ communication as a tool in order to bring forth human resource needs. These findings are consistent with those of Olson, Slater and Hult (2005) who found that human resource is important in strategy implementation. Human resource therefore, requires the management to consider the organization's communication needs so that those charged with developing the corresponding action steps fully understand the strategy to implement.

Strategies if not well communicated and well administered to employees to facilitate ease in adoption can be a challenge during strategy implementation. These findings from this study are consistent with those of McCarthy et al, (1986) who found out that the behaviour of individuals ultimately determines the success or failure of organizational endeavours and top management concerned with strategy and its implementation must realize this. Further these findings from the study are similar to those of Okumu (2003) who found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels including lack of or poor planning activities.

Competition, economic changes and lack of adequate resources are some of the challenges that this study identified that hinder strategy implementation. These finding is consistent with that of Sterling (2003), who identified reasons why strategies fail as unanticipated market changes; lack of effective competitor responses to strategy, and insufficient resources.

Strategy implementation efforts may fail if the strategy does not enjoy support and commitment by the majority of employees and the middle level management which is similar to the findings of Heracleous (2000), who found that support from all levels of management and all cadre of staff is critical if the strategy implementation process is to succeed.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the study as analyzed in chapter four. It also includes conclusions and recommendations. The responses were based on the objectives of the study.

5.2 Summary of Findings

The study shows that the interviewees are aware of the strategic planning process of the Youth Enterprise Development Fund and the challenges that affect the success of its strategy implementation. The organization strategy covers a 5 year period and is clear and concise and can be understood by the staff though the organisation adopts a top-down approach in its strategy development. As a result the junior staff and some of the middle level managers feel that they need to be involved more by the top managers especially in strategy policies that affect them.

The strategic planning department was found to be the coordinating unit behind the organization strategic process though various head of departments are involved in preparing time tables that includes measurable performance targets linked to its mandate and vision 2030 objectives. It was found that in the case of the Youth Enterprise Development Fund (YEDF), the organizations strategy is guided by its Vision and the changing expectation of the government. Several factors were identified to affect the success or failure of the strategic process in the organization.

These factors included efficient communication channels, prudent utilization of the available resources, committed staff, teamwork and partnerships, transparency and accountability, and commitment to meeting deadlines/timelines are some of the key factors that influence the organizations success.

In addition, the top leadership of the organization affects the strategy implementation process through directing both human and material support towards the strategy implementation process. The organizations' leadership also liaises with other stakeholders outside the organization that will affect the success of the strategies being undertaken.

The performance of the organization was found to be dependent upon the strategies it develops to capture the opportunities in the business environment by leveraging on its strengths. This performance was exhibited by the organization meeting the set targets, customer satisfaction, and government policy such as Vision 2030 and benchmarking with other similar organizations in the industry. Hence, the study further supports the view that organizational performance is dependent upon the strategic process that the firm adopts.

Several challenges were identified in the strategy implementation process of the organization. They noted that there is a lack of adequate cooperation from relevant senior officers; lack of finances and other resources as some of the factors affecting their implementation. Political interference came out strongly as an external factor that affects the performance of the organization.

To counter the challenges, some of the suggestions made include the need to align the organization culture to its strategy, motivation of staff to enhance performance, fast communication of the strategy and team work was identified as yet another measure to be undertaken by the organization.

The strategic process at the YEDF was noted to require participatory and consultative approach. Other respondents suggested to the organization that they should embrace an all-inclusive, participatory consultative and informative stakeholder analysis, in strategy implementation to enhance ownership, political good will during the strategic planning process in the firm.

5.3 Conclusions of the Study

From the research findings and the answers to the research questions, some conclusions can be made about the study:

This study has demonstrated that there are many benefits that accrue from an effective implementation of the strategies by a both public institutions as well as private entities.

As the Kenya government continues to urge government institutions to be more efficient in their operations and to meet their mandate, it becomes imperative that these institutions develop appropriate strategies to realize the same set objectives.

The strategy implementation process is a very vital process in the sustainability of the organization. From the findings, it was established that the strategy formulation process in the organization follows a top-down approach while implementation process adopts a bottom up approach. This disconnect in the strategy process of the organization has in some way brought about challenges in the success of implementing the set strategies.

The strategy implementation process cannot be free of any challenges and it is incumbent upon the management to develop appropriate mechanism to reduce or eliminate the effect of these challenges.

Another important conclusion from the study is that in the present day operating environment, in which the actions of an organization will affect and be affected by stakeholders, it is important that an organizations strategic process be all inclusive where the junior staff, community and non-governmental organizations views are accommodated for in order to realize reduced resistance during the implementation phase. Further, effective monitoring and evaluation of the strategies during implementation was found to be critical.

The organization should be able to put in place measures for tracking down progress and facilitating learning and decision making in a quick manner and therefore increase the chances of achieving the organizations mandate. In an effort to improve M & E, an external consultant will be recommended that will give independent opinions and guidance towards the achievement of the same objectives.

5.4 Limitations of the Study

The limitations of the study refer to those characteristics of design or methodology that impacted or influenced the application or interpretation of the results of the study. One critical constraint was time which contributed to difficulty in accessing information. This was mainly due to unavailability of most of the respondents for interview at the agreed time, owing to their busy schedules in attending to official issues that may not have been anticipated which at times were conducted outside the country and/ or out of town.

Mistrust by the target group also came out strongly since quite a number of the senior managers were not willing to participate in the study due to victimization, based on prevailing organization atmosphere and on past experience. It therefore took a lot of persuasion by assuring respondents of absolute confidentiality to get them to participate in the study, though some respondents withheld important information which in the long run impacted on the outcome of the study.

This study was conducted within an organization with a strong Government presence that deals with financing the youth projects. There is need therefore to also get the views of non-government based organization to establish the effect of strategic planning process in the organizations performance.

The study used a case study as the research design and there is need to employ various inferential techniques to validate further the results. However, despite the above limitations, the findings presented in this paper have important policy implications.

5.5 Recommendations of the Study

The study recommends the following:-

Strategy implementation process should not be taken as a onetime process in which the program is initiated and then rolls on continuously without any intervention from the management. Instead, the management should inculcate a practice of regular review and reference making of the Strategic Plan throughout its lifespan. The leadership of an organization should also take a proactive step in the strategy implementation process because the liaison process with the other stakeholders will be effectively managed with the organization leadership involvement.

Successful implementation of strategies also requires that the progress of strategy implementation be monitored. Therefore, it becomes imperative that a monitoring and evaluation officer be built in the implementation process. This officer will be tasked with continuously monitoring and evaluating the progress of the strategies and if need be, a change of the implementation program will be necessitated to ensure that successful strategy implementation be made.

5.6 Implications on Policy, Theory and Practice

It is now evident that a well-planned strategy will drive an organization to success through the use of well prioritized strategies with the mission and vision of the corporations and that are aligned with the corporation's mandate. In policy, this study calls for the formulation of policies that support strategic management practices that have been proven to be significant to performance by this study.

The study also calls for involvement of all the people in the organization to be involved in the decision making processes including the middle managers and staff of an organization. The management needs to establish prioritized strategic goals that align to corporations' mandates. Forecasting of the events and evaluating for the opportunities and challenges for the organization and capacity building for the employees.

5.7 Recommendation for Further Research

This research serves as a reference point for those studying the strategic planning process and its effect on the performance of Government owned institutions. Other researchers can test other moderators for an effective implementation of an organization strategy and identifying which of the variables have the most significant effect. Taking into consideration certain factors that may have a moderating role in these relationships, such as the country culture, could enrich the research results.

Conducting a replication study with random sample selection can enhance the methodological rigor of the study and increase the possibility of having a better and a supported external validity. Also, another possible source of data could be the customers whose opinions, along with those of executives, can give a better insight.

Other areas may include:

1. To examine the viability of YEDF as a tool for tackling youth unemployment in Kenya.
2. A comparative study between group funding and individual funding method of financing youth businesses by YEDF.
3. Factors influencing uptake of Youth Enterprise Development Fund loans

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Appendix I: Introduction Letter

Dear Sir/Madam,

Re: Introduction letter

I am a postgraduate student at the University of Nairobi pursuing a course in Master of Business Administration, specializing in Strategic Management. In partial fulfillment of the course requirement, I am conducting a case study on Strategic planning and organizational performance; A case study of Youth Enterprise Development Fund of Kenya.

For the purpose of completing my research, i wish to collect data through the attached Interview guide. Any information gathered during this study shall be treated as confidential and shall be used solely for my research project. A copy of the final research report shall be availed to you upon request.

Yours Sincerely,

Mwatata Juma Mwangala

Appendix II: Interview Guide

SECTION A: Relationship between strategic planning and organization performance at Youth Enterprise Development Fund

- i. Does YEDF have vision and mission statements?
- ii. How has the department responsible for strategic related matters been in charge of strategies related to organization performance?
- iii. How are the following strategic planning practices done YEDF in enhancing performance: Setting the Strategic direction, Designing quality service system in strategic planning, Stakeholders satisfaction, Operating efficiency, Clarifying Future Direction and Establishing Priorities, Assessing and sustaining organizational competence and impact
- iv. What other strategies and processes are adopted by your organization to enhance its performance?
- v. Recommend the various ways to strengthen the relationship between strategic planning and performance in your organization

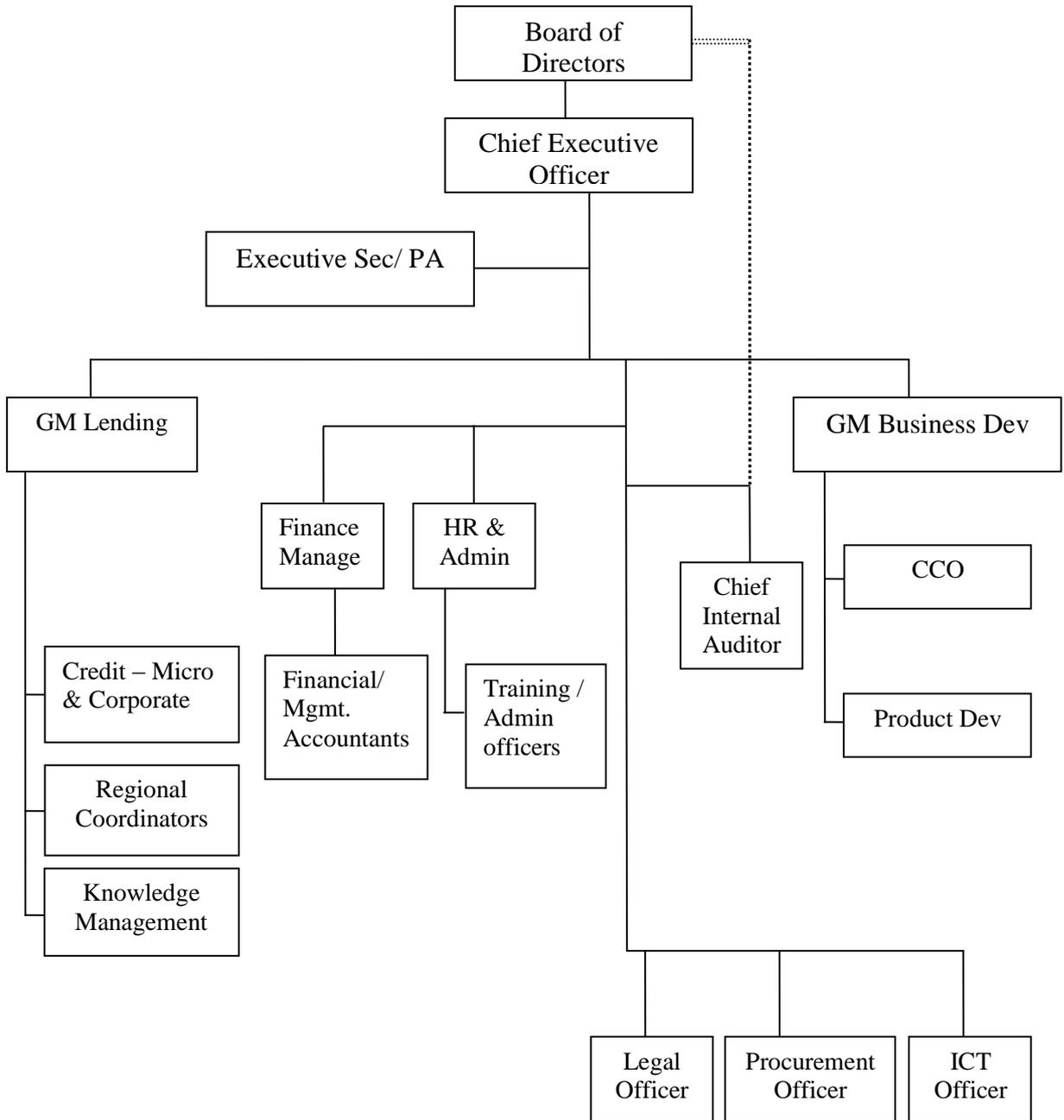
SECTION B: Different strategic planning steps related to organization's performance.

- i. Describe the process of identifying mission and objectives in your organization.
- ii. Describe the process of environmental scanning/ external analysis in your organization.
- iii. How is strategy formulation conducted in your organization?
- iv. Describe the process of implementation of strategy.
- v. How does your organization undertake evaluation and control of strategies?

SECTION C: Different strategy choice in relation to organization performance

- i. Which processes do you use in strategic planning formulation?
- ii. How is planning done? And how are the staff and stakeholders involved?
- iii. Describe the process of setting objectives in your organization?
- iv. What tools and techniques do you use to develop strategies for operations?
- v. What types of information and dissemination processes are incorporated in the planning activities?
- vi. How has strategic planning enhanced performance of YEDF?

Appendix III: Organizational Structure



Source: YEDF Organizational Review Report, June 2012

Appendix IV: List of State Corporations in Kenya

1. Cereals and Sugar Finance Corporation
2. Coffee Development Fund Coffee
3. Cotton Development Authority
4. Kenya Coconut Development Authority (KeCDA)
5. Pyrethrum Board of Kenya (now Pyrethrum Regulatory Authority)
6. Sisal Board of Kenya
7. Tea Board of Kenya
8. Coffee Board of Kenya
9. Kenya Sugar Board (KSB)
10. Canning Crops Board
11. Agro-Chemical and Food Company
12. Kenya Meat Commission (KMC)
13. Muhoroni Sugar Company Ltd (Under Receivership)
14. South Nyanza Sugar Company Limited
15. Kenya Seed Company (KSC)
16. Kenya Veterinary Vaccine Production Institute
17. National Cereals & Produce Board (NCPB)
19. Kenya Agricultural Research Institute (KARI)
20. Kenya Sugar Research Foundation
21. Tea Research Foundation
22. National Biosafety Authority
23. Agricultural Development Corporation
24. Kenya Animal Genetics Resource Centre
25. Kenya Tsetse and Trypanosomiasis Eradication Council
26. Agricultural, Fisheries and Food Authority (AFAA)
27. Kenya Leather Development Council
28. Kenya Plant Health Inspectorate Services (KEPHIS)
29. National Irrigation Board Irrigation
30. Bukura Agricultural College
31. Kenya Agricultural and Livestock Research Organization
32. Kenya Marine and Fisheries Research Institute
33. The Kenya Veterinary Board (KVB)

34. Animal Technicians Council
35. Horticultural Crops Development Authority (HCDA)
36. Chemilil Sugar Company Ltd
37. Nzoia Sugar Company Ltd
38. Kenya Dairy Board
39. LAPSSET Corridor Development Authority
40. Kenya Ordnance Factories Corporation
41. Anti-Female Genital Mutilation Board
42. South - South Centre
43. Youth Enterprises Development Fund
44. Constituency Development Fund
45. Kenya National Bureau of Statistics
46. National Coordinating Agency for Population & Development
47. Public Benefits Organizations Regulatory Authority
48. Kenya School of Government
49. Kenya Institute of Public Policy Research & Analysis (KIPPRA)
50. Drought Management Authority
51. Institute of Human Resource Management
52. Tourism Research Institute
53. Kenya National Trading Corporation (KNTC)
54. Kenyatta International Convention Centre (KICC)
55. Kenya Safari Lodges and Hotels Ltd.
56. Kenya Tourist Finance Corporation (Formally KTDC)
57. Kenya Tourist Board
58. Export Promotion Council (EPC)
59. Tourism Fund Board of Trustees (Formerly Catering and Tourism Development Levy Trustees)
60. Tourism Regulatory Authority
61. Kenya Utalii College (KUC)
62. Bomas of Kenya
63. Golf Hotel Kakamega
64. Sunset Hotel Kisumu
65. Kabarnet Hotel Limited
66. Mt Elgon Lodge

67. Kenya National Innovation Agency
68. Kenya Universities and Colleges Central Placement Service
69. Technical and Vocational Education and Training Curriculum Development, Assessment and Certification
70. Jomo Kenyatta Foundation
71. Kenya Literature Bureau (KLB)
72. University of Nairobi Enterprises Ltd
73. School Equipment Production Unit
74. University of Nairobi Press (UONP)
75. Jomo Kenyatta University Enterprises Ltd.
76. Rivatex (East Africa) Ltd.
77. Higher Education Loans Board
78. Kenya Institute of Curriculum Development
79. Kenya National Commission for UNESCO
80. Kenya National Examination Council (KNEC)
81. Technical and Vocational Education Training Authority
82. Commission for University Education
83. National Commission for Science, Technology and Innovations
84. Chuka University
85. Cooperative University College
86. Dedan Kimathi University
87. Egerton University
88. Embu University College
89. Garissa University College
90. Jaramogi Oginga Odinga University of Science and Technology
91. Jomo Kenyatta University of Agriculture and Technology
92. Karatina University
93. Kenya Multi-Media University
94. Kenyatta University
95. Kibabii University College
96. Kirinyaga University College
97. Kisii University
98. Laikipia University
99. Maasai Mara University

100. Machakos University College
101. Maseno University
102. Masinde Muliro University of Science and Technology
103. Meru University of Science and Technology
104. Moi University
105. Murang'a University College
106. Pwani University
107. Rongo University College
108. South Eastern Kenya University
109. Taita Taveta University College
110. Technical University of Mombasa
111. The Technical University of Kenya
112. University of Eldoret
113. University of Kabianga
114. University of Nairobi
115. KCA University
116. Rural Electrification Authority
117. Kenya Electricity Generating Company (Kengen)
118. Kenya Electricity Transmission Company (KETRACO)
119. Kenya Pipeline Company (KPC)
120. Kenya Power and Lighting Company (KPLC)
121. National Oil Corporation of Kenya
122. Geothermal Development Company (GDC)
123. Energy Regulatory Commission
124. Kenya Nuclear Electricity Board
125. Mombasa Pipeline Board
126. Water Services Trust Fund
127. Nyayo Tea Zones Development Corporation
128. National Water Conservation and Pipeline Corporation
129. Kenya Wildlife Service (KWS)
130. Kenya Water Towers Agency
131. Kenya Forest Service
132. Water Resources Management Authority
133. Water Services Regulatory Board

134. National Environmental Management Authority (NEMA)
135. Kenya Water Institute
136. Kenya Forestry Research Institute
137. Athi Water Services Board
138. Coast Water Services Board
139. Lake Victoria North Water Service Board
140. Lake Victoria South Water Service Board
141. Northern Water Services Board
142. Rift Valley Water Services Board
143. Tana Water Services Board
144. Tanathi Water Services Board
145. Coast Development Authority
146. Ewaso Ng'iro North Development Authority
147. Ewaso Ng'iro South Development Authority
148. Kerio Valley Development Authority
149. Lake Basin Development Authority
150. Tana & Athi Rivers Development Authority
151. National Cancer Institute of Kenya
152. Kenya Medical Supplies Authority (former Kenya Medical Supplies
153. Kenyatta National Hospital
154. Moi Teaching and Referral Hospital
155. National Aids Control Council
156. National Hospital Insurance Fund
157. National Quality Control Laboratories
158. Kenya Medical Laboratory Technicians and Technologists Board
159. Kenya Medical Training College (KMTC)
160. Kenya Medical Research Institute (KEMRI)
161. Kenya Nutritionists and Dieticians Institute
162. Nursing Council of Kenya
163. East African Portland Cement Company Ltd.
164. Kenya Wine Agencies Ltd (KWAL)
165. New Kenya Co-operative Creameries
166. Yatta Vineyards Ltd
167. Development Bank of Kenya Ltd.

168. KWA Holdings
169. Numerical Machining Complex
170. Industrial and Commercial Development Corporation
171. Kenya Industrial Estates (KIE)
172. Sacco Societies Regulatory Authority
173. Kenya Investment Authority
174. Kenya Industrial Property Institute
175. Anti-Counterfeit Agency
176. Kenya Bureau of Standard (KBS)
177. Kenya National Accreditation Service
178. Export Processing Zones Authority (EPZA)
179. Kenya Industrial Research & Development Institute
180. Small and Micro Enterprises Authority
181. Media Council of Kenya
182. Kenya Yearbook Editorial Board
183. Kenya Broadcasting Corporation
184. Postal Corporation of Kenya
185. Brand Kenya Board
186. Information and Communications Technology Authority
187. Konza Technopolis Authority
188. Communications Commission of Kenya
189. Kenya Institute of Mass Communication
190. The National Council for Children's Services
191. National Campaign against Drug Authority (now National Authority for the Campaign Against Alcohol and Drug Abuse)
192. Kenya Citizens and Foreign Nationals Management Service
193. Kenya Red Cross Society Kenya
194. St. John Ambulance of Kenya
195. National Council for Persons with Disabilities
196. National Industrial Training Authority
197. National Social Security Fund Board of Trustees
198. The National Social Security Assistance Authority
199. National Construction Authority
200. Research Development United Company Ltd

201. National Housing Corporation
202. National Bank of Kenya
203. Privatization Commission
204. Consolidated Bank of Kenya
205. Kenya National Assurance Co. (2001) Ltd
206. Kenya Reinsurance Corporation Ltd
207. Agricultural Finance Corporation
208. Industrial Development Bank
209. Kenya Post Office Savings Bank Kenya
210. Capital Markets Authority
211. Insurance Regulatory Authority
212. Retirement Benefits Authority
- 213 Kenya Revenue Authority (KRA)
214. Deposits Protection Fund Board (now Kenya Deposit Protection Authority)
215. Financial Reporting Centre
216. Kenya Accountants & Secretaries National Examination Board (KASNEB)
217. Kenya Trade Network Agency
218. Policy Holders Compensation Fund
219. Unclaimed Financial Assets Authority
220. Investor Compensation Fund Board
221. Competition Authority
222. Public Procurement Oversight Authority
223. Kenya Institute of Supplies Examination Board
224. Kenya Institute of Supplies Management
225. Institute of Certified Secretaries of Kenya
226. Institute of Certified Public Accountants of Kenya
227. Local Authorities Provident Fund
228. Kenya Copyright Board
229. National Council for Law Reporting
230. Kenya Law Reform Commission Kenya
231. Nairobi Centre for International Arbitration
232. Council for Legal Education
233. Kenya School of Law
234. National Crime Research Center

235. Law Society of Kenya
236. Kenya Academy of Sports
237. National Museums of Kenya
238. National Youth Council
239. The Kenya Cultural Center
240. Sports Kenya
241. Kenya Film Classification Board
242. Kenya National Library Service (KNLS)
243. Kenya Film Commission
244. Kenya Rural Roads Authority
245. Kenya Urban Roads Authority
246. Kenya National Shipping Line
247. Kenya Ports Authority (KPA)
248. Kenya Railways Corporation (KRC)
249. Kenya Airports Authority (KAA)
250. Kenya Ferry Services Ltd (KFS)
251. Kenya National Highways Authority (KeNHA)
252. Kenya Civil Aviation Authority (KCAA)
253. Kenya Maritime Authority
254. National Transport & Safety Authority
255. Physical Planners Registration Board
256. Engineers Registration Board
257. Architects and Quantity Surveyors Registration Board
258. Kenya Roads Board (KRB)
259. Simlaw Seeds Kenya Ltd (Subsidiary of Kenya Seed Co.)
260. Simlaw Seeds Uganda Ltd. (Subsidiary of Kenya Seed Co.)
261. Simlaw Seeds Tanzania (Subsidiary of Kenya Seed Co.)
262. Lands Limited (subsidiary of Agricultural Development Corporation)

Source: Presidential Task Force on Parastatal reforms Report (October, 2013)

Appendix V: Authority to collect data



**UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME**

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: 14.09.2015

TO WHOM IT MAY CONCERN

The bearer of this letter: MWATAFA JUMA MWADGALA
Registration No. DG/70686/2008

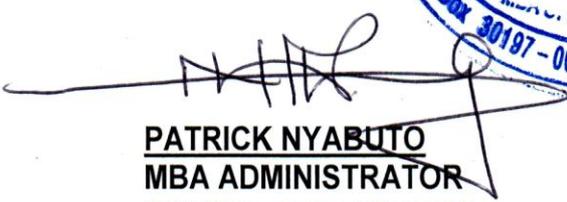
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.




**PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS**