STRATEGIC PLANNING PRACTICES AT PLAN INTERNATIONAL KENYA

BY

JACKSON MBOGO MWANGI

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DECLARATION

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

Signed

Jackson Mbogo Mwangi

Date 17/11/2011

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

Signed

Mr. Eliud O. Mududa

Date 17-11-11

School of Business

University of Nairobi
DEDICATION

I dedicate this work to my dear wife Agnes and our three sons Julius, Alex and Kevin. It was very kind of them to allow me to spend time away from them to attend lectures and do research. They also kept me on track by checking on my progress by demanded accountability of time spent away from them.
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ABSTRACT

The purpose of this study was to determine the strategic planning practices at Plan International, Kenya Office (Plan Kenya) and the factors that influence such practices. The study was done through a case study of Plan Kenya. Plan Kenya is a branch of Plan International Inc., which according to the Non-Governmental Organizations Coordination Act, 1990, is an international NGO. There were 5,461 NGOs as at August 2008 registered by the NGO Co-ordination Board and the number was growing at a rate of 400 per annum. All these NGOs depend on the donations for their survival. This has created stiff competition for donations from foreign governments, corporate and individual donors. In order to improve competitiveness, NGOs are becoming more organized in the way they conduct business. Strategic planning practices are being adopted by NGOs as a demonstration of good planning practices and accountability.

The study found out that strategic planning practices are applied consistently at Plan Kenya through the performance of all the five critical components. The five critical components in strategic planning are; the formulation of vision and mission statements, performing situation analysis, evaluation and making strategic choices, implementation of strategies and evaluation and control of strategy implementation. Plan Kenya performs all the four of the five in great in a much formalized way. However, the vision and mission statements are formulated by the parent organization for implementation by all Plan International offices worldwide. The whole process is well documented in the internal documents.
There are number factors that influence the strategic planning at Plan Kenya. Those found to have greater influence are; Control by the parent organization, the donor requirements and emerging approaches to development, the prevailing political environment and the strategic teams' professional interests and their development inclination. It is recommended that the organization place more emphasis on factors that improve on the end result and be conscious of the strategic planning practices which may result in less than strategic choices. The study found the recommendations discussed in the following as key to strategic planning practices at Plan Kenya.

The time taken and the resources allocated to the process may be reduced without affecting the strategic planning outcomes adversely. The time taken to complete the last two strategic planning processes ranged between one and half year to two years. This is excessive given the life of the strategic plan is only five years. Equally, the “participatory” situation analysis and evaluation is very involving and costly and contribute to the long time taken to complete the strategic planning process. The study recommends that a smaller team take the process through and only share the draft strategic choices with the larger team for discussion.

The influence brought about by the strategic team due to the personal interest and professional inclination can be moderated by the involvement of an independent consultant and by conscious awareness by the strategic team to guard against the undue influence. The study recommends that the final product be audited before approval to
ensure that any adverse influence is moderated before the approval of the final strategic plans.

The influence by the donor, the parent organization and the political environment are inherent. However, it is recommended that the strategic team purposely ignore the influence of the three parties in the initial stages of strategic planning process and only consider them after making the strategic choices. The final product can then be moderated to take care of the donors’ interest, parent organization control and the prevailing political situation. This process has a greater chance of having choices closer to being strategic than otherwise.

The study observed that there was a high staff turnover at the on-set of structure review process. Plan Kenya is a great follower of “structure follows strategy” principle fronted by Chandler (1962) and involves staff in the exercise. Despite, the transparency and the sharing of the process, stress builds up on staff due to the uncertainties of whether their positions would be declared redundant. Most of the staff who are unable to wait for the final product, and usually the most qualified look for jobs elsewhere and exit the organization. The study recommends that the process of strategic planning and structure review be shortened to minimize stress and anxiety on staff.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The Non-Governmental Organizations Co-ordination Act, 1990, defines a Non-Governmental Organization (NGO) as a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry and the supply of amenities and services. The Act also classifies all NGOs in to two categories; “National” NGO if registered exclusively in Kenya and “International” NGO if the original NGO was incorporated in one or more countries other than Kenya.

The NGO Coordination Board strategic plan for 2009-2012 approximated the number of NGO to be 5,461 as at August 2008 all registered and operating in various sectors of the economy. According to the strategic plan, the NGOs were contributing approximately Ksh. 80 billion annually to the economy as of 2003. The strategic plan also estimated an increase of over 400 new NGOs annually since 1992. This tremendous increase in the number of NGOs operating in Kenya is not matched by an increase in the volume of donations. The level of income from donations has remained low due to various factors which include; frequent global financial turbulences and political instabilities among others. This has resulted in intense competition by the NGOs for the limited resources available through donations.
The NGOs have adopted various marketing strategies which are geared towards convincing donors that they are better positioned to utilize the donations more effectively and efficiently to address the situation the funds are intended for. The donors on the other hand are also demanding more proof of good governance, management, accountability of funds and demonstration of impact for the implemented projects. Consequently, the NGOs are developing new marketing strategies such as strategic planning practices to increase donor confidence.

The focus of this study is the strategic planning practices in international NGOs through a case study of Plan International, Kenya (Plan Kenya). According to NGO Coordination Act, 1990, Plan Kenya is an international NGO. This organization is a suitable choice for this study as it has undertaken two strategic planning processes over the last thirteen years. The first was a ten year strategic plan that covered the period from 2000 to 2009. The most recent strategic plan preparation process took place between 2008 and 2010 and culminated in a five year strategic plan covering the period from 2011 to 2015.

1.1.1 Strategic Planning Practices

Strategic planning process is a disciplined effort to produce fundamental decisions and actions that shape and guide; what an organization is, what it does, and why it does it, with a focus on the future (Bryson, 1995). The process of strategic planning is strategic since it involves preparing an organization’s best response to present and anticipated future environment. It is also about planning because it involves intentional setting of
goals and developing “the how of achieving them”. The process is also about fundamental decisions and actions because choices must be made about what is most important to achieve organization’s success.

Pearce & Robinson (2002) explained strategic planning as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve organization’s objectives. This is a reconfirmation of Bryson (1995) argument, that strategic planning is an intentional process - whether done formally or informally. The process also results in decisions and actions which are considered to be responsive to a future environment.

According to Steiner (1979), strategic planning does not attempt to make future decisions. It involves anticipating the future environment but making the decisions in the present of the future. It can also be defined as the process of determining what results an organization intends to achieve in future and how it will achieve them. This process is done through answering the following three simple questions in relation to the organization; where are we now? Where do we want to go? And how do we get there? We can also add a fourth question; how shall we know if we have gotten there or are approaching where we want to go?

The strategic planning practice is the extent to which the process of strategic planning is carried out in an organization as evidenced by; the formulation and definition of the organization’s mission and vision statements, performance of situation analysis, and
strategy formulation and choices (Pearce & Robinson, 2008). This is where the strategies that move the organization from the current state to the desired state at some time in future are formulated. A Strategy of a corporation forms a comprehensive master plan stating how the corporation will achieve its mission and objectives (Hunger and Wheelen, 2000).

1.1.2 International NGOs in Kenya

Most of the large international NGOs operating in Kenya such as Plan International, Ford Foundation, Aga Khan Foundation, CARE, World Vision and Catholic Relief Services just to name a few, were incorporated outside Kenya. They are then registered locally as branches of international NGOs or affiliates with fully established local management boards. Traditionally, the developed countries contribute large amounts of donations which are channeled through international NGOs to do projects that address human rights, education, health, poverty and other key aspects of international development.

Researches conducted in Kenya on strategic planning and strategic management found out that strategic planning is practiced by all organizations both in public and private sectors. The study done by Kiruthi (2001) on the strategic Management practices in Not-For-Profit Organizations, a case of public membership clubs in Nairobi concluded that strategic planning was also practiced in Not-For-Profit organizations. However, the strategic planning practices differ from one organization to the other. Aosa (1992) found out that strategic planning practices varied between companies due to the influence
brought about by the factors such as; the size of the company, the complexity, company control, government intervention and management orientation.

The development of a strategy for an organization is affected not only by the environmental forces and resource availability, but also by the values and expectations of those who have power in and around the organization (Johnson and Scholes, 2002). Strategy can also be thought of as a reflection which Thompson and Strickland (1993) argued that casual observations and studies have indicated that managers' ambitions, values, business philosophies, attitudes toward risk, and ethical beliefs have important influence on strategies.

1.1.3 Plan International Kenya

Plan International Incorporation is an international NGO which was incorporated in the United States of America in 1937 and is one of the oldest child development organizations in the world. Plan International currently works in forty-eight developing countries across Africa, Asia and Latin America to promote child rights and to lift millions of children out of poverty. Plan International’s vision is a world in which all children realize their full potential in societies that respect people’s rights and dignity. Plan International is an independent organization and has no religious, political or governmental affiliations. Plan Kenya is a branch of Plan International.

Plan Kenya began operating in Kenya in 1982 and the parent organization is also committed to improving the lives of poor children, their families and communities using
a rights-based child-centered community development approach (CCCDA). Currently, Plan Kenya works in seven counties: Nairobi, Kwale, Kilifi, Tharaka, Machakos, Kisumu and Homa Bay. Prior to 1996, the operations in each of the seven different counties were autonomous and were known as Field Offices. Every Field Office reported directly to the parent organization with a minimal oversight provided by a Regional Office which also coordinated operations of other East and Southern African countries.

In 1996, Plan International changed the governance structure in countries through introduction of a country office in each country. This office coordinates operations of the various field offices that were previously operating autonomously. Each country office was tasked with a responsibility of developing strategic plans in line with the vision and mission of the parent organization. Consequently, Plan Kenya country management team embarked on the process of strategic planning which culminated in the first ten years country strategic plan for Plan Kenya which covered the period from 2000 to 2009. The key strategic issues identified in 2000 process were in the areas of education, health, community basic services, livelihood and social & cultural development of a child. A mid-term evaluation of the first phase of the ten year strategic plan confirmed that the key issues identified in 2000 were still relevant in 2004 and but required a change in strategy as informed by the changes in the environment.

A second strategic plan was prepared by Plan Kenya management to cover the period 2011 to 2015 as the first one came to an end. The process of preparing the new country strategic plan took two years to complete. Comparing the just concluded strategic plan
and the newly approved strategic plan, the key strategic issues are similar but the strategies adopted are different. There are internal and external factors that influence the choice of programs and strategies. This study aims to establish the strategic planning practices and factors that influence such practices.

1.2 Research Problem

NGOs are dependent on the environment just like all other organizations. Their existence affects other organizations and are also affected by others. This is the relationship that Ansoff (1984) refer to as open systems. The NGOs are subject to; political environment, economic conditions, social-cultural situations, technological, ecological and legal changes (PESTEL). They are also affected by the internal environment; the size, the organizational and the products manufactured by the organization. They also compete among each other for donor funds. Their existence also dependent on the political goodwill of the governments of the countries they operate in and those of the donors. In addition, they need to be accepted by the communities they seek to work with.

There are five competitive forces that shape organization’s strategy according to Porter (1980). These are; the threat of new entrants, the rivalry among the existing competitors, the threat of substitute products or services, the bargaining power of suppliers and the bargaining power of buyers. The intensity of forces defer from industry to industry. In the NGO industry, especially in Kenya, the forces of entry are benign. The government encourages new NGOs to enter the through the support provided by the NGO Coordination Board. The rivalry is evident when competing for the available donor funds.
The other three forces are almost non-existence in the NGO industry. This may explain the reason why many new NGOs are registering every year to work in Kenya.

The volume of the donation income has not increased in tandem with the increase in the number of local and international NGOs. The recent global economic down-turns and frequent global political turbulences have greatly contributed to reduced donation income available to the NGOs. This situation has resulted in stiff competition among the NGOs and this has created need to adopting diverse marketing strategies to attract the available funds. Strategic planning practices is one of the marketing strategies the NGOs are adopting to improve their relevancy in the industry.

In the study of strategy formulation and implementation within large private manufacturing companies in Kenya, Aosa (1992) found out that there were significant variations between companies with respect to their strategy practices. The study found out that companies which maintained links between strategies and budgets were significantly more successful in implementing strategy than those not maintaining such links. Kangoro (1998) in his study on strategic planning practices in public sectors in established that strategic planning was done in the public sectors but implementation was poor. He attributed the poor implementation of strategy to lack of top management and employee commitment towards their implementation. Otete (2003) also established that strategic planning is practiced in public sectors but the development was done by the top management with the government influencing the whole strategic planning process.
In the study on strategy practices within commercial internet services providers (ISPs) in Kenya, Mbayah (2001) found out that all ISPs practiced some form of strategic management as they had written mission statements, plans and objectives and were involved to some varying degrees on competitor analysis, industry analysis and environmental scanning. According to Busolo (2003) in his study on Corporate strategic planning among motor vehicle franchise in Nairobi, all vehicle franchise companies engaged in corporate strategic planning and top management were active in overseeing their implementation. Karanja (2008) in his study on Strategic planning practices in Audit firms in Nairobi concluded that all medium and large firms practiced all aspects of strategic planning.

Kiruthi (2001) in his study on the strategic management practices in Not-For-Profit Organizations, a case of public membership clubs in Nairobi found out that the clubs practiced some aspects of strategic management. The top management played a dominating role in the formulation of the objectives, plans and strategies to the exclusion of other parties. Kamau (2008) also found out that many of the organizations which did not involve stakeholders such as employees in the strategic planning processes had challenges implementing strategies as a result of resistance from the employees.

The studies done so far indicate that there is no one way that can be said to be the best strategic planning practice. Therefore, organizations adopt one or a mixture of strategic planning practices. This study was to establish the strategic planning practices at Plan
Kenya and factors the influence such practices. The researcher has not come across a study that has been conducted on strategic planning practices at Plan Kenya.

The research questions addressed by this study are: What are the strategic planning practices adopted by Plan Kenya? And what are the factors that influence such strategic planning practices?

1.3 Objectives of the Study

The objectives of this study were:-

(i) To determine strategic planning practices adopted by Plan Kenya.

(ii) To determine the factors that influences such strategic planning practices.

1.4 Value of the study

The study provides useful reference material for use by Plan Kenya and other similar NGOs when developing strategic plans. As a reference material, the managers of NGOs will understand the planning practices adopted by NGOs and factors that influence such practice. This is useful to ensure that the good strategic planning practices are adopted and reinforced while the weaknesses are avoided.

The study is also useful to the government bodies that are charged with the responsibility of coordinating the operations of NGOs in the country. These bodies include the NGO Board, the Register of social societies and Civil Societies Organizations (CSO) among
others. The understanding of planning practices in NGOs will assist such governing bodies to develop appropriate governing regulations. It is envisaged that the regulatory bodies will develop rules and regulations which enhance good planning practices.

The study also adds to the body of knowledge on strategic planning practices adopted by NGOs and the key factors that influence such practices. The knowledge provided is useful reference material for researchers interested in carrying out further studies in the same or related field.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter deals with theoretical literature review in the historic development of strategy concept and strategic planning practices as documented by various authors. This chapter also explores the areas of consensus in the factors that influence the strategic planning practices and knowledge gap.

2.2 The Concept of Strategy

Different authors, dating as far back as 1960, have made various attempts at defining the concept of strategy. These authors include Drucker (1960), Chandler (1962), Ansoff (1965), Andrews (1971), Porter (1985), Mintzberg (1994) and Johnson &Scholes (2002). Drucker (1960) viewed the concept of strategy as defining the business of a company. Chandler (1962) improved on the definition of Drucker by including the determination of long-term goals and objectives, actions and allocation of resources of an enterprise in the strategy concept.

Andrews (1971) merged Drucker’s and Chandler’s definition to define strategy as; a pattern of major objectives, purpose or goals and essential policies and plan for achieving those goals. These should be stated in such away as to define “what business the company is in or is to be in and the kind of company it is or is to be”. This definition introduced the strategy as a concept of positioning a company in a competitive environment which according to Porter (1985) is also a search for a favorable competitive
position in an industry aimed at establishing a profitable and sustainable position against the forces that determine industry competition.

The concept of strategy can be defined in five different ways according to Mintzberg et al (2003). The five ways are; a plan, a ploy, a pattern, a position and a perspective. Strategy is defined as a plan since it is a consciously intended course of action or a guideline to deal with a situation. This definition emphasizes the two characteristics of a strategy i.e. they are developed in advance and that they are developed consciously and done purposefully. As a poly, strategy was viewed as having a specific intention of outwitting/outsmarting a competitor. Porter (1985) applies the ploy theory to illustrate the on the market signaling in which companies use this maneuver by announcing major moves whose intention is to intimidate the rivals to act in panic. Strategy is also pattern which emerges from a stream of actions which, according to Mintzberg (1994), may be developed even in absence of intention and without pre-conception.

Strategy as a position is defined as a mediating force that locates an organization in a competitive position in the environment. In this context, strategy becomes the niche that guarantees competitive positioning against its rivals. According to Mintzberg (1994), Strategy can also be defined as a perspective which looks inside the organization and even further in to the minds of the collective strategists and the broader view. This brings in the view that strategy is a perspective concept which Mintzberg et al (1998) stated that all strategies are abstractions which exist only in the minds of interested parties.
Johnson and Scholes (2002) defined strategy as the matching of the resources and activities of an organization to the environment. The matching of the resource and activities to the environment is also referred to as the search for a strategic fit. It involves the identification of opportunities in the business environment and adapting resources and competencies to take advantage. Strategy can also be seen as building on an organization’s resources and competencies to create opportunities or to capitalize on them. This is known as the strategic stretch as it involves stretching the organizations resources and competencies to achieve much more. It is the leveraging of resources and competencies of an organization to provide competitive advantage.

Thomson, Strickland and Gamble (2007) view a company’s strategy as consisting of competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations and achieve the targeted levels of organizational performance.

2.3 Strategic Planning Practices

Strategic planning can be defined from four points of view; futurity of current decisions, process, philosophy and structure (Steiner, 1979). The futurity of current decision view strategic planning as the systematic identification of opportunities and threats that lay in future, which together with other relevant data provides the basis for making better current decisions to exploit the opportunities and avoid the threats.
The process definition view strategic planning as a process that begins with setting of organizational aims, defines strategies and policies to achieve them, and developing detailed plans to make sure that strategies are implemented so as to achieve the ends sought. This definition provides that strategic planning is systematic in the sense that it is organized and conducted on the basis of an understood regularity.

The structure view of strategic planning indicate that strategic planning is a systematic and more or less formalized effort of a company to establish basic company purposes, objectives, policies and strategies and develop detailed plans to implement policies and strategies to achieve objectives and basic company purposes. The philosophical view of strategic planning brings in the attitude of the managers and staffs. This means that the managers and staffs in an organization must believe that strategic planning is worthy doing and must want to do it as well as they can. Aosa (1992) captures all the four views of the strategic planning advanced by Steiner argued that planning manager requires that they think through activities in advance of undertaking them. There is also need to look into the future and try to visualize the future position of the company and try to get there.

The concept of strategic planning has evolved from the 1960s as documented by the early authors on the subject of management. In the earlier days, strategic planning was referred to as the long-range planning. The approach of planning was very conventional as it assumed a relatively stable growth business environment. This allowed for extrapolations and heavy reliance on the past experiences. The strategic planning was re-invented in the
mid 70s as a result of turbulent business environment and oil crises. The approach is now more focused, participative and market driven. According to Steiner (1979), the modern strategic planning is inextricably interwoven into the entire fabric of management.

Pacios (2004) defined strategic planning as a process of designing the future. It also leaves a written record of such a design to guide the behaviour of those who integrate the organization so that the future does not develop arbitrary but as planned. Steiner (1979) explained that strategic planning is not something separate and distinct from the process of management. It is a function of all managers at all levels of an organization but the responsibilities vary significantly among different types of organizations and different organizational levels.

According to Bower (1966) there are fourteen basic and well-known management processes that make up the components from which a management system for any business can be fashioned. Bower listed these components as: setting objectives, planning strategy, establishing goals, developing a company philosophy, establishing policies, planning the organization structure, providing personnel, establishing procedures, providing facilities, providing capital, setting standards, establishing management programs and operational plans, providing control information and activating people.

The fourteen Bower's basic management processes were later collapsed into three main components; strategic formulation, strategic implementation and strategic control by Steiner (1979). Strategic planning practices, as explained by Pearce and Robison (1997),
comprises of nine critical tasks, namely: formulating the company’s mission, developing a company profile, assessing the company’s external environment, analyzing the company’s options, identifying the most desirable options, developing annual plans, implementing the strategic choices and evaluating the success of the strategic process.

The strategic planning practices can be defined as being the extent to which the process of strategic planning practices is carried out in an organization as evidenced by the formulation and definition of organization’s mission and vision statements, performance of situation analysis, strategy formulation choices, implementation and evaluation (Pearce & Robinson, 2008). Thomson, Strickland and Gamble (2007) also advance the following as five the critical activities for strategic planning practices in an organization; developing a strategic vision, setting objectives, crafting a strategy for the objectives, implementing the strategy and evaluating the performance. These critical components are expounded in the following sub-sections.

2.3.1 Vision and Mission Statements

Identification of the organization’s vision and development or revisiting of both is the first step of strategic planning. Very early in the strategy-making process, a company’s senior managers must wrestle with the issue of what path an organization should take and what changes in the company product/market/customer/technology focus would improve its market position and future prospects. This constitutes a strategic vision for the organization (Thomson, Strickland and Gamble, 2007).
This is closely followed by the revisiting or re-formulation of the organization’s mission statement. Mission statement describes the firm’s product, market and technological areas of emphasis and is done in away that it reflects the values and priorities of the firm’s decision makers. The Vision and mission of a firm answers the two questions; what is our business and what will it be?

2.3.2 Situation Analysis

The next step of strategic planning process is the environment analysis. This is also referred to as situation analysis. A host of external factors influence a firm’s choice of direction and action and, ultimately its organizational structure and internal processes. According to Pearce and Robison (1997), the external environment can be divided into three interrelated subcategories: factors remote to the firm, factors in the industry and factors in the operating environment. The remote environment comprise those factors that originate beyond and usually irrespective of individual firms operating situation. These include political, economic, social-cultural, technological, ecological and legal factors (PESTEL). Porter (1985) formulated five forces that shape competition in an industry. These include entry barriers, supplier power, buyer power, substitute availability and competitive rivalry. The study of the way the five forces interact in the firm’s industry is part of the situation analysis.

The external environment analysis helps the strategist identify opportunities available to the firm and threats that the firm is exposed to. The opportunities are those favourable situations that are available in the environment for the firm to exploit. While threats on
the other hand are key impediments to the firm’s current or desired position. The strategist must also carry out an internal analysis of the firm to assess the strengths and weaknesses of the firm, (Pearce and Robison, 1979). The tool commonly used by organizations to conduct internal assessment is the SWOT analysis. SWOT is an acronym for the internal Strengths and Weaknesses of a firm and environmental Opportunities and Threats facing that firm. The SWOT tool provides an excellent framework through which managers can view their firm’s strategic situations.

2.3.3 Strategy Evaluation and Choices

The process that follows the situation analysis is the formulation of strategic objectives and choice of grand strategies to achieve them. Thompson and Strickland (1993) argued that crafting of strategy is an analysis-driven exercise, not an activity where managers can succeed by sheer effort and creativity. They further argued that judgments about what strategy to pursue should ideally be grounded in a probing of company’s external environment and internal situation. Therefore, unless a company’s is well- matched to the full range of external and internal situational considerations, its suitability is a suspect.

The process of situation analysis results in many opportunities that a company can exploit competitively. It also results in many ways of implementing the various objectives. The managers have to evaluate all the choices and select the most strategic ones out of the many available. They must then formulate the best strategies to deliver the strategic objectives.
2.3.4 Strategy Implementation

The next step in strategic planning process after evaluation and formulation of strategies is the implementation. Bateman and Zeithaml (1990) argued that the best plans are useless unless they are implemented properly. Successful implementation requires that plans be linked to other systems of the organization such as budgets and other resources. This may require re-organization of structures to provide leadership and motivation for performance.

Studies have shown that, if both the management and employees participated in the previous stages of strategic planning processes, the implementation is probably more effective and efficient. The Studies done in Kenya on strategic planning practices by Kiruthi (2001) and Kamau (2008) supports Bateman and Zeithaml (1990) that the involvement of both management and employees leads to the success of implementation of strategies.

2.3.5 Strategy Evaluation and Control

The final step in strategy planning process is the strategic control and evaluations. Planning is an ongoing, repetitive process and hence monitoring and control is essential. This step in the process of strategic planning provides for the organization to regularly monitor the actual performance of strategies and goals. The strategic planning process provides for control systems that allow the organization to take corrective action when
the plan is implemented improperly or when the situation changes (Bateman and Zeithaml, 1990).

The monitoring and evaluations of the performance is more frequent at the functional level of strategy implementation and less frequent at the corporate and business levels. At the corporate and business level, the evaluation is often done at half way of the strategy implementation period, usually referred to as the mid-term evaluation. The final evaluation is done at the end of the strategy implementation period. This final evaluation is important as it informs the subsequent strategic planning process.

### 2.3.6 Formality of Strategic Planning

The strategic planning practices may be formal or informal. Smaller companies tend to have much simpler and less formalized planning systems than the medium and large companies (Steiner, 1979). According to Pearce and Robison (2002), formality of strategic planning refers to the degree to which participants, responsibilities, authority and discretion in decision making are specified. According to Aosa (1992), some companies studied in Kenya exhibited very formal planning process while others were rather informal.

However, according to Hunger and Wheeler (2000), studies of the strategic planning practices of actual organizations argued that the real value of strategic planning may be more in the future orientation of the planning process itself than any written strategic
plan. The studies observed that small companies, in particular, may plan informally and irregularly. Hunger and Wheeler (2000) argued that even though the degree of formality in strategic planning had no significant impact on a firm’s profitability, formal planners had twice the growth rate in sales.

Thompson and Strickland (1993) argued that, an organization’s policies, practices, traditions, philosophical beliefs, and ways of doing things combine to give it a distinctive culture. They further argued that in some cases a company’s core beliefs and culture even dominate the choice of strategic moves. This is because culture-related values and believes become so embedded in management’s thinking and actions that they condition how the enterprise responds to external related events.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design and the modality that was used to collect data considered relevant in answering the research questions. The chapter also describes the method of data analysis that was used to process the data.

3.2 Research Design

The research was in form of a case study. This was to allow for an in depth study since the research required to determine the strategic planning practices adopted at Plan Kenya which could be best obtained by a case study.

A case study is a very popular form of qualitative analysis and involves a careful and complete observation of a social unit, be it a person, a family, an institution, a cultural group or even the entire community (Kothari 1990). Copper and Emoly (1995) assert that case studies emphasis more on a full contextual analysis of fewer events or conditions and their interrelations. Therefore case studies have become common research tools in psychology, sociology, political science and planning. The advantages of using a case study include facilitating intensive study of concerned unit which is not possible with other methods and possibility of obtaining the inside facts from the experienced employees. The case study was also used by Muturi (2008).
Plan Kenya was considered ideal for the study as it has been in the existence since 1982. It has also undertaken the process of strategic planning twice since year 2000. The information concerning the process is easily accessible for study hence limiting the cost and time taken as it does not involve large populations and sampling.

### 3.3 Data Collection

The study relied on both primary and secondary data. Secondary data was obtained from Plan Kenya’s printed records and information posted on website. The secondary data contain both historical and current information on the strategic planning practices that was relevant for the study.

Primary data was obtained using an interview guide that was structured to meet the objectives of the study. The questions were open ended and closed. The interview guide was designed to capture information on the various aspects of strategic planning practices in the organization. The questions were administered on the key management staff of the organization. These included the Head of Strategic Programs, Research & Documentation Manager, Communication Manager, Administration Manager, Monitoring and Evaluation Manager, Grants Coordinator and Human Resources Manager.

### 3.4 Data Analysis

The data analysis was done on content; this is because the date collected was mainly qualitative in nature. The analysis measures the semantic content or the “what aspect” of
a message. Its breadth makes it a flexible and wide-ranging tool that may be used as a methodology or a problem specific technique (Cooper and Emoly, 1995). Content analysis guards against selective perception and has provision for the rigorous application of reliability and validity criteria. Case studies can yield information that could not be obtained using other methods.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data findings and the analysis. The purpose of the study was to determine the strategic planning practices adopted at Plan Kenya and the factors which influence such practices. The data analysis was on content. This analysis measures the semantic content or the "what aspect" of a message.

4.2 Vision and Mission

A critical component of strategic planning practices is the development or revisiting of the vision of the organization and the formulation a mission to establish the purpose of existence. Plan Kenya has clearly documented vision and mission statements. All the key managers interviewed demonstrated good understanding of the vision and mission statements of Plan Kenya. However, the vision and the mission statements adopted at Plan Kenya are generic statements developed by the parent organization and are common to all Plan International offices worldwide. The vision statement has remained the same for a long time, however, the mission statement was revised at least once over the last seven years and the changes shared out to all Plan International offices.

The vision and mission statements are widely shared within the organization both as hard copies and softcopies. Extracts of the statements is included in all communications going out of the organizations such as job advertisements, invitation to tender for project
assignments and publications in the media. All the key managers interviewed were very clear on the reason Plan Kenya exists and what it aims to achieving in the long term.

4.3 Situation Analysis

Situation analysis is extensively done at Plan Kenya. This is demonstrated by the huge resources allocated to the exercise in the two most recent Strategic planning process undertaken by Plan Kenya. All the managers interviewed were involved in the situation analysis exercise. The organization conducted what is referred to as the "participatory situation analysis". This is a process that involves the participation of all the key stakeholders of Plan Kenya. These include; the Community Based Organizations (CBOs), the Government, partner organizations and all Plan Kenya functional departments.

External independent consultants are hired to facilitate the process of the situation analysis and the collection of relevant data to inform the process. The situation analysis is conducted in each county that Plan Kenya works in Kenya. They are individually analyzed and then merged for final discussion by the top country management and representatives from the counties. The whole process of situation analysis takes at least six months to be completed and is quite involving.

4.3 Strategic Evaluation and Choices

The situation analysis for the last two strategic planning processes was carried out using the SWOT tool. These analysis identified a wide range of opportunities that Plan Kenya
was perfectly positioned to exploit. It also determined the weaknesses present to the organization and the threats that the organization was exposed to. SWOT is a powerful tool of analysis as it provides the managers with an excellent view of the organization’s situation to enable them make the strategic choices.

The process of making the strategic evaluation and strategic choices in Plan Kenya is assigned to a smaller team. This is mainly composed of the Strategic Programs Manager and his Strategic Team, the country management and other co-opted staff as deemed necessary. This is considered important as the team is conversant with Plan International worldwide vision and mission statements that the choices made must aim to achieve in the long run.

The most recent strategic process selected five objectives that the strategic team after evaluations determined to be the most strategic for the organization. Theses objectives are in the areas of Health, Education, Sustainable Livelihood, Inclusion & Protection and Governance. These objectives are also in line with the Plan International worldwide mission.

The participatory situation analysis identified many ways of the ‘how’ to achieve the many objectives identified. However, the strategic teams recommended strategies were governed by the worldwide mission statement which states that Plan’s approach to development is the “Right Based Approach” (RBA). This approach views development from rights perspective where all the interventions are geared towards bridging the gap
between deprivations to the full enjoyment of rights and in particular the child rights-Plan is a child centered organization.

The strategic choices were then shared with a wide group of middle level managers for critiquing and refinement. The refined choices are then shared with external stakeholders and in particular the major fundraisers for review and fine-tuning. This process is quite sensitive and quality control is maintained to ensure that the final process and outcome is based on the situation analysis. To ensure that the standards are maintained and that the country strategic plan process is in harmony with the worldwide strategy, the country process is reviewed by a completely independent team set-up by the parent organization.

4.4 Factors Influencing Strategic Planning Practices at Plan Kenya

The study observed a number of factors that had varying influence on the strategic planning practices at Plan Kenya. The factors found to have the greatest influence and which were also mentioned by most of the key managers interviewed are discussed in the following sub-sections.

4.4.1 Influence by Parent Organization

Plan Kenya as mentioned earlier, is a branch of Plan International Incorporated in the USA with headquarters in United Kingdom. The vision and mission statements adopted by Plan Kenya are the one established by the parent organization. The vision and the mission statements are Key components of strategic planning as they establish the
"destination" of the organization and the reason for the existence. These statements greatly influence the choice of objectives and the strategy of delivering them.

It was also observed from the review of the printed documents and those posted on the website of the organization that the parent organization has developed a step-by-step process to be followed by all branch offices to carry out the process of strategic planning. The quality control entails reviewing the compliance by countries to ensure that all the steps are followed before approving the final product.

In addition, the process of preparing strategic plans is heavily resourced both in funds and human resource. In the most recent strategic planning process, at least two residential strategic planning meetings were held in each of the eight counties that Plan Kenya works. The meetings brought together key staff from all Plan Kenya departments and stakeholders in the counties. The period taken to complete the strategic planning process was between one and half years to two years. Among the many work groups, Plan Kenya has also a team dedicated to strategic planning known as "Program Strategic Team" who participates in all strategic planning processes.

4.4.2 The Donor Preferences and Recent Development Methodologies

Ultimately, the chosen objectives and the strategies will require finances and other resources to implement. The main funders of the NGOs such as Plan Kenya are the donors. Therefore, choices and strategies must not only be strategic but also appeal to the donors to fund. With more and more NGOs being registered annually, Plan Kenya can
not lose sight of the final product. Donors also tend to put their money on the interventions mentioned and being emphasized by the United Nations especially, as the Millennium Development Goals (MDGs) that have lagged behind. If the emphasis is on Health, Education etc then the donors will also tend to fund them more.

Equally, the social development field is quite dynamic and new approaches are being developed with high frequency. In the first country strategic plan, Plan Kenya placed more emphasis on relief deliveries and hand-outs to the families that it aimed to develop. This is also what most of the NGOs were also adopting as the strategies for alleviating poverty. In this type of approach, achievements were measured on the number reached or families fed. In the most recent strategic plan, Plan Kenya has adopted a rights based approach. This approach is the new approach in the social development field. The measure of impact of this approach is on the full enjoyment of the rights.

4.4.3 Political Influence

Plan’s vision is of a world in which all children realise their full potential in societies which respect people’s rights and dignities. In working towards the realization of the vision, Plan holds the government as having the primary duty of delivering the rights to the deprived. Consequently, the strategic choices are greatly influenced by the political environment. The influence of the political environment is clearly evidenced in the last two strategic plans.
The strategic plan for the period from 2000 to 2009 was prepared at a time when the country was greatly challenged by corruption and poor governance in public service provision and weak capacity of children, youth and communities to claim their rights. The strategic choices in this strategic plan were more in provision of service, a role that is normally expected to be done by the government.

However, the strategic plan for the period from 2010 to 2015 was prepared at a time when the political environment had greatly improved and a new country constitution put in place that embedded the role of the government in the provision of the human rights. The influence of this political environment is evidenced by the strategic choices made which were more in capacity building of the rights holders to claim their rights from the duty bearer—the government.

### 4.4.4 Strategic Team’s Influence

The strategic team at Plan Kenya is always composed of individual staffs who are professionals in diverse disciplines and pursuing different development interests. Plan Kenya is a great follower of Chandler’s (1962) “structure follows strategy” principle and every strategic plan prepared by Plan Kenya is always followed immediately by a restructuring or structure review. The restructuring or structure review means that some positions are rendered redundant where some of them could be positions held by the strategic team.
Most of the managers interviewed mentioned having experienced the power play during the evaluations and choices. The strategic team’s professional and personal interests featured very often the process. This was done either unconsciously or intentionally. This may have an influence on the final decisions and the time taken to conclude the process.
5.1 Introduction

This chapter describes the summaries and discussions of the results of the study, limitations, recommendations and areas of further research resulting from the study.

5.2 Summary

The study found out that strategic planning practice at Plan Kenya is highly formalized and embedded in the organizations internal systems, structures and funding. A dedicated team is in place at the parent organization to review the step by step process followed by branch organizations such as Plan Kenya to prepare strategic plans. Plan Kenya follows all the critical activities to formulate strategic plans except for formulation or revisiting of vision and mission statements which are done by the parent organization and shared to all the branch offices.

Plan Kenya extensively carries out situation analysis through a process known as participatory process which is quite involving and is facilitated by an independent consultant. The situation analysis is usually followed by an extensive evaluation and strategic choices done by a smaller group made up of the Strategic Programs Manager and his Strategic Program Team, the Country Management and other co-opted staff as deemed necessary. The strategic evaluation and choices are then shared with a wider
team both internal and external for them to review and critic. The approved strategic plan is always followed by an extensive restructuring or structure review.

The evaluation of strategic plan implementation is done twice over the implementation period. The first is a mid-term evaluation done in the third year of the strategic plan cycle. The second is the final evaluation which is normally conducted at the end of the strategic plan to inform the subsequent strategic plans.

5.3 Conclusion

This study met the objectives set and answered the research questions. The study established that Plan Kenya follows a highly formalized strategic planning practice. The process of strategic planning process is well resourced and controlled for quality by the parent organization. Plan Kenya adopts the five critical components advocated by Thomson, Strickland and Gamble (2007) and the Pearce & Robison (2008) except in the formulation of vision and mission statements which are normally done by the parent organization.

The study also identified Key factors that influence the strategic planning practices at Plan Kenya. These are; the parent organizations control of branch offices, the donor requirements and new development approaches, prevailing political environment and the power-play brought about by the selected strategic teams’ professional and development interests. It is important that Plan Kenya remains cognizant of these factors as they affect the strategic planning practices either positively or negatively if unchecked.
The strategic plans once approved are highly circulated both as hard copies and in softcopies including posting in the website. The bridged version of the strategic plans is shared externally with all the stakeholders. The involvement of many people in the process of strategic planning process makes it easy to implement the final product but on the other hand increases the time taken to complete and requires a big budget.

5.4 Recommendations

The strategic planning process is repeated every five years. Therefore it is recommended that the organization place more emphasis on factors that improve on the end result and be conscious of the strategic planning practices that if unchecked may result in less than strategic choices. These are discussed in the following paragraphs.

The time taken and the resources allocated to the process may appear to be excessive. The time taken to complete the last two strategic planning processes ranged between one and half year to two years. This is excessive given the life of the strategy is only five years. The organization should review the time allocated to the process with a view of reducing the time taken. Equally, the “participatory” of situation analysis and evaluation is very involving and contribute to the long time taken to complete the strategic planning process. The recommendation would be for smaller team to take the process through and only discuss the draft strategic choices with the larger team.
The influence brought about by the strategic team due to the personal and professional interests can be moderated by involvement of independent consultant and by conscious awareness by the strategic team to guard against the undue influence. The final product should be audited before approval to ensure that any adverse influence is corrected before the approval of the final strategic plans.

The influence by the donor, the parent organization and the political environment are inherent. However, the strategic team should purposely go through the strategic planning process that results in strategic choices. This final product can then be moderated for the purpose of taking care of the donors’ interest, parent organization control and the prevailing political situation. This process has a greater chance of having choices closer to being strategic than otherwise.

The study observed that there was a high staff turnover at the on-set of restructuring and structure review process. As mentioned earlier, Plan Kenya is a great follower of “structure follows strategy” principle fronted by Chandler (1962). It was also observed that Plan Kenya is very transparent and shares a step by step process with all staff including soliciting staff participation in structure discussions. Despite, the transparency and the sharing of the process, stress builds up on staff due to the uncertainties of whether the positions would be declared redundant. Most of the staff who are unable to wait for the final product, and usually the most qualified look for jobs elsewhere and exit the organization. The process of strategic planning and structure review should be joined and a shorter time planned to minimize stress and anxiety on staff.
5.4 Suggestion for Further Studies

This is a case study of Plan Kenya, a branch of an International organization and the results of it may not be generalized to cover other international organizations or branches operating in Kenya. It would be important to do research on strategic planning practices on all international organizations operating in Kenya.
REFERENCES


Pacios, A. R. (2004). *Strategic plans and long range plans, is there a difference?* Library Management Volume 25 No.6


APPENDIX: INTERVIEW GUIDE

This interview guide seeks information on factors that influenced strategic planning practices at Plan Kenya. Your answers will remain anonymous and strictly confidential and will be used only for academic purposes.

Section A: Personal Details of Respondent

1. Interview date ____________________

2. Position in the organization ________________________________

Section B: Information on Strategic Planning Practices at Plan Kenya

3. Does Plan Kenya have a formal documented mission and vision? ________________________________

4. How often are the mission and vision statements reviewed? ________________________________

5. Do the following factors cause alterations of Plan Kenya’s mission and vision statements;
   Political changes ( ), Economic Changes ( ), Social cultural factors ( ), Technological Changes ( ), competitions ( )
   State other factors which alters the mission and Vision statement of Plan Kenya,
   ________________________________

6. How and by whom was the situation analysis of the internal and external environment carried out during the most recent strategic process?
What was the level of your participation in the most recent situation analysis, and which other positions were involved in the exercise?

What are the key factors that influenced the strategic choice of objectives (goals) of intervention?

What are the key factors that influenced the strategies to be used to deliver the objectives?

What other factors influence Plan Kenya’s setting of objectives/goals and the implementation strategies other than those resulting from the situation analysis?

Thank you for your clear responses and sparing the time for the interview.