

**STRATEGIC PLANNING PRACTICES ADOPTED BY THE YOUTH
ENTERPRISE DEVELOPMENT FUND IN KENYA**

BY

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DECLARATION

This research project is my original work and to the best of my knowledge it has not been presented for examination at any other university or institution of higher learning.

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This Research Project has been submitted for examination with my approval as university Supervisor.

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DEDICATION

This project is dedicated to my parents Mr. and Mrs. Kirai, who have utter belief in me and offered great support. Without their constant encouragement and splendid example, this and my other of life's projects would not have been accomplished. To my siblings, Doreen and Newton, thank you for your faith in me and for the unconditional love and support you have given me during my studies. Your continuous encouragement and support has enabled me to complete this project. My cousin Timothy, I am grateful for believing in me and encouraging me to further my studies. To my beautiful niece Malika, Aunt loves you.

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God Bless!

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ABBREVIATIONS AND ACRONYMS

ANDY	Action Network for the Disabled
CEO	Chief Executive Officer
C-YES	Constituency Youth Enterprise Scheme
GOK	Government of Kenya
KKV	Kazi kwa Vijana
NGO	Non-Governmental Organizations
M&E	Monitoring and Evaluation
NYS	National Youth Service
OVI	Objectively Verifiable Indicators
PESTEL	Political, Economic, Social, Technology, Environmental and Legal
RBV	Resource Based View
SPIC	Strategic Plan Implementation Committee
SWOT	Strengths, Weaknesses, Opportunity and Threats
VRIO	Value, Rareness, Imitability and Organization
WEF	Women Enterprise Fund
YEDF	Youth Enterprise Development Fund

ABSTRACT

Strategic planning is an important part of strategic management that turns strategy into actions which then turn to results. It ensures that the vision and mission of an organisation, and set out objectives and goals are achieved. With unemployment being one of the most unnerving challenges in Kenya, various policy interventions have been put in place to create an enabling environment for employment creation in Kenya. The government introduced the Youth Enterprise Development Fund (YEDF) targeting the youth. This study set out to determine the strategic planning practices adopted by The Youth Enterprise Development Fund and also establishes the challenges involved when undertaking the strategic planning process at the Fund. The research design took the form of a case study. The research utilized primary data and it was obtained by use of an interview guide. The respondents of the study included the Monitoring and Evaluation Manager, Supply Chain Manager, Business Development Manager, Lending and Investment Manager, Finance Manager, Public Relations Manager, Human Resource Manager and Nairobi Region Coordinator. The completed data was examined using content analysis. The findings show that strategic planning is indeed practiced at the YEDF. The study also established that the Fund applies the following strategic planning practices; formulation of the organization's vision and mission statements, and strategic objectives; development of specific, measurable, accurate, realistic and time bound strategic goals; communication of organization's vision and mission statements to the stakeholders; environmental scanning; and, monitoring and evaluation. The study also established that the vision 2030, government policies, budget funding are some of the external factors affecting strategic planning at the organization. The study established that some of the challenges that the Fund faces include inadequate budgetary funding, furtherance of personal interest amount the stakeholders, political interference, lack of a strong and committed team, building consensus, no strong organization alignment of the goal achievement and the organization's culture and limited time allocated to the strategic planning process. Some of the mechanisms adopted to counter these challenges include motivation of staff to enhance performance, fast communication of the strategy and team work. The study recommends sufficient allocation of resources to strategic planning including skilled personnel, adequate budgetary allocations, the Fund should also negotiate for more funding from Treasury, sufficient time allocation to the strategic planning process, ensure that employees are trained well and regularly in order to improve their skills in strategic planning as well as general management, change of organizational structure and culture through restructuring and training to align to the organization's objective at the Fund. 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.

CHAPTER ONE: INTRODUCTION

1.1 Background

The world is facing a global employment crisis and Kenya is no exception to this trend. Unemployment is a critical development challenge in the country with the youth being hit hardest. The youth unemployment rate is higher than the overall unemployment rate (Kenya National Bureau of Statistics, 2008). The nature of this crisis is such that there is a call for a more definite push for strategies, policies and programs to mitigate the unemployment challenge.

Failure by both the government and private sector to provide employment opportunities for the youth could have vast social, political, economic and cultural consequences. Idle youth are vulnerable to exploitation and incitement and a matter of serious concern for any country. The many idle youth in the country creates a ticking time bomb especially when this fact is considered in the background of the late 2007 and early 2008 post-election violence experienced in Kenya. Engaging with the young people of Kenya is therefore not a choice but a necessity for the country. The Kenya government has come up with various policy interventions, strategies, policies and programs to create an enabling environment for economic growth and job creation for both the private and public sector in the country.

The country's Constitution, Vision 2030 (GoK, 2007) and other sectorial policies focus on population groups such as the youth, women, and persons with disabilities. Under the economic pillar of the country's Vision 2030, flagship projects have been identified in various sectors. The government has come up with programs such as The Youth

Enterprise Development Fund (YEDF) in order to assist in reduction of the unemployment levels in the country. The Youth Enterprise Development Fund was set up to help focus on enterprise development as a way to economically empower the youth and therefore contribute to Kenya's economic growth (GoK, 2006). In addition to start-up capital, YEDF also helps in fostering supply chain linkages and ensures that business development services exist and also market products produced by the youth.

1.1.1 Concept of Strategy

Johnson and Scholes (1993) defined strategy as the roadmap that an organisation uses in a period of time and matches its available resources to its business environment in order to meet the goals set by the firm's stakeholders. This definition, according to Thornbill (2000) recognizes both the internal as well as the external factors that affect organizations and the importance of change as part of the strategic process. Ansoff (1998) on his part sees strategy as the positioning and relating of the organization to both its internal and external environment in a way which reassures the organization's success in implementing the strategy. When managers throughout the organization follow this thinking, they work consistently towards a common purpose, both supporting and enhancing the strategy (Waters, 2006).

In the 1960s, the modern business strategy emerged as a field of study and practice, until that time, competition and strategy barely appeared even in the most well-known management literature. The subject widened under the influence of Peter Drucker who at one time asked, 'What is our business now?' and the related question, 'What should it be in the future?' Wheelen and Hunger (2008) accentuate the importance of strategy when

they write that according to the research that has been done, organizations that are involved in strategic management usually perform better than organizations that do not.

Mintzberg, 1994 wrote that the chances of a business failing and its future being is continually dark are more, if a fitting strategy is not well implemented. According to Njagu (2008), a good strategy may fail if its implementation is poor. Waters (2006) argues that when managers design a strategy that sets an organization moving in the right direction, they open the road to, but do not guarantee, future success; but if they move the organization in the wrong direction, it cannot possibly succeed and no amount of good middle and lower management will help.

1.1.2 Strategic Management Process

Strategic planning is no doubt key in any organization, however for a strategic plan to be implemented successfully it is a greater challenge. This is because it deals with the culture and politics of an organization, together with how change is managed in the organization. Organizational culture, change and politics require a hands-on approach from the senior most level management. According to Poister and Streib (1999) strategic management requires an organization to monitor constantly how it fits with its environment. This ensures that it easily tracks forces that are likely to affect it.

Implementing a strategy successfully is a vital factor between success and failure of an organization's strategy. The actual benefit of a decision can only surface after a decision has been executed as Crawford, Blackstone and Cox (1988) explained. Aaltonen and Ikavalko (2002) realized that a great strategy can be of no use if it is not implemented effectively. Drazin and Howard (1984) argued that if the intended strategy is understood

in detail and makes sense to everybody in the organization as it does to the organization's management the intended strategy would then be implemented as it was envisioned. Hammer and Champ (2003) noted that whether strategic planning is occurring in a single department or in the entire organization, commitment from management is crucial if the strategic plan implementation is to be successful.

Great strategies evolve ultimately because of constant monitoring of the progress achieved and not during many sessions of strategic planning. Strategy implementation should therefore be integrated in the strategic planning phase by involving people that will be key during the strategy implementation, as noted by Noble (1999). This helps in gaining their total dedication and commitment to implementing the strategy as they were actively involved from the early stages of strategy planning.

1.1.3 Strategic Planning Process

Hellriegel, Jackson, & Slocum (2005) define strategic planning as the process of developing a vision and mission statement, goals and objectives, scanning the organization's environments, allocation of resources towards achieving the goals set and the selection of the strategies that are to be pursued. Defining an organization's strategy and the allocation of its resources is strategic planning according to Osbourne (2009).

Pearce et al. (2007) on his part sees strategic planning as the process in which the organization's mission, policies and strategies, and policies are determined. A firm's vision, mission, objectives, values and strategies are the key components of strategic planning. According to Poister & Streib (2005) strategic planning is only useful if it is integrated to implementation. They also noted that it provides a systematic process for

getting information and using it to establish an organization's vision and subsequently translating the vision into precise goals and objectives.

Strategic planning aligns an organization's activities with both its external and internal environment, in so doing; it ensures the company's survival. It therefore requires an organization to continually study its environment for changes that may require the existing plans to be modified or coming up with totally new plans. To ensure organization commitment, every level of an organization must be involved in the planning process. Strategic planning ultimately helps in the choosing of the planned options, making decisions and as a result the likelihood of achieving stakeholders' set goals and objectives is higher.

1.1.4 Economic Empowerment-Related Programs in Kenya

Contributions by the youth, women and persons with disabilities to development goals particularly in the area of economic growth in Kenya are hindered by traditional ideas about their roles. The marginalized groups in Kenya, which include the women, youth and persons with disability, have less access to land, education and employment, and underrepresented in decision-making positions. Their unused potential is however gaining greater interest in the country with the Constitution and Vision 2030 providing a powerful framework for addressing equality. Both the constitution and the Vision 2030 seek to remedy the traditional exclusion of the youth, women and person with disabilities and promote their full contribution in every aspect of development and growth.

The Government of Kenya came up with the Women Enterprise Fund (WEF) is a means of addressing poverty alleviation through social and economic empowerment of women.

The Fund is one of the many projects in the country that is used to empower women. WEF was established to help in gender equality, poverty reduction and women empowerment in the country through enterprise development. WEF ensure that it helps Kenyan women in creation of wealth and employment by providing them with credit that is easily available and affordable to help them in starting and expanding their businesses. WEF also provides business support services such as facilitation of local and international marketing of products that have been produced by women, capacity building and linkages with larger companies, and facilitation of decent work spaces.

Persons with disabilities continue to live in extreme poverty in Kenya. This is so given the unequal power relations witnessed in our society and emphasized by prejudice and negative myths associated with disability. The Government together with the private sector has come up with various projects and programs to help economically empower persons with disabilities. Action Network for the Disabled (ANDY) recognizes these challenges and aims at economically empowering them in realizing self-potential and reliance. The government is also implementing various programs and interventions which include access to education scholarship grants, albinism support programme, registration of persons with disabilities and organizations, job placement for persons with disabilities, among others.

Youth empowerment is critical in any country. This is especially so due to the fast increasing youthful population with unequalled employment opportunities in our country. There have been various interventions by both by the public and private sector in helping the youth to be economically empowered. The Government of Kenya (GoK) came up with the Kazi kwa Vijana initiative, Swahili words meaning Work for Youth, program

whose short term aim was employing the youth in labor intensive public projects to facilitate them with income earning opportunities, in order to reduce their vulnerability, as well as equip them with skills that will help in increasing their employability both in the medium and long term.

In addition, programs such as the National Youth Service (NYS) are used to help the Kenyan youth to both develop and discover their full potential. The purpose of the NYS is to create human resources that are organized, technical and disciplined to carry out national development projects and to help in alleviating youth unemployment by providing the youth with skills that are essential for employment while promoting national unity. The National Youth Service empowers and enriches the Kenyan youth to provide a pool of skilled human capital for various industries of our diversified economy.

1.1.5 Youth Enterprise Development Fund (YEDF)

Youth Enterprise Development Fund (YEDF) is a corporation that is state owned and it is under the State Corporations Act, Cap 446 of the Laws of Kenya. It was established in the year 2006 under the Visions 2030 and then became a state company in the year 2007. YEDF targets the youth. YEDF has a responsibility of promoting youth empowerment through entrepreneurship and providing credit without following the conventional lending mechanisms that are purely collateral driven.

YEDF's has strategized on development of enterprises that will result in an increase in the opportunities available to the Kenyan youth. YEDF's main responsibilities are lending loans to microfinance institutions, registered NGOs, and savings and credit organizations that will then lend to the enterprises that are owned by the youth, helping

small and medium sized business for link up with the larger enterprises, facilitating employment of youth in the international labor market; attracting and facilitating investments in commercial infrastructure oriented towards micro, small and medium enterprises; and; facilitating the marketing of goods and services from youth enterprises in both the domestic and international markets.

In addition, YEDF promotes the youth as valued assets in the development process in the country by ensuring that they have the tools they need to play an integral part in the reversal of marginalization, poverty, illiteracy and unemployment. The youth can directly access funds as companies, individuals, groups, cooperatives or otherwise. Additionally there is the Constituency Youth Enterprise Scheme (C-YES) which funds businesses owned by the youth in every constituency. Through this program, the youth have been able to attain financial independence and stability by managing to run viable businesses.

1.2 Research Problem

Youth and women empowerment has been a topical issue that is often discussed in various fora. Recently, there have been enhanced efforts by the Government to engage the youth in nation building by use economic empowerment-related programs. The government has come up with programs such as the Youth Enterprise Development Fund (YEDF) in order to assist in the reduction of the unemployment levels in the country. The Youth Enterprise Development Fund like many organizations does indeed have strategic plans but in most cases they have failed to successfully translate their plans. For YEDF to generate strategies and successfully implement them there is need for an inquiry into their current practices.

Though a number of studies have been carried out in the area of strategic planning by many scholars: Gichira (2011); Akelo (2011); Kathamax (2012); Mbaabu (2014); Mwatata (2015); little has been done in relation to strategic planning practices in regard to The Youth Enterprise Development Fund in Kenya. This study therefore seeks to fill the knowledge gap by making an in-depth study on the strategic planning practices adopted by The Youth Enterprise Development Fund. This study therefore seeks to address the following research question: What are the strategic planning practices adopted at The Youth Enterprise Development Fund in Kenya?

1.3 Research Objectives

The objectives of this study were:

- i. To determine the strategic planning practices adopted by The Youth Enterprise Development Fund in Kenya.
- ii. To establish the challenges involved when undertaking the strategic planning process at The Youth Enterprise Development Fund in Kenya.

1.4 Value of the Study

This study was beneficial to the management and other interested parties at the Youth Enterprise Development Fund in Kenya since it brings to the fore the performance of the organization since its inception and the extent to which the strategic planning process has led to its failure/success.

The study is also significant to other empowerment-related programs and organizations as it provides valuable insights on the strategic planning practices adopted by The Youth

Enterprise Development Fund in Kenya. This study also provided valuable information on the challenges faced by the Fund during the implementation of the strategic planning practices and how to mitigate these challenges so as to achieve the organization's objectives.

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 YEDF have been able to address unemployment of the youth since its inception. Finally, the findings will be useful to scholars as they act as a reference for future studies on YEDF and other empowerment-related organizations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature pertinent to the subject under study. It gives insight into the theoretical foundation of the study, the strategic planning process, strategic planning practices and challenges of strategic planning. This chapter will provide a review of literature that is relevant to the study from various scholarly authors.

2.2 Theoretical Framework

Strategic planning process was intended to help companies or firms anticipate and respond effectively to their drastically changing internal and external environments. According to Johnson and Scholes (2004) strategic planning is a unique decision making process with some distinctive characteristic. Hiriyappa (2009) on his part sees strategic planning process as the formulation of strategies designed to achieve the organization's vision as a result of a set of decisions and actions.

2.2.1 Resource-Based View Theory

According to Pearce and Robinson (2011), the Resource Based View (RBV) theory proposes that a firm's competitive advantage lies in the application of its resources that are available at its disposal. Pearce and Robinson (2011) stated that the Resource Base View Theory is a method where the strategic advantages of an organisation are examined while combining the firms skills, assets and things that are not tangible.

According to Pearce and Robinson (2011), executives charting the strategy for their organizations tend to focus on the core competencies of their firms'. They further point

out that a firm must identify its core competencies for it to excel in pursuit of its mission. According to Hitt et al. (2011), forming an organization's vision and mission statement and the subsequent selection of its strategy requires the application of the RBV model.

Importantly, the firm should be able to organize value adding, rare and inimitable resources in order to achieve a competitive edge (Porter, 1990). Firms derive competitive advantage over their competitors from valuable resources that are difficult to substitute, hard to imitate and superior in use. A firm can exploit and translate the resources and capabilities to give it strategic advantage by building on their value, ensuring their scarcity and making them inimitable (Barney, 1991).

2.2.2 Stakeholder Approach Theory

In defining or redefining of the firm's vision and mission, strategic managers must recognize the rights of their stakeholder (Pearce and Robinson, 2011). This theory proposes that the management should incorporate the interests of stakeholders during crafting of an organization's vision and mission statements. This theory identifies key stakeholders to include the employees, government, local communities, customers and the general public. The theory suggests that during strategic planning process the management ought to identify its stakeholders, understand the claims of stakeholders in relation to the firm, reconciliation and assignment of priorities to their claims and finally coordinate those claims with other elements of the company vision (Pearce and Robinson, 2011).

Hitt et al (2011) point out that stakeholders can affect an organization's vision and mission, and are affected by the strategic decisions made by an organization hence it is

very vital that they are involved in the strategic planning process. Donaldson and Preston (1995) opined that the focus of this theory is on decision making at management level whereby the interests of every stakeholder is valuable, and no set of interest is superior to another.

2.3 Concept of Strategic Planning

Strategic planning involves making a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce & Robinson, 1991). An organization's vision and mission must be assimilated into its culture for them to be effective (Pascale, 2004). Firm leaders define financial and strategic objectives guided by the organization's vision. An organization's vision outlines what the organization wants to be, or how it wants its environment to be in its long-term view and concentrates on the future, (O'Regan and Ghobadian, 2002). A company's mission statement is its statement of purpose which describes its vision, values, goals and objectives of the firm that direct the pursuit of expected opportunities. According to Pearce and Robinson (2011) the mission statement of an organization should reflect and incorporate the values of all interested parties.

Mintzberg (1979) defined strategy as a mediation force between an organization and its external and internal environment. According to Andersen (2000) an analysis of an organization and its environment is very important when developing strategies. According to Bateman (1990), environmental analysis begins with an examination of the industry followed by organizational stakeholders. Stakeholders include suppliers, buyers, government competitors and regulatory agencies, among others. Hambrick, (2000) noted

that an organisation has the ability to quickly change its road map and also to strategically reconfigure is very vital to the success of an organisation and also in being able to achieve competitive advantage with the constantly changing environmental conditions.

According to Hayes (1998), sound strategy formulation and implementation will only help a company defend of attack competitors successfully and by doing so; the company will survive and prosper in the current dynamic and turbulent environment. According to Porter (1996), organizations must aim at making their strategies competitive. Porter suggests that competitive strategy is all about being unique and this means choosing a different set of activities to deliver a distinctive mix of value.

Strategic planning involves the determination of the long term objectives of an organization and prescribes the course of action needed to get them (Cole 2006). Chandler (1962) noted that strategy basically involves the ability to know the long term objectives of a firm and the adoption of services of action and allocation of resources for carrying out these goals. In order to ensure the success of strategic objectives, they must be communicated with all stakeholders and employees to ensure that they are made aware of their role in the process and how their efforts will help in achieving the objectives of the organization.

Steiner (1979) noted an in depth concept of strategic planning. Steiner also notes that planning is a process that is concerned with the expected consequences of current decisions. He further argued for the importance of strategic plans, providing keen insight into overcoming the barriers and biases associated with planning failures. Pearce and

Robinson (2011) argues that strategic planning involves the formulation of the vision and mission, environmental analysis, selection of objectives and the implementation of strategic plan.

Pearce and Robinson (2008) argue that formalization in strategic planning is the extent to which authority, participants and responsibilities in decision making are specified. According to Pearce and Robinson (2011), formalization of the planning process is linked with the accuracy, cost and success of planning. They further point out that formalization of the strategic planning process ensures that responsibility to specified action plans meant to realize determined objectives is assigned to the implementation team.

In addition to effective strategic planning articulating where an organization is going and the actions needed to make progress, it also helps an organization to know if it is successful. Haden (2010) argues that to ensure that strategic plans do not ‘gather dust’ on the shelves, short term mobility in implementation is vital. He further points out that short term mobility in implementation gives the message that the strategic plan formulated is a living document and the strategic planning process was serious.

2.4 Strategic Planning Practices

Strategic planning practice begins with the conceptualization of issues that affect the operations of an organization, forming the right team of strategic thinkers from the business and corporate levels of the organization, adopting planning cycles to the needs of every business and integrating the human resource into the strategic plan (Dye and Sibony, 2007). Ansoff (1965) points out that strategic planning practice is the product of

a rational process that leads to the formulation of the vision and mission statements, objectives and strategies to achieve the chosen objectives.

Kamau (2008) noted that many firms constantly redefine their vision and mission statement, arrange work seminars and also include consultants to come up with strategies.

John Yabs (2010) also noted that decision making and strategic thinking are the heart of strategic management and should be directed towards determining the strategic direction and performance of the firm in the long run, guiding the use of resources and providing a set of managerial decisions.

Strategic planning practices should be formulated to fit the needs of the organization. According to McKinsey and Kaplan (1999) the best strategic planning practice is one that is fact driven, transparent and formal. Pearce and Robinson (2008) noted that the strategic planning process involves formulation of vision and mission statement, environmental scanning, and strategy formulation and choice. The strategic planning process should start with determination of the vision and mission (Lerner, 1999). A well-developed vision communicates the organizational ambitions to its stakeholders and motivates the human resource to achieve the common objectives (Thompson, Strickland & Gamble, 2007).

Strategic planning provides employees with clear objectives and thus guides them towards one direction. Strong incentive, minimal or no conflicts, unified opinion are some of the benefits of strategic planning (Loasby, 1987). Strategic planning therefore make possible for an organisation to recognize and identify issues so as to improve its performance in being competitive.

According to Nabli and Nugent (1989) the internal and external environment provides multiple contexts that affect a firm and its performance, how it operates and what it produces. The analysis entails investigating the degree of opportunity or threat that is present in the environment (Lopez-Gamero & Molina-Azorin, 2015). Porter (2004) notes that the business environment is complicated, ever changing and competitive. For an organization to survive such an environment and attain competitive advantage to perform better than competitors, companies need formal action plans that are found in strategic planning.

After the environmental analysis has been conducted and the strengths, weaknesses, opportunities and threats of the organization have been determined, based on the analysis the organization selects a path among the various alternatives that will enable it to achieve its objectives and goals. Strategic choice is the decision which determines the expected strategy of the organization while addressing the question “Where shall we go” (Child, 1997). According to Bateman (1990), strategic planning practices lead to quality management, customer focus, research and development, human resource strategies, technology strategy, financial strategies, production operation strategy.

2.5 Challenges of Strategic Planning

Strategic planning is no doubt vital to any organization however making a strategic plan to work well is a challenge which deals with how an organization manages change, its culture and politics. Shrader et al. (2004) noted that good strategic plans should create some organizational change and a shift in direction and focus. Realizing the intention to change in a high pressure environment and with limited resources can be very hard.

(Korsgaard et al, 1995) identified commitment by top leadership as a key factor in strategic planning. Organizational leaders and management talk about how the strategic plan is vital to the organization however as the planning process gets underway, they show very little interest with the plan. This is evidenced by firm leaders unwilling and unable to carry out the intricate decisions agreed upon in the plan. Hammer and Champ (2003) noted that for the implementation of a strategic plan to be successful the organizations executives and management have to be committed.

Strategic planners face a challenge of engaging the right people to be involved during the strategic planning process. It would be vital to avoid or minimize the business jargon as the words strategic planning can cause fear in even the business experts. In addition those involved should be explained for the advantages and gains of the planning activities to mainly help the business focus on activities that will most likely lead the organization to success (Wernerfelt, 2010).

According to Haden (2010) finding consensus about all issues in strategic planning by stakeholders remains a challenge. This can however be done by use of a number of business tools which include simple brainstorming, mind mapping and nominal ranking (Thune and House, 1991). If the strategic process is performed correctly, it helps in promoting better and effective participation, communication, and collaboration of all stakeholders. Although gaining consensus about all issues amid the organization's stakeholders is not realistic, it would be essential to engage everyone through surveys, interviews, open forums, focus groups, and the like if the management of the organization expects all stakeholders to be involved in the strategy implementation.

Time and again a great deal of effort and thought is focused on creating a strategic plan that once the strategic plan has been developed the team involved in planning feels that they have completed their work. However, this is when the real work begins (Thompson and Strickland, 1992). Achieving the set strategies, objectives and goals in the strategic plan is the aim of the strategic planning process.

Haden (2010) points out that strategic plan should be integrated with the organizations human resources and budget. When the assessment of the firm is both unrealistic and not honest, a strategy that is inappropriate, weak or potentially unachievable is developed. The development of such unrealistic strategies may result from impractical leaders who effect ill-fitting strategies with regard to the company's environment or present position in the market. Plans that are too ambitious tend to outstretch resources and become problematic in the implementation phase.

CHAPTER THREE: RESEARCH METHODOLOGIES

3.1 Introduction

This chapter describes the methods and procedures that were used by the researcher to collect data that generated information on the strategic planning practices adopted and challenges faced when undertaking the strategic planning process at The Youth Enterprise Development Fund in Kenya. The chapter also explains and describes the research instruments that were used during the study.

3.2 Research Design

The research study took the form of a case study. (Flyyberg, 2006) noted that a case study was the appropriate design for providing answers to the questions posed as it was indeed vital for the educational innovations, strategies and policies studies. Case studies are used to make a detailed examination of a single unit, group or phenomena (Mugenda and Mugenda, 2003). According to Cooper and Schindler (2006) case studies normally place more importance on a full contextual analysis of fewer conditions and their interrelations by studying in depth rather than breadth.

3.3 Data Collection

This study used primary data which was obtained using an interview guide that was structured to meet the objectives of the study. The researcher used an interview guide which consisted of open ended questions so as to give the research a qualitative approach. The interview guide was designed to capture information on the various aspects of strategic planning practices in the organization. The researcher sought to utilize

respondents who were well versed with strategic planning at the organization. These included the senior management and various departmental heads at the Youth Enterprise Development Fund.

3.4 Data Analysis

The data obtained was analyzed use of content analysis. Hsieh and Shannon (2005) note that content analysis can be defined as a description of the composition of the objects of the study that is both qualitative and systematic. Mugenda and Mugenda (2003) point out that qualitative analysis is suitable in cases where the researcher has interest in obtaining information from data obtained during research in order for the reasearcher to come up with some meaningful information. Qualitative data analysis tries to establish relationships from obtained data. Mugenda and Mugenda (2003) also noted that the key purpose of content analysis is to study information that already exists so as to establish factors that explain a particular occurrence.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter entails data analysis, results and discussion on the study. The objectives of this study are to determine the strategic planning practices adopted and establish the challenges involved when undertaking the strategic planning process at The Youth Enterprise Development Fund in Kenya. The analysis of the study is based on questions contained on the interview guide. The researcher managed to interview 8 out of the 10 managers that were targeted which constitutes 80 per cent response rate.

4.2 Demographic Information

The study collected data from 8 senior managers and departmental heads at The Youth Enterprise Development Fund. These include the Monitoring and Evaluation Manager, Supply Chain Manager, Business Development Manager, Lending and Investment Manager, Finance Manager, Public Relations Manager, Human Resource Manager and Nairobi Region Coordinator. All respondents have been working at the organization for more than 3 years; therefore they are knowledgeable and conversant with the strategic planning activities at the organization.

The respondents have also worked at different capacities in different departments in the organization thus providing adequate information on the strategic planning practices adopted at the organization. All respondents indicated that they were university graduates implying that they were qualified for the positions they held. The respondents' solid academic background and vast experience in the organization makes them suitable candidates for the interview.

4.3 Strategic Planning Practices at the Youth Enterprise Development Fund

The study sought to establish how The Youth Enterprise Development Fund undertakes its strategic planning process by the researcher asking the respondents various questions relating to strategic planning activities. This was done in order to identify whether strategic planning was undertaken at the organization. The Youth Enterprise Development Fund has a 5 year strategic plan for the period 2013 – 2017. This section discusses how strategic planning is practiced at the YEDF and covers the organization's vision, mission and objectives and how they are formulated and communicated, environmental scanning, persons involved in the formulation and implementation of the strategic plan, challenges encountered during strategy implementation and how the organization mitigates the challenges encountered, and the monitoring and evaluation of the strategic plan.

4.3.1 Organization Vision and Mission Statements

The interviewees indicated that the organization does indeed have vision and mission statements. The vision of the Youth Enterprise Development Fund is to be a Fund that is both growing and sustainable while empowering the youth of Kenya economically. The mission of the Fund is ensure economic opportunities are increased and that the youth of Kenya are involved in building the nation through development of enterprises and partnerships that are strategic. The organization's core values include creativity and innovation, equity and fairness, professionalism, value collaboration, patriotism and, integrity and accountability.

The interviewees were asked if the strategic plan is documented and communicated to the organization's staff in which they affirmed that it is both communicated and documented.

The vision and mission statements are communicated to the organizations' staff as they are normally highlighted during various internal meetings. The researcher sought to establish whether the Fund communicates its strategic plans to its members of staff and their level of awareness of the organization's strategic plan. The respondents reported that the Fund communicates its strategic plans through various seminars organized to create awareness to the employees. The strategic plans were also communicated internally through the established internal communication channels which include emails, memos and circulars. The Fund's vision and mission statements are also posted on the YEDF's website and made public for everybody to access and read.

4.3.2 Formulation of Vision and Mission Statements

When coming up with the vision and mission of an organization, it is very important that the core values of an organization and its mandate are put into consideration. The vision of the Youth Enterprise Development Fund is to be a Fund that is both growing and sustainable while empowering the youth of Kenya economically. The mission of the Fund is ensure economic opportunities are increased and that the youth of Kenya are involved in building the nation through development of enterprises and partnerships that are strategic. The words used to describe the mission statement ensure that the Fund's mission comes out clearly, precise to the point and describes the overall purpose of the firm.

The respondents noted that the process of identifying the vision and mission of the organization is normally guided by the stipulated mandate of the organization as spelt out by the government and the government's vision on the youth population as contained in the Vision 2030, as well as legal notices that have been issued. The functions of the

organization then determine the organization's mission statement. The respondents pointed out that the formulation of the Fund's vision and mission was consultative. The vision and mission statements were set and directed by the Board, staff, Vision 2030 division and key stakeholders of the organization. The respondents also pointed out that the Fund's strategy is guided by its vision and mission statements and the changing expectations from the Government.

4.3.3 Organizational Objectives and Values

The organizations objectives were identified thorough a coordinated participating process which involved the organization's board, members of staff and other key stakeholders and partners with references to the legal instruments on the organizations mandate and the vision 2030 blue print. The objectives of the Fund include strengthening the policies and legal framework of YEDF, to remodel the business, ensure efficient and effective services, and ensure that the Fund has a long term impact and its is sustainable.

Involvement of an organization's stakeholders during the strategic planning process is integral in realization of the firm's objectives as different stakeholders have different tasks or roles for the organizations strategic plan to be a success. The Fund has been able to realize its objectives to a large extent by considering its stakeholders in the development of its objectives.

4.3.4 Person's involved in the Strategy Planning and Implementation Process

The study sought to establish whether respondents were involved during the formulation phase of the strategic plan. The researcher noted that many of the respondents were involved and that their opinions were sought and put into consideration during the

strategic planning process. The respondents were also aware of the strengths and challenges that the Fund faces in respect to the strategic planning process implying that the respondents were involved during the formulation of the strategic plan.

The researcher sought to establish who was involved in the strategy planning and implementation process at the Fund. The researcher established that YEDF's board, management, staff and other key stakeholders were involved in the formulation of the organization's vision and mission statements. The respondents also reported that the Fund's board, management, staff and other key stakeholders are mandated to steer and guide the organisation through the strategic planning process.

The researcher established that shareholder participation is key part of the strategy planning process at YEDF as the interviewees indicated that the board, staff, Vision 2030 division and key shareholders to the organization are involved during the formulation and development of the organizations vision and mission statements. Being a government institution, the respondents acknowledged that the organization continuously aligns its strategies to the national blue print i.e. the Vision 2030 and the Fund's mandate.

The Fund also has a Monitoring and Evaluation (M&E) department which is tasked with ensuring that the organization's development and implementation of the plan remains on the chosen path. The M&E department is in charge of the strategic planning process and also actively involved in how the organization implements its strategy leading to the attainment of its strategic objectives. The M&E department is also tasked with the responsibility of ensuring that all departments allocate time and also commit to the strategic planning process and monitoring the implementation of the strategy. The

department is also involved in the training of the staff and continuously appraising them on the environmental changes being experienced in the business environment, i.e. both internal and external and also on how the organization should then respond to the changes.

4.3.5 Environmental Scanning

Undertaking an appropriate environmental scanning process is an important strategic planning practice 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 establish whether situational analysis is carried out during strategic planning in YEDF and what is normally involved. The researcher established that situational analysis is usually done during the formulation of strategic plans at the organization. Further, it was established that situational analysis is usually conducted by the YEDF's planning committee which involved the scrutiny and study of both the external and internal environment of the organization.

YEDF comes up with strategic plans based on the situational analysis undertaken by the organization. The organization also aligns its activities with the Governments' policies on the youth. The researcher also found out that extensive environmental scanning which include SWOT (Strength, weaknesses, opportunities and threats) analysis and PESTEL (political, economic, social, technological environmental and legal) are normally conducted to determine the organizations position in relation to its environment.

This was done by holding discussions with industry players such as partnering institutions, the Vision 2030 Delivery Board and other specific players to help better

understand the political and socio-economic factors at play. As the Fund is a government organization, the use of PESTEL framework helps the organization to better understand the political, economical, social, technological, environmental and legal changes that are experienced in the country.

Using SWOT analysis, the researcher established that internal challenges such as inadequate funding relative to the Fund's mandate, shortage of staff and infrastructure that is not adequate, political interference, among others posed the greatest threat to long term success of the organization.

4.4 Challenges encountered during Strategy Implementation

The respondents unanimously agreed that financial constraint was a major challenge during strategic planning and implementation at the YEDF. The study found out that the Fund had a budgetary constraint hence the amount allocated to strategic planning was limited. This has forced the M&E department to come up with prudent financial practices in order to utilize the allocated funds as the funding was inadequate.

Another challenge that YEDF faces is the furtherance of personal interest. The Fund faces a large amount of stakeholders and political interference from various sources as the Fund is a government institution. The researcher established that various political leaders tried to influence the planning process in terms of identification of key projects and objectives.

The lack of a strong and committed team to spearhead the implementation of the strategic plan is also a challenge. Most of the management positions were vacant for many years

during the planning period therefore there was a shortage of staff required to implement the plan that had been formulated.

Building consensus was also established to be a challenge. The researcher established that differing views between members of the planning committee and stakeholders was a challenge during strategy planning. Building consensus amongst the various parties involved in the planning process was done through consultative meetings and seminars meant to reach out a consensus on the contentious issues.

The researcher also found out that where is no strong organization alignment of the goal achievement and the organization's culture. The respondents cited that the factors that affect the organizational cultures are the decision making process of the organization, leadership skills of the management and the organizational values and beliefs. Poor organization rewarding culture and lack of staff commitment are some of the challenges faced by the organization.

The researcher also established that time was a challenge during strategic planning. The respondents were in agreement that limited time was allocated to the process. The study also found that resistance of change, even if it was to the betterment of the organization, was also highlighted to affect the level of success of the organization's strategies.

4.5 Monitoring and Evaluation of the Strategic Plan

A firm's strategic planning process should not be considered as a one off activity but a continuous activity throughout the strategy planning process. The success of the Fund's Strategic plan implementation depends significantly on how effectively the planned activities and outputs are monitored and evaluated. The monitoring and evaluation

(M&E) of the YEDF's strategic plan is done by the M&E department which gauges whether the strategic plan formulated still serves the purpose it was intended for and if not, it then comes up with ways to align the strategic plan implementation with the set goals and objectives.

Monitoring and evaluation ensures that the Fund's strategic plan remains in the set out roadmap. In this regard, the researcher sought to establish the monitoring, evaluation and control process that the organization undertakes during the strategy implementation process. The Fund's strategic plan monitoring and evaluation committee has five members. The committee is referred to as the Strategic Plan Implementation Committee (SPIC) and it is facilitated by the M&E department.

SPIC continually monitors how strategic planning is carried out and the outcomes of the strategic plan implementation status and advises the Chief Executive Officer and Management. SPIC also assists departments in the preparation of objectively verifiable indicators (OVIs). The committee also tracks the implementation of the strategic plan and reports to the CEO.

A quarterly performance review is then conducted by the managers responsible for particular areas by presenting their specific departmental reports to show what has been achieved and what is outstanding. This is done in order to gauge whether the organization is on track or not.

The respondents pointed out that when mitigating challenges, in cases 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 shareholder forums

and creating sustainability mechanism. On the inadequate resources provided challenge, the respondents noted that the organization normally negotiates with the Government frequently on sourcing additional funds. A review of the previous strategic plan adopted by the organization is also a strategy that is adopted when mitigating the challenges that the Fund faces.

4.6 Strategic Planning Process at the Youth Enterprise Development Fund

In regard to the question of the strategic planning process at the Youth enterprise Development Fund, the respondents stated that the vision and mission statements are first formulated and developed. The strategic plans are then communicated to the relevant stakeholders of the organization through various channels. One of these channels includes internal communication by the organization's management mainly focusing on the broader organizational goals and not necessarily the detailed plans, with the aim of creating employee awareness on the focus areas. This ensures that the employees are engaged and committed through setting clear goals and objectives.

The organization also ensures that the strategic plan is in tandem with the firm's vision and mission statement. The respondents pointed out that the Fund's strategic plan clearly outlines the organization's vision and mission statement. The respondents also agreed that the strategic plan had clearly stated objectives. According to the respondents, the Fund's strategic plan also outlines the organizations strengths, weaknesses, opportunity and threats that the organization faces.

The respondents further felt that the strategies adopted were key in achieving the organizations objectives which include strengthening the policies and legal framework of

YEDF, to remodel the business, ensure efficient and effective services, and ensure that the Fund has a long term impact and its is sustainable.

The respondents also stated that the strategic planning process is also guided by the overall objectives of the organisation, vision and mission statements, and values which the organisation aims to achieve. The respondents also pointed out that the organizational plans are reviewed regularly in order to align to changes experienced within the internal and the external environment.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the key findings of the study presented in chapter four in relation to the set objectives, conclusions drawn based on the findings and recommendations there-to. This chapter will therefore be structured into summary, conclusion, recommendation and areas for further research.

5.2 Summary of Findings

The strategic planning process at the Youth Enterprise Development Fund begins with the formulation and development of the Fund's vision and mission statements. The strategic plans are then communicated to the relevant stakeholders of the organization through various channels. The organization also ensures that the strategic plan is in tandem with the firm's vision and mission statement. The respondents pointed out that the Fund's strategic plan clearly outlines the vision and mission statement. The respondents also agreed that the strategic plan had clearly stated objectives. According to the respondents, the Fund's strategic plan also outlines the organizations strengths, weaknesses, opportunity and threats that the organization faces.

The respondents further felt that the strategies adopted were key in achieving the organizations objectives which include strengthening the policies and legal framework of YEDF, to remodel the business, ensure efficient and effective services, and ensure that the Fund has a long term impact and its is sustainable. The respondents also stated that the whole strategic planning process is guided by the Fund's goals and vision which the organisation aims to achieve. The strategic planning process is also guided by the overall objectives, vision, mission and values of the organization.

The respondents also pointed out that the organizational plans are reviewed regularly in order to align to changes experienced within the internal and the external environment. The study further established that YEDF reviews its vision, mission and strategic objectives every 5 years. From the study, The Youth Enterprise Development Fund has a 5 year strategic plans that have been well documented and communicated to its stakeholders.

The study also established that the respondents were involved during the strategy planning process and that their opinions are taken into consideration during the planning process. This was established as the respondents are very conversant with the organization's strengths, weaknesses, opportunities and threats within the plan. The plan clearly outlines the Fund's strengths and weaknesses and the respondents unanimously agreed that the plan had clearly stated objectives.

The study revealed that the Youth Enterprise Development Fund faces challenges in the implementation of strategic plans. These challenges faced by the Fund include inadequate budgetary funding, lack of a strong and committed team, building consensus, no strong organization alignment of the goal achievement and the organization's culture and limited time allocated to the strategic planning process. Furtherance of personal interest amount the stakeholders and 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 Fund needs to address the above challenges by ensuring strategic allocation and utilization of resources in order to maximize benefits. To address the resource inadequacy challenge the Fund should negotiate for more funding from Treasury and ensure that employees are well trained so as to have better skills in strategic planning as well as general management.

The monitoring and evaluation 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. 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.

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

5.3 Conclusions of the Study

Following the foregoing discussions, the conclusions below were deduced. The study concluded that the Fund is actively involved in strategic planning. Strategic planning at the YEDF is a formal process which resulted into the formulation and documentation of the Fund's vision and mission statements, strategic objectives and the strategic plan.

The respondents were actively involved in the strategic planning process and that their opinions were sought and taken into consideration in the planning process. The respondents are also conversant with the strengths, weaknesses, opportunities and threats that the Fund faces.

The Fund has a formal documentation of the vision and mission statement. The study further demonstrated that the Fund has adopted the modern method of management with formulation of the vision and mission statements acting as a guide as to how the organization operates and a guide to the management also.

The strategic planning process at YEDF is a participatory process that involves all members of staff and stakeholders. The organizations' strategic planning committee is also an inclusive unit comprising of key stakeholders in the organization.

The YEDF adopted the following strategic planning practices; establishment of a planning committee with clear a mandate, resource allocation to the strategic planning process, formulation of the Fund's vision and mission, and building key strategies and objectives around the vision.

The study also concludes that the challenges the Fund face include inadequate budgetary funding, lack of a strong and committed team, building consensus, no strong organization alignment of the goal achievement and the organization's culture and limited time allocated to the strategic planning process. Furtherance of personal interest amount the stakeholders and political interference came out strongly as an external factor that affects the performance of the organization. Respondents cited that the factors that affect the organizational cultures are the decision making process of the organization, leadership

skills of the management and the organizational values and beliefs. Poor organization rewarding culture and lack of staff commitment are some of the challenges faced by the organization.

The Fund needs to address the above challenges by ensuring strategic allocation and utilization of resources in order to maximize benefits. To address the resource inadequacy challenge the Fund should negotiate for more funding from Treasury and ensure that employees are well trained in order to improve their skills in strategic planning as well as general management.

5.4 Recommendations

Successful implementation of strategies requires that the progress of strategy implementation be monitored. Therefore, it becomes imperative that a monitoring and evaluation officer role is to be built during 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.

The study recommends sufficient allocation of resources to strategic planning including skilled personnel, adequate budgetary allocations and sufficient time allocation to the strategic planning process in the YEDF. This would ensure that strategic planning in the organizations runs smoothly without any unnecessary delays, meets the desired goals and conforms to the best strategic planning practices. The management should also employ competent and qualified individuals at the management level with knowledge on strategic planning and implementation.

The study also recommends that formulated strategic plans should be communicated adequately internally to the employees and externally to other stakeholders. This would ensure that there is better understanding by the employees to corporate strategies they are implementing and as well as aiding them to understand the expected deliverables.

Also, the study recommends change of organizational structure and culture through restructuring and training to align to the organization's objective. This is to improve within the organization so that employees can identify with their organization and its goals, and deliver the services more effectively and efficiently.

5.5 Limitations of the Study

The respondents targeted for this study were senior management staff with busy schedules and it was therefore difficult getting access to them. This resulted to a lower than anticipated response rate. The researcher had to use a lot of time and resources to get access to the managers.

Mistrust among the set out group came out very strongly as a number of the senior managers were unwilling to be involved in the research because they were afraid of being victimized based on the current and past atmosphere and experiences. It therefore took a lot persuasion from the researcher to assure the respondents of total confidentiality in order for the respondents to participate in the research, however some of the respondents did withhold some crucial information during their interviews and this may have in the long run affected the outcome of the study.

5.6 Suggestions for Further Research

This study focused on strategic planning practices adopted by The Youth Enterprise Development Fund in Kenya. The research is not exhaustive and the researcher recommends further research on the challenges faced during implementation of strategic plans at the Fund. This will enable strategic planners at the Youth Enterprise Development Fund to identify aspects to improve on during future strategic planning at the organization.

The study has recommended for further research on how the strategic planning practices adopted by the YEDF have contributed to realization of the organization's vision and strategic objectives, and their effect when it comes to the performance of the organisation.

The study also recommends on the need to conduct further studies on stakeholder participation in strategic planning at YEDF. This will give an insight on stakeholders' role in strategic planning at the organization level as well as create awareness to the organization's strategic planners on the importance of stakeholder participation during the strategic planning process of an organization.

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APPENDICES

Appendix I: Letter of Introduction


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TO WHOM IT MAY CONCERN

The bearer of this letter KITHI KIENDE KIDAI

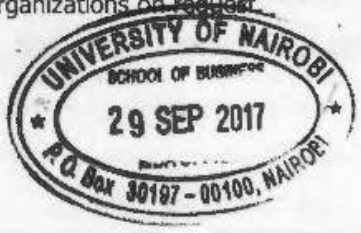
Registration No..... DGI / 70857 / 2017


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
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

Appendix II: Interview Guide

This interview guide is designed to collect data that will help in better understanding the strategic planning practices at The Youth Enterprise Development Fund in Kenya. The data provided by this interview guide will only be used for academic purposes and the responses will be treated with utmost confidence.

Section A: Demographic Information

1. What is your Position at your organization?
2. In which department do you work?
3. How long have you worked at your organization?
4. What is your highest level of education/qualification?

Section B: Strategic Planning Practices

5. Does your organization have vision and mission statements?
6. Who was involved in the formulation of the vision and mission statements?
7. Are staff aware of the strategic planning practices? Are they well-documented?
8. Does your organization have a strategic plan? If yes, describe the strategic planning process at your organization
9. Who is involved in the process? And what are their roles?
10. What time span does your organization's strategic plan cover?
11. Are your strategic plans reviewed? If yes, how often?
12. Does your organization provide resources (management, time, money, staff support) earmarked specifically for strategic planning?
13. Which are the various strategic planning practices adopted in your organization?

Section C: Strategic Planning Challenges

14. What are the challenges faced by your organization during the applicability of strategic planning practices?
15. How does your organization address the challenges?

Thank you for your cooperation!