

**STRATEGIC PLANNING PRACTICES ADOPTED BY TOUR AND
TRAVEL FIRMS IN KENYA**

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DECLARATION

This management project is my original work and has not been presented for a degree in any other university.



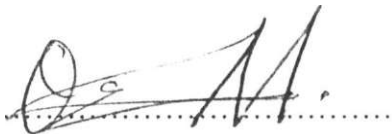
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This project has been submitted for examination with my approval as university supervisor.



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DEDICATION

To my beloved parents, Mr & Mrs Amos K. Karanja for unwavering commitment, encouragement and support to the education and learning of their children all the time despite their limited formal education and minimal resources.

Unconsciously they urged me on, and stood by me through it all. For this reason this is really their project through my very best effort.

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ABBREVIATIONS

KATA	Kenya Association of Travel Agencies
KATO	Kenya Association of Tour Operators
IATA	International Association of Travel Agencies
SWOT	Strengths, Weaknesses, Opportunities and Threats
FCA	Foundation for Community Association

ABSTRACT

The importance of good strategic planning is recognized by most organizations. A majority of organizations understand the need to clearly identify their mission and objectives, their priorities and targets for improvement, and the action to be taken to achieve them. Tour and travel firms in Kenya are faced with various challenges emanating from external environment such as competition, socio-cultural changes, technological changes and economic challenges. Tour and travel firms in Kenya have always been caught unprepared for such challenges and the reason could be lack of adequate planning. This is an area that has not received deserving attention from researchers. The study sought to identify strategic planning practices adopted by the travel agencies.

This research problem was studied through the use of a descriptive survey. The target population was the 250 tour operators who are active members of the Kenya Association of Tour Operators (KATO) and 45 members of Kenya Association of Travel Agents (KATA) who are not members of KATO as at December 31, 2007. The sampling technique used to select the sample was the stratified random sampling method. The tour operators were divided based on their category of membership. Five categories A, B, C, D, and E were used for the study. A sample of 20% was then picked randomly from each stratum. This brought the total sample to 54 firms. For purposes of this study, primary data was obtained through a questionnaire that was structured to meet the objectives of the study. The questions were both open and close ended. The questionnaires were administered by the researcher to the managers of the tour and travel firms selected. The SPSS (Statistical package for social sciences) computer package was used to analyze the data. Data presentation was in form descriptive statistics such as frequency distribution, percentages and tables.

As the study found, most of the firms in the industry have documented vision and mission statements which are reviewed when need arises. The companies also involve the management in the formulation of mission and vision statements. Another planning practice is that the firms in the industry do external as well as internal environmental

analysis to ascertain the effects of various factors on their operations before formulating their plans. Thus, the strategic planning practice in the firms follows the formal planning process, save for the involvement of key stakeholders such as employees in the planning process. The study recommends that tour and travel firms need to have formal documented mission and vision which should be formulated by directors and the mission and vision statement should be reviewed annually. Further, the employees should also be involved in the planning process so as to expedite the implementation phase and to avoid unnecessary resistance. The study also recommends that the senior management team should be involved in gathering information from the external environment regarding, competitors, strength and capabilities, weakness and the internal analysis. This information should be used to plan effectively for fluctuations in the business such as in cases of low seasons, say, by focusing their marketing to the local tourists.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic planning is the process adopted in identifying a strategy that best matches organizational capability with the environment. Strategic planning will enable an organization to identify the prevailing environmental opportunities and threats, and also to figure out or estimate the organization's resources capabilities taking into account the strengths and weaknesses of its resources so as to align itself accordingly to battle with the environmental challenges.

The strategic planning process is a flow of information through interrelated stages of analysis toward the achievement of aim. Strategic management is a process that affects the whole organization. It outlines the way in which objectives are determined and strategic decisions are made (Juach and Glueck . 1984). This process affects everybody in the organization. A change in one component results in changes in all other components (Pearce and Robinson, 1998). Although the elements of the model rarely change, the relative emphasis that each element receives will vary with the decision-makers who use the model and the environments of their companies.

As much as the strategic planning practices are quite clear and specific, there is no best way advocated by scholars on how institutions should go about in conducting or practicing its strategic planning. Different authors and scholars have advanced that strategies can form implicitly as well as be formulated explicitly (Mintzberg 1991. Johnson and Scholes 1993).

/. 1.1 Strategic Planning Practices

Strategic planning process involves formulation of mission statement, formulation of vision statement, performance of situational analysis and finally strategy formulation and choice (Pearce and Robinson, 2008). Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input

from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982).

As much as strategic planning is important, what is of more importance is how it is practiced in the different institutions. It is no wonder to find institutions going for seminars, workshops and even involving consultants to help these institutions to formulate strategies! According to C'hoo (1992). strategic thinking and decision making are the essence of strategic management and they should be directed to do three fundamental things. First, determining strategic direction and long-term performance of the organization; second, providing a set of managerial decisions; and finally, guiding the priority use of resources and internal managerial decisions.

Institutions can thus be seen to practice strategic planning in some of the following ways: The way they do the situation analysis where they address the question 'where are we now? How they come up with the mission and vision for the institution, and the question addressed is 'where do we want to be? What the institution hopes to do to get where they would want to be. This will be addressed by having strategic objectives.

The practices effected by an institution are likely to affect its performance. To create performance measures, it is important to first reconnect with the institution's mission and stakeholder expectations, and consider what results are being measured and rewarded in the institution. Once the current measures are identified, consider how those measures might be changed to provide a clearer picture of the results achieved, and how those results relate to the mission and stakeholder expectations.

Performance of an institution can be measured in terms that are both relative and absolute. Strategic planning practices will therefore aid an institution in its performance. Performance can thus be seen as the manner in which an institution carries out its duties. Some years back, performance was taken for granted, it is until recently that institutions

have seen the need, the importance and value of strategic planning practices. Some of these institutions are adopting these practices, but how they do it is still not clear.

1.1.2 Tour and travel firms in Kenya

Tour operators function as intermediaries in the tourism distribution system linking products and consumers to each other. Four operators handle all the details of foreign travel, for example air ticket purchase, accommodation arrangements, and transfers from and to airport and to itinerary. The tour operators are registered by the Kenya Association of Tour Operators (KATO) while the travel agencies are under the Kenya Association of Travel Agencies (KATA).

The tour and travel industry is one of the largest and expanding industries in the world because of an increase in the interaction between different countries and the development of commerce and investments across borders (KATA newsletter 2006). The travel industry includes 1 hotels, Camps and Lounges for accommodation. Restaurants, bars canteens and catering for service. Buses, taxis, airplanes, ferries, cruise for transport and Tour operators, car rental agents and Travel agencies for arrangements.

There are one hundred and thirty five IATA approved travel agencies in Kenya. The travel agencies play a significant role in the refinement and distribution in the travel industry. Their role is primarily to offer travel services to customers on behalf of the suppliers or principals, mainly the airlines. By providing these services, the travel agent is rewarded with commissions by the airlines. Commissions for travel agencies in Kenya have for a long period of time been at the rate of 9% of the ticket selling price. This trend has however for the last 10 years been changing with airlines now offering between 4% and 9% with one airline currently offering 1%. There is a move towards zero rate commission leading travel agencies to charge their customers a management fee for services rendered.

The principals, i.e. the airlines expect the travel agencies to choose a location that can ensure ready availability of the airlines products and services in the market place. The

travel agencies have access to the airlines ticket stock through the reservation system. Instant availability allows travel agencies to share the booking process with the customers, reinforcing the buying decision. The travel agencies take on the role of travel consultants and give the public impartial travel advice while generating business in the local market. Travel agencies in Kenya handle 70 - 80% of the air travel journeys. (KATA, 2006).

Information Technology has brought challenges to the travel firms in Kenya. The emergence of internet has made it possible for customers to make own bookings and pay with a credit card directly to the airline. This reduces the role of travel agencies in making travel arrangements for their customers. A good percentage of airline customers also make direct sales further reducing travel agencies clientele and commissions to be earned.

The reduction of commissions by airlines, internet access by the general public and e-ticket, and direct sales reduce travel agencies profit margins. This leads to stiff competition by travel firms in order to survive in the turbulent environment. To ensure survival and success, travel firms need to develop strategic capability to manage threats and exploit emerging opportunities. This calls for formulation of strategies that match strategic capabilities to environmental requirements.

1.2 Statement of the Problem

The importance of good strategic planning is recognized by most organizations. A majority of organizations understand the need to clearly identify their mission and objectives, their priorities and targets for improvement, and the action to be taken to achieve them (Johnson and Scholes. 2002). Good progress has been made over a long period to improve the rigor of strategic planning in most companies in Kenya.

Tour and travel firms in Kenya are faced with various challenges emanating from external environment such as competition, socio-cultural changes, technological changes

and economic challenges. These challenges pose a serious threat to such organisations. This call for better strategic plans that capture the industry dynamics and that are premised on radical changes reminiscent of the industry for swift responses may such occasions arise, [tour and travel firms in Kenya have always been caught unprepared for such challenges and the reason could be lack of adequate planning. This is an area that has not received deserving attention from researchers.

There are numerous studies that have been done in Kenya on tour and travel industry but focused on different aspects other than strategic planning (Mbuvi, 2000; Korir, 2005; Mbii, 2007; and Mwangi, 2007). There is only one study that has been done on strategic planning practices in tourism industry in Kenya (Mittra, 2001). This study did not however major on tour and travel as it delved into strategic planning practices within hotels and restaurants in Nairobi. Mibei (2007) on the other hand tackles the issue of competitive strategies adopted by Travel agencies in Kenya. He did not cover strategic planning practices in the travel industry. This study therefore fills in the gap in literature by addressing the following question: what strategic planning practices are adopted by the tour and travel firms?

1.3 Research Objectives

The objective of this study was to identify strategic planning practices adopted by the tour and travel firms in Kenya.

1.4 Importance of the Study

The study findings are expected to be beneficial to various stakeholders. The tour and travel industry can be guided in coming up with suitable strategies and management practices that can ensure profitability, survival and growth.

The local tour and travel firms can also benefit by assessing, evaluating and reviewing their strategic planning practices as tools for competitiveness in the face of the changing business environment.

The government while formulating policies and measures to stimulate growth in the tour and travel industry stands to benefit from the study.

Those in academia can also find the results of this study invaluable as it contributes to the body of knowledge in the field.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Strategic Planning

The basic idea and process of strategic planning has been around for many years. Strategic planning represents a paradigm shift from what is known as long-range planning. As Bruce (2008) asserts, strategic planning was developed as a proactive alternative to long-range planning. Long-range planning is based on a projection of historical data into the future using somewhat arbitrary assumptions for projectors. He further poses that long-range planning is inherently based on the past and does not provide the company with a long-term direction that will ultimately increase the organization's true value and sustain or increase its position in the marketplace.

Steiner (1979) provides a thorough conceptualization of strategic planning. To Steiner, planning is but an attitude and a process concerned with the future consequences of current decisions, formal strategic planning links, short, intermediate and long-range plans. Strategic planning does not attempt to make future decisions or even forecast future events; neither does it replace managerial intuition and judgement with massive, detailed set of plans.

formal "strategic planning." on the other hand, is a top-down, vision-driven process that is used to develop an organization's future value (Bruce. 2008). There are several views that have been advanced regarding strategic planning. Mintzberg and Waters (1985) view strategic planning as a pattern in a stream of decisions. This view identified three approaches to strategy development as a deliberate and planned managerial process. The three approaches are the planning view, the command view and the logical incremental view. For the logical incremental view, strategy develops through small stepwise responses to a gradually changing environment. Mintzberg and Quinn (1978). advance the view of logical instrumentalism whereby strategy making is characterized by economic and behavioural factors. This means that the behaviour of the manager is important in strategy development.

Strategic planning could either be formal or informal. Formality refers to the degree in which responsibilities, authority and discretion in decision making process are specified [Pearce and Robinson 2007], This process is characterized by use of analytical tools and methodologies to help managers reach a corporate success (Hofer and Schendel. 1978). It usually ends up with a document, the strategic plan -a comprehensive statement about the organization's mission and future direction, near term and long-term performance targets and how management intends to produce the desired results to fulfil the mission, given the organization's situation (Thompson and Strickland 1993). The informal approaches to strategy are characterized by executive bargaining and negotiation, building of coalition and practices of muddling through (Hax and Majluf. 1991). This process is usually intuitive and under the influence of a visionary figure.

2.2 Strategic Planning Practices

The view that strategy should be managed through planning process as in form of a sequence of steps is supported by among them Ansoff (1990). Andrews (1987) and Michael Porter (1980s). This view assumes some degree of consensus and among decision makers. This involves objective setting, analysis of environmental trends and resource capabilities, evaluation of different options and careful planning and implementation of strategies (Johnson and Scholes. 2003). Strategy is then communicated to the organization and implanted through successive organizational layers.

Strategic planning processes should be designed to fit the specific need of the organization. It is argued by Morrison et al (1984). McCarthy (1996) and Arthur (1989) that every successful model must include vision and mission, environmental analysis, setting objectives and strategic analysis choice. Identification of the institutions vision and mission is the first step of any strategic planning process. What is our business and what will it be? (Thompson 1989). This help in infusing the organization with a sense of purpose and direction and giving it a mission. A mission is a statement that broadly outlines the organizations future course and serves as a guiding concept. Once the vision and mission are clearly identified the institution must analyze its external and internal

environment (Harrison & St. John 1998). The environmental analysis is performed within the frame work of the SWOT analysis, analysis of the information about organization's external environment (economic, social, demographic, political, legal, technological) and internal organizational factors.

Herold (1972) observed that planners were better than non-planners at identifying opportunities, setting goals and objectives, and setting proper strategies and effective tactics to achieve them as evidenced by their higher growth rate and higher operational efficiency ratios. He also points out that planners are also more aggressive than non-planners in pursuit of business objectives.

The act of setting formal performance objectives converts the organizations mission and direction into specific performance targets to be achieved and protects against drift or confusion over what to accomplish and tolerate (Arthur 1989). The organization is able to draw short range objectives which draw attention to what immediate results to achieve while long range objectives consider what to do now to have the organization in position to produce results later. The institution then evaluates the difference between their current position and the desired future through Gap analysis. To close up the gap and achieve its desired state the institution must develop specific strategies.

Mintzberg (1994) views planning strategy as precise intentions that are formulated and articulated by central leadership and tacked up by formal controls to ensure their precise free implementation in an environment that is controllable and practicable. In planning view, strategies are proposed to develop through a rational and formalized sequence of analytical and evaluative procedures. The: command view is whereby strategy develops through the direction of an individual or group and not necessarily through formal planning. The strategy would be an outcome of an autocratic leader or dominant leader who becomes personally associated with strategy development of the organization. Such individuals may be the owner or co-founder or political appointee of the organization. Usually such organizations are small enterprise or public sector organization.

Strategic planning is a critical task of senior management. In fact, the job description of senior managers usually includes responsibilities for planning and goal setting. There are 14 identified basic, well-known effective management processes (Helium, 2008): 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:

Strategic planning's three main components are plan development, plan execution, and plan review (FCA, 2001). Many of the functional areas within these components are similar in that all three require a team concept that is based on: ensuring the member's roles are defined, educating team members about the process, and using quality communication when interacting.

Plan development is the first component of strategic planning (FCA, 2001). During this stage, the organisation's history and significant accomplishments should be assessed. This is done by developing a history of the organisation, and listing important milestones that brought the organisation to where it is today. In order to help visualize how the organisation has changed over the years, items such as hiring additional staff, upgrade computer hardware/software, changing processes significantly, raising dues, building additional facilities, rebuilding/renovating existing facilities, etc.. by dates and quantities/dollars should be included.

An assessment of the organisation's current status should then be done. This is done by looking at such things as the state of the facilities, infrastructure of the operations, the financial statements, the demographics of the population, and so forth. Third, an evaluation of current governance structure should be done. The review is done to determine how responsibilities are assigned, defining communications and authorities. Examine policies, procedures, and desk guides available to determine the chain of command within the organisation's staff, within the board, and for oversight and

communications between the staff and the board of directors. Critical is the point of contact for the staff and the board, to preclude misunderstandings, and duplications of effort (FCA, 2001).

The next step is the development of mission and vision. The vision statement is the image or state to which the organisation aspires. It emphasizes the dream of where the organisation will be at a specific time. The mission statement is the organization's purpose stated in a memorable phrase. In short, an organisation's mission statement describes the business it's in. It should be geared toward fulfilling the organisation's purpose and what it is intended to do with some specifics contained in the governing documents. Mission and vision statements should not be a list of goals (FCA. 2001).

The fifth step is to determine operating values (FCA. 2001). Also called guiding principles, these values state the organisation's intentions and expectations. They are used to judge the organisation's policies and actions, as well as individual conduct. Organisations should include values such as: the importance of customers and customer service; commitment to quality and innovation: importance of honesty; integrity and ethical behavior; corporate citizenship; respect for the employee and duty the organisation has to its employees; and importance of safety and protecting the environment. The next step is to perform a needs assessment. One needs to determine the needs of the organisation by analyzing the present state of customers, addressing any critical issues, and identifying the-organisation's strengths, weaknesses, opportunities, and threats.

Man execution is the second phase of strategic planning (FCA. 2001). In this step, an organisation puts its plan into action through the allocation of resources. This step has three components: programs*;procedures, and budgets. Programs serve as blueprints for converting objectives into realities. Procedures are the specific sequence of tasks required to complete the programs. An organisation should prepare budgets to fund programs. Instead, many develop programs based on their budgets. Simply put, an organisation should be strategy-driven, not budget-driven.

Plan review is required constantly to improve the plan and ensure its execution. Part of the plan review occurs naturally when there's change in, say, law. In addition, plan review needs to be scheduled to ensure the plan is meeting the organisation's goals. This can be achieved through surveys, management review conferences, or discussions at meetings. If the organisation fails to update the plan, the plan will eventually fail the organisation. Industry experts suggest that organisations and their managers review their strategic plans annually and completely overhaul their strategic plans every three to five years. Strategic planning embodies the formation of mission and vision statements, formation of objectives, situation analysis, and the formulation of strategy.

A company's mission is its reason for being. The mission often is expressed in the form of a mission statement, which conveys a sense of purpose to employees and projects a company image to customers. In the strategy formulation process, the mission statement sets the mood of where the company should go. As well it should harness the aspects of customer, products, market, self concept, a guiding philosophy, issues of technology, concern for survival long term profitability, employees and public image which are the key pillars of a good mission statement. Objectives are concrete goals that the organization seeks to reach, for example, an earnings growth target. The objectives should be challenging but achievable. They also should be measurable so that the company can monitor its progress and make corrections as needed (Pearce and Robinson. 2008).

Once the firm has specified its objectives, it begins with its current situation to devise a strategic plan to reach those objectives. Changes in the external environment often present new opportunities and new ways to reach the objectives. An environmental scan is performed to identify the*available opportunities. The firm also must know its own capabilities and limitations in order to select the opportunities that it can pursue with a higher probability of success. The situation analysis therefore involves an analysis of both the external and internal environment. The external environment has two aspects: the macro-environment that affects all firms and a micro-environment that affects only

the firms in a particular industry. The macro-environmental analysis includes political, economic, social, and technological factors and sometimes is referred to as a PEST analysis (Johnson and Scholes, 2002).

An important aspect of the micro-environmental analysis is the industry in which the firm operates or is considering operating. Porter (1985) devised a five forces framework that is useful for industry analysis. Porter's 5 forces include barriers to entry, customers, suppliers, substitute products, and rivalry among competing firms. The internal analysis considers the situation within the firm itself, such as: company culture, company image, organizational structure, key staff, access to natural resources, position on the experience curve, operational efficiency, operational capacity, brand awareness, market share, financial resources, exclusive contracts, and patents and trade secrets.

A situation analysis can generate a large amount of information, much of which is not particularly relevant to strategy formulation. To make the information more manageable, it sometimes is useful to categorize the internal factors of the firm as strengths and weaknesses, and the external environmental factors as opportunities and threats. Such an analysis often is referred to as a SWOT analysis.

Once a clear picture of the firm and its environment is in hand, specific strategic alternatives can be developed. While different firms have different alternatives depending on their situation, there also exist generic strategies that can be applied across a wide range of firms. Michael Porter identified cost leadership, differentiation, and focus as three generic strategies that may be considered when defining strategic alternatives. Porter advised against implementing a combination of these strategies for a given product; rather, he argued that only one of the generic strategy alternatives should be pursued (Porter, 1985).

A study on strategic planning was carried out in the hospitality industry by Mitra (2001). The objective of the study was to investigate the strategic planning practices in the hotels and restaurants in Nairobi. The study considered all hotels and restaurants in Nairobi. A

sample of 100 hotels and restaurants was randomly selected. The data was collected using questionnaires that were administered using drop and pick later method. Data analysis was done computing the proportions, means and percentages. Mitra (2001) found out that strategic planning is practiced in the hotels and restaurants industry in Kenya. The study concludes that the major task of the top management is to ensure that their organisations survive long into the future.

In a more relevant study, Mibei (2007) undertook a study to determine the competitive strategies adopted by travel agencies in Kenya and to establish the challenges faced by travel agencies in initiating competitive advantage and applying strategies so formulated. Using a cross-sectional survey design, with a population target of all the IATA approved travel agencies in Kenya, Mibei (2007) found out that travel agencies use a range of competitive strategies such as engaging locally skilled staff, automation of business processes, intensive staff training, advertising and publicity among other strategies. This study targeted the senior managers in each of the 65 selected travel agencies from a population of 130 IATA approved travel agencies. Data for the study was collected using questionnaires which were administered using the drop-and-pick later method. The study revealed that the most significant challenges that face travel agencies in Kenya include meeting and maintaining IATA conditions and rules.

Another study was also recently carried out on tour operators by Mbii (2007). In this study, the objectives were threefold: to establish the importance of changes in tourism industry environment to the operations of tour operators in Kenya; to assess the influence tourism environmental factors have on tour operators marketing mix; and to identify the strategies adopted by tour operators to address the challenges of the tourism business environment. The study used a descriptive survey design. A sample size of 70 was drawn from KATO members using stratified random sampling method. The findings of this study reveal that various factors are quite important and affect the operations of tour operators in different ways. One of these factors includes global competition for tourists.

2.3 Challenges of Strategic Planning

Two-thirds of company chief executives are dissatisfied with the effectiveness of plotting course, then executing the plan, in their organizations (Helium, 2008). This could be so because strategic planning either makes things happen in a clearly apparent, dramatic way, or it's a failure. When the pursuit fails, the roots are in one, more, or all of the following: it's hard to do, a genuine strategic mind-set is never attained, or the approach is defective in organization, rigor and expertise.

Strategy fails if the following four essentials are not operative: methodology, reach, discipline, and the horses (Helium. 2008). For methodology, the management must follow a sophisticated, ordered approach by which plan integrity is assured. For reach, the management must draw on all the imagination, innovation, ingenuity, creativity, stretch, boldness and courage of which the planning team is capable. For discipline, the management must be willing to exercise strict, ongoing adherence to the precepts of the plan. For the horses, the management must have in place, or be able to put in place, the people and resources it takes to execute, or the planning process is an exercise in fantasy.

Before anything else can be attempted the company has to confirm what its fundamental driving force has been in the past and decide what the choice is to be for the future (Helium, 2008). For some companies identification of what the force has been is easy to arrive at; for others it is less clear whether the company, in contrast to belief, has in fact been driven by market, by product, by technology, by method of sale or distribution, or by other stances. Whatever the case, the basic determination to be made is: should the company continue to be driven as it has in the past, or should the fundamental force be different in the future?

Successful strategic planning requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organization (Heathfield, 2008). Executives must lead, support, follow-up, and live the results of the strategic planning process. Or. the strategic planning process will fail. It's as simple as that. Without the full commitment of the organization's senior executives.

don't even start strategic planning. Participants will feel fooled and misled. A vision statement and a mission statement, along with this year's goals, filed, unimplemented in a cabinet or computer is a serious source of negativity and poor employee morale.

Senior leaders can do the following to create a successful strategic planning process (Heathfield, 2008): establish a clear vision for the strategic planning process. Paint a picture of where the organization will end up and the anticipated outcomes. Make certain the picture is one of reality and not what people "wish" would occur. Make sure key employees know "why" the organization is changing, appoint an executive champion or leader who "owns" the strategic planning process and makes certain other senior managers, as well as other appropriate people in the organization are involved.

Executive support in strategic planning is critical to its success (Heathfield, 2008). Executives must lead, support, follow-up, and live the results of the strategic planning process. They must pay attention to the planning occurring. They need to ask how things are going and focus on progress and barriers for change management. One of the worst possible scenarios is to have the leaders ignore the process. Leaders should also sponsor portions of the planning or the strategic planning process, as an involved participant, to increase active involvement and interaction with other organization members. If personal or managerial actions or behaviors require change for the vision statement, mission statement, values, and goals, leaders should take hold in the organization and "model" the new behaviors and actions (senior managers must walk the talk.)

Leaders should also establish a structure which will support the move to a more strategically thinking and acting organization (Heathfield. 2008). This may take the form of a Steering Committee, Leadership Group. Core Planning Team or Guiding Coalition. They also need to change the measurement systems, reward, and recognition systems to measure and reward the accomplishment of the new expectations established through the strategic planning process. Leaders also need to develop a platform to communicate, reinforce, and provide a structure that supports the articulation and accomplishment of the strategic planning goals. While every person in an organization cannot make their

voice heard on every issue within the strategic planning, the leader must solicit and act upon feedback from other members of the organization.

Integral in the strategic planning process must be the commitment of each executive to discuss the process and the plans with staff members (Heathfield, 2008). Leaders should also recognize the human element inherent in any change - the change from reactionary to strategic thinking is a huge leap. People have different needs and different ways of reacting to change. If training is part of the strategic plan, senior leaders must participate in the training that other organization members attend, but, even more importantly, they must exhibit their "learning" from the sessions, readings, interactions, tapes, books or research. Lastly, and of immense significance, leaders should be honest and worthy of trust.

2.4 Tenets of a Successful Strategic Planning Process

Scholars have put forward what they believe should be the basic holding blocks for strategy formulation to sail through successfully. A degree of hierarchy and control is rudimentary to the structure of most large firms and hierarchy is present in virtually all complex systems (Cappelli, 2005; Leavitt, 2003; March and Simon, 1956). Mintzberg (1993) proposes two fundamental organisational requirements: coordination and cooperation. Undeniably coordination is critical to the performance of any firm.

The specialist planning skills possessed by a mid-level manager as an individual do not fully contribute to the organisational skills base, unless these individuals can coordinate their efforts. The challenge for any manager is how to coordinate the efforts of talented employees within a limited time frame and to ensure that the aims and mission of the intended strategy is clearly understood. Firms can aid this process through rules, directives and routines (Grant, 2002). Coordination deals with only the technical problem of integrating the actions of mid-level managers within firms. Cooperation, however, concerns the building mechanisms that link individuals in ways that permit them to perform given tasks, such as implement the strategy effectively.

Daft and Mackintosh (1984) explore the role of formal control systems in gaining cooperation in strategic planning. Jaworski et al. (1993) showed a strong correlation between the type of control and coordination system in use and firm performance, implying that the nature of the control system in an planning effort is a critical decision. Despite the negative connotations associated with hierarchical and top-down approaches to strategic management, it is argued that such structures are essential for creating a conducive strategic planning environment (Dobni, 2003) that facilitates coordination and cooperation.

In this way, for strategies to be implemented efficiently by mid-level managers the firm must display a degree of hierarchical style and bureaucratic structure. Power should be located at the apex of the hierarchy and delegated downward, while the achievement of coordination and cooperation remain paramount (Wooldridge and Floyd, 1990). Senior executives should seek to direct, communicate with, and involve, mid-level managers to win their support, a feeling of ownership for the strategy and their compliance with the roles set for them (Whitney and Smith. 1983; Piercy. 1991).

Indeed, some authors have emphasised the importance of mid-level managers' perceptions that senior management is doing all it can to facilitate the strategy planning process (Balogun, 2003; Huy, 2001; Floyd and Wooldridge, 1997). Furthermore, the strategic consensus literature provides a broad range of views of the value of a collective mind set during strategic planning efforts (Ambrosini and Bowman. 2003; Dooley et al., 2000). Nielsen (1983) contends that firms must achieve consensus and cooperation within the firm in order to gain compliance from managers to successfully implement strategies. The benefit of a shared understanding and the perception that the strategy is being coordinated by senior executives effectively is a development of a commitment among managers and a reduction[^]of uncertainty in the firm as a whole (Noble, 1999). Shared understanding of the strategy and a degree of direction from senior management should, in turn, improve strategic performance and the overall efficiency of the planning effort.

Moreover, for high levels of coordination and cooperation, how similar senior executives ideas are with that of the ideas of mid-level managers in terms of strategy in question has been recognised as key in the creation of an atmosphere conducive to effective strategy planning (Noble and Mokwa, 1999). The importance of "championing" has been discussed in a wide range of literature (Marginson, 2002; Noble and Mokwa, 1999). Nutt (1983) explains that champions serve many purposes, including mobilising firm resources, generating momentum for the strategy and making sure that the goals of the strategy are clear to all those charged with planning duties. Also, a charismatic and powerful champion, or senior executive, is likely to instil a higher level of commitment among lower level employees towards the strategic planing (Noble, 1999). Furthermore, securing the support of the senior executive team is often essential in strategy planning (Floyd and Wooldridge, 2000; Jiang et al., 1996) and some authors have emphasised the importance of mid-level managers' perceptions that senior management is doing all it can to facilitate the planning process (Balogun and Johnson, 2004).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This research problem was studied through the use of a descriptive survey. Descriptive research allows a researcher to collect a wide array of data to facilitate comparison among the study units (Robson, 2002). Therefore, the descriptive survey was deemed the best strategy to fulfil the objectives of this study.

3.2 Population of Study

The target population was the 250 tour operators who are active members of the Kenya Association of Tour Operators (KATO) and 45 members of Kenya Association of Travel Agents (KATA) who are not members of KATO as at December 31, 2007. The KATO members are usually categorised into 7 categories namely A, B, C, D, E, associates, and affiliates. KATO Members are all categorised depending on their gross annual turnover in the Association. The following are the categories currently in use: Category "A" - All members with a gross annual turnover exceeding US\$ 1.7Million. Category "B" includes all members with a gross annual turnover exceeding US\$1.1 Million but below US\$1.7Million. Category "C" includes all members with a gross annual turnover exceeding US\$570,000 but below US\$1.1 Million. Category "D" has all members with a gross annual turnover exceeding US\$140,000 but below US\$570,000. Category "E" has all members with a gross annual turnover of not exceeding US\$ 140.000.

3.3 Sample and sampling technique

The sampling technique used to select the sample was the stratified random sampling method. This method involved dividing the population into two or more relevant and significant strata based on one or a number of attributes. Dividing the population into a series of relevant strata means that the sample is more likely to be representative (Saunders et al., 2007). The tour operators were divided based on their category of membership. Five categories A, B, C, D, and E were used for the study. The associates were left out since they are new members who are yet to complete one full year in

membership and as such they may not have sufficient information on tour industry in Kenya. The affiliates were not considered in the sample because they are members whose activities are affiliated to tourism but they do not have a Tour Operator's licence i.e. they do not offer any tours or safaris but have operations that KATO can benefit from. A sample of 20% was then picked randomly from each stratum. This brought the total sample to 54 firms. This is shown in appendix 3.

3.4 Data Collection

For purposes of this study, primary data was obtained through a questionnaire that was structured to meet the objectives of the study. The questions were both open and closed. The questionnaires were divided into five different sections. Section A dealt with the general information. Section B dealt with the mission and vision aspects of strategic planning. Section C dealt with the situational analysis while section D dealt with the objectives. Lastly, section E dealt with strategic choice. The questionnaires were administered by the researcher to the managers of the tour and travel firms selected.

3.5 Data Analysis

Before processing the data, the questionnaires were edited for completeness and consistency. This ensures the questionnaire is completed as required. (Nachmias, 1996) The data was then cross-tabulated. The cross tables included aspects like the planning horizons of the different companies? the technique and concepts used in formulating a strategic plan, and the number of firms making a strategic plan in the different functional areas.

After tabulation, the data was coded to facilitate statistical analysis. The SPSS (Statistical package for social sciences) computer package was used to analyze the data. Data presentation was in form descriptive statistics such as frequency distribution, percentages and tables.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the data analysis and interpretation, the analysis is divided into frequency and descriptive. Frequency look at the rate of occurrence while descriptive tend to look at the existing relationship. There were fifty four (54) respondents who were administered with the questionnaire. Thirty five (35) respondents returned the filled questionnaire. This was a representative return rate as it was a 65% success rate. The findings are based on these responses.

4.2 Sample Characteristics

In this paper, the characteristics that were analyzed included the gender, level of education, age and the department from which an employee worked.

Most of the respondents were female .They accounted for 54% of the total respondents while males were 46%. These results are summarized in Table 1.

Table 1: Gender

Gender	Frequency	Percentages
Males	16	46
Females	19	54
Total	35	100

The study found that 40% of the respondents were from the travel consultant department, 26% were from finance and administration, and 20% were from MD/GM. while 14% were from marketing department. These results are shown in Table 2. It can therefore be concluded that the respondents were in positions that enabled them to have full information on the strategic planning process as was carried out in their respective firms.

Table 2: Department

Department	Frequency	Percent
Travel consultant	14	40
Finance & Administration	9	26
Marketing	5	14
MD/GM	7	20
Total	35	100

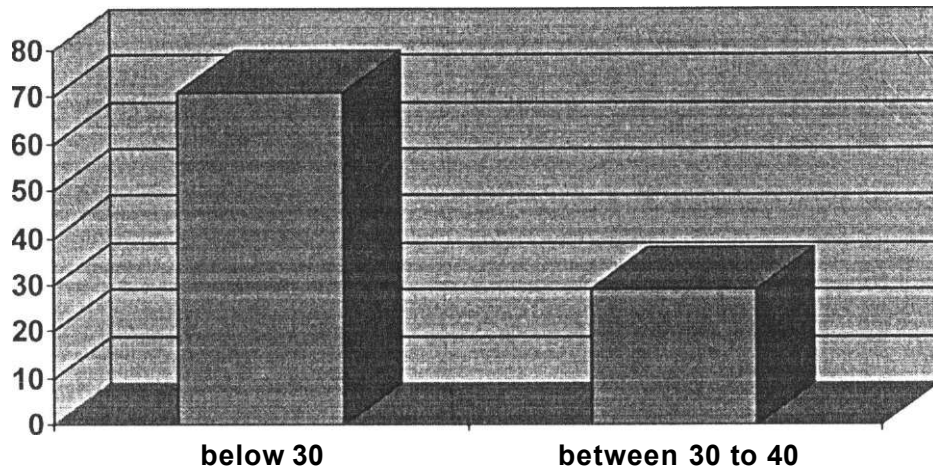
Majority of the respondent came from the managerial level as shown by 57% of the total respondents. The study also found that 29% were from supervisory level, while 14% were from other i.e. travel consultant and front office. The results are presented in Table 3. These results indicate that the respondents are capable of giving full information on strategic issues as most of them are in the managerial levels.

Table 3: Designation

Designation	Frequency	Percent
Managerial level	20	57
Supervisory level	10	29
Others	5	14
Total	35	100

Figure 1 shows the respondent in terms of age. Those below 30 years old were 71% with 29% falling in the 31-40 age brackets. This would imply that majority of the employees in the tour and travel industries are aged below 30 years.

Figure 1: Age of the respondent



The study found that most of the respondents (72%) had been in the tour and travel industry between 3- 5 year, 14% were in the industry for 0-3 years, while the other 14% were in the industry for over seven years. This therefore provides assurance that they were well versed with the operations of the tour and travel industry and were able to provide insight into the problem question. This is further elaborated by the findings shown in Table 4 below.

Table 4: Duration

Duration	Frequency	Percent
0 to 3	5	14
3 to 5	25	72
Over 7	5	14
Total	35	100

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On the level of education, it was noted also that majority of the employees in the tour and travel industry had university education. This category of employees accounted for 86% of the respondents, while those with college education were represented by 14%. This therefore informs the public that the tour and travel industry is run by qualified and

competent staff. This can be seen in Table 5 below.

Table 5: Educational level

Level of education	Frequency	Percentages
Secondary	0	0
college	5	14
Undergraduate degree	21	60
Master level	9	26
Total	35	100

4.3 Strategic Planning Practices inn Tour and Travel Firms

The study sought to identify strategic planning practices adopted by the travel firms. The data collected to attain these objectives was primary. This was collected using a questionnaire. There were closed questions which restricted the respondents within some specific answers. There were also questions that were open ended allowing the respondents to elaborate further on some of the issues of strategic planning in their organisations.

4.3.1 Existence of Vision and Mission Statements

The data was analysed using percentages as well as mean scores for those questions that were structured in the form of likert scale. For the open ended questions, a qualitative analysis approach was used where the responses were narrated as they had been presented under similar themes.

The respondents were asked to state whether there was documented mission and vision for the tour and travel firms. The study found that majority of the respondent (86%) of the firms had documented mission and vision statements. Further. 14% of the respondent of the firms surveyed do not have documented mission and vision statements. This information is summarized in Table 6.

Table 6: Documented mission and vision

Response	Frequency	Percent
Yes	30	86
No	5	14
Total	35	100

On the issue of who were responsible in the formulation of vision and mission statements, 57% held the opinion that it was the directors who were involved in the formulation of the firm mission and vision. Further, 29% asserted that the shareholders were involved in the process while 14% held that the staffs were involved in the process of formulating the firm mission and vision statements.

Table 7: Individual involved in formulation of mission and vision

Individuals	Frequency	Percentage (%)
Consultants	0	0
Shareholders	10	29
Directors	20	57
Staff	5	14
Total	35	100

The study found that mission and vision statements for the firms in this industry are reviewed after 5 years as shown by 86% of the respondents. The study also found that 14% of the firms review their mission and vision statements annually. This is shown in Table 8.

Table 8: Frequency of Review of Mission and Vision Statements

Period	Frequency	Percentage (%)
After 5 years	30	86
Annually	5	14
Total	35	100

The study also sought to establish the extent to which certain factors caused the alteration of the company's mission and vision. For the interpretation of results in Table 9, a scale on a scale of 1-5 was given to the responses from 'great extent' to 'low extent' respectively. Thus, the mean scores ranged from 1-5. The mean scores from 2.4 and below (to 1) indicate that the factors are considered to a great extent.

From the Findings, the factors that caused the alteration of the mission and vision to a great extent were economical changes as shown by a mean score of 1.3 and political changes and competitors' actions as shown by a mean score of 1.4 in each case. Other factors that caused the alteration of the companies' mission and vision but to a moderate extent were management policies as shown by a mean score of 1.8, physical environmental changes and social cultural factors as shown by a mean score of 2.4 in each case. This information was presented in Table 9.

Table 9: Factors Affecting Strategic Planning

	Greater extent	Moderate extent	Neutral	Not at all	Low extent	Mean
Political changes	65.7	22.9	5.7	5.7	0	1.4
Economical changes	68.6	31.4	0	0	0	1.3
Physical environmental changes	14.3	54.3	14.3	11.4	5.7	2.4
Social cultural factors	17.1	42.9	25.7	0	14.3	2.4
Competitors actions	68.6	20	11.4	0	0	1.4
Management policies	40	48.6	5.7	0	5.7	1.8

4.3.2 *Situational analysis*

The study sought to establish whether the institutions gather information from its external environment.

Table 10: External environment information

Responses	Frequency	Percent
Yes	32	91
No	3	9
Total	35	100

From table above, 91% of the respondents were of the opinion that their institutions gathered information from its external environment, while 9% believed no information was being gathered. This is represented in Table 10. The study also established that it was the preserve of senior management to collect the information regarding the factors from external environment that have important implications on their operations.

The study also sought to establish the major competitors in the industry. According to the respondent the major competitors were; Bunson travels. Express travel, BCD travels, Elite travel, air lines, Acharya travels and Holiday bazaar. These companies were cited as having certain strengths in the industry. Majority of the respondent agreed that their strengths lied in their group performance within their colleague, their promotion, and their services delivery, competent staff, airlines connection and strong brands. They were also however cited as having some weaknesses including inability to provide personalized service, unethical business practice, poor corporate governance and weak management structure.

The study sought to establish whether the firms carry out internal analysis. According to the respondent all the company carries out internal analysis. It was further held by the majority that, good staff, personal experience, good management were the internal forces of their firms. Most of these companies boasted of steady local and international clientele, strong economic base and well trained staff as their strengths. On their weaknesses, most of the respondents cited that they are unable to operate effectively when the economic forces are not favourable. These are external forces, most of whom these establishments cannot just do anything about.

4.3.3 Company objectives

All the respondents cited that their companies had set objectives and that all the employees were aware of the set objectives. The study also established that these objectives are reviewed annually in 91% of the firms while they are reviewed quarterly in 9% of the firms. This summary is provided below in Table 11.

Table 11: Frequency of Review of Set Objectives

Responses	Frequency	Percent
Annually	32	91
Quarterly	3	9
Total	35	100

The respondents were also asked to comment on who set the company objectives, was the company successful in attaining its objectives. It was agreed by the majority that the CEO, directors, senior staff and heads of department were involved in setting out the company objectives.

It was also found that most of the firms have not had any significant change in their objectives. As such, most of the respondents did not indicate the period when this happened. It was also established that the firms are successful in attaining its objectives.

On the question of influential people in setting out the firm's objective, the respondents were asked to rank different people and how they influence the company objectives. For the interpretation of results in Table 12, a scale on a scale of 1-5 was given to the responses from 'no opinion' to 'highly influential' respectively. Thus, the mean scores ranged from 1-5. The mean scores from 3.5 and above indicate that the mentioned people are influential. From the findings, the people who were found to be highly influential in setting the objectives were the CEO as indicated by a mean score of 4.8 and senior management as shown by a mean score of 4.6. BOG and the employees were moderately influential in setting the objectives as shown by mean score of 4.3 and 3.9 respectively.

These are shown in Table 12.

Table 12: Influential People in Setting Objectives

	No opinion	Not influential	Least influential	Moderately influential	Highly influential	Mean
BOG	5.7	14.3	5.7	0	74.3	4.3
CEO	0	0	0	20	80	4.8
Senior management	0	0	5.7	28.6	65.7	4.6
Employees	0	14.3	20	22.9	42.9	3.9

4.3.4 *Strategic choices*

The study found that all the firms surveyed had strategic plans. The plans had been in use ever since the companies were initiated with modifications when need arises. The study found that all these firms have a 3-5 year plans. On the people who participate in the formulation of strategic plans, the study found that senior management teams were mostly responsible for their formulation as agreed by 86% of the respondents. A further 9% cited that external consultants are involved while 5% said that strategic planning groups are usually formed to perform the task.

On the features that characterize strategy formulation process in tour and travel firms, the study found that informal planning meetings were held to perform this task as shown by 91% of the respondents. The other feature that characterizes the process in these firms is timetables for preparation of plans as shown by 9% of the respondents. These results are summarized in Table 13.

Table 13: Characteristics of the Process of Planning

	Frequency	Percentage
Informal planning meeting	32	91
Timetables for preparation of plans	3	9
Total	35	100

The study found that the information on strategic plan is communicates through word of mouth (71%) and circular/memos (86%). This is shown in Table 14.

Table 14: Communication of Strategic Plans

	Frequency	Percentage
Word of mouth	25	71
Circulars/memos	32	91

For the interpretation of results in Table 15, a scale on a scale of 1-5 was given to the responses from 'not at all' to 'very great extent' respectively. Thus, the mean scores ranged from 1-5. The mean scores from 3.5 and above indicate that the factors are considered to a great extent. The study found that the factors that were considered in the strategic formulation process to a great extent were economic factors as shown by a mean score of 4.2, political and legal developments as shown by a mean score of 3.9 and also technological changes as shown by a mean score of 3.8. Social cultural changes were considered in the strategic formulation process to a little extent. These are summarized in Table 15.

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Table 15: Factors Considered in Strategic Planning

	Not at all	Very little extent	Little extent	Great extent	Very great extent	Mean
Political and legal developments	8.6	11.4	8.6	28.6	42.9	3.9
Economic factors	0	8.6	0	54.3	37.1	4.2
Technological changes	0	20	8.6	40	31.4	3.8
Social cultural changes	0	11.4	62.9	14.3	11.4	3.3

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the findings of this study in a summary; in addition, there are recommendations on the way forward and the suggestions for future research.

5.2 Summary of findings

The studies found out that majority of employees in the tour and travel firms had a university degree; they had experience of three to five year in the industry, they were females, they were aged below 30 years, they held managerial positions and were in the department of travel consultant. On the question of whether there was documented mission and vision majority of the respondents believed there was formal documented mission and vision. When the respondents were asked who was involved in the formulation of the firm's mission and vision, the majority of the respondents were of the opinion that directors were involved in the formulation of the firm mission and vision.

On the period of reviewing the mission and vision, the study showed that majority of the firm reviewed their mission and vision annually. On the question of factors altering company mission and vision, political changes, economical changes and management policies affected the company mission and vision to a greater extent, competition action and social cultural factor were moderate in affecting firm mission and vision, while physical environmental changes didn't affect.

On the question of whether the institution gathers information from its environment, majority of the respondents were of the opinion that the institution gathers information from its external environment. This information was collected by the senior management team and the employees of the companies. According to the respondent the major competitors were; Bunson travels, Express travel, BCD travels, Elite travel, air lines, Acharya travels and Holiday bazaar.

Majority of the respondent agreed that the firm's strength and capabilities lied in their group performance within their colleague, promotions, and their services during travels, competent staff, airlines connection and strong brands. Among the major weakness of the firms were; inability to provide personalized service, unethical business practice, poor corporate governance and weak management structure. On the question of internal analysis all the firms carries out internal analysis, this was established by the majority saying their firms carried out internal analysis, it was further held by the majority that, good staff, personal experience, good management were the internal forces.

The respondents on being asked to state whether the company has any set objective, is everyone aware and how often the objectives' are reviewed. Majority agreed that their company had a set objective which was known to every one and was being reviewed monthly. On the question, who set the company objectives, was the company successful in attaining its objectives. It was agreed by the majority that the CEO, directors, senior staff and heads of department were involved in setting out the firms' objectives. It was also established that the companies are successful in attaining their objectives.

On the question, of influences of different individuals in setting out the firm's objective, the respondents agreed that the CEO, BOG, senior management were the most influential person in setting out the company objectives, while the employees were moderately influential. Regarding the question on whether the firm had strategic choice/plan and when it was put in place, all the respondents agreed that the company had a strategic choice/plan and it was being used for the last four years. The respondent were also asked what type of plan had been developed and who participates in development of strategic plan, respondents shared the opinion that 3-5 years plan had been developed and that senior management team, strategic planning group and external consultant were involved in the development.

When the respondents were asked how the communication of strategic plan was done, it was established that circular/memos and word of mouth were widely used. The respondents ranked a number of factors affecting strategic plan formulation; political and

legal development, economic factors affected formulation to a very greater extent, while technological changes and social cultural trends contributed to a greater extent.

5.3 Conclusion

The study sought to identify strategic planning practices adopted by the travel firms. As the study found, most of the firms in the industry have documented vision and mission statements which are reviewed when need arises. The companies also involve the management in the formulation of mission and vision statements. Another planning practice is that the firms in the industry do external as well as internal environmental analysis to ascertain the effects of various factors on their operations before formulating their plans. Thus, the strategic planning practice in the firms follows the formal planning process, save for the involvement of key stakeholders such as employees in the planning process.

It can also be concluded that there are challenges facing the implementation of strategic planning practices by the travel firms. The challenges can be summarized as economic challenges, political and legal developments, technological changes, and social-cultural changes. The other challenges were also experienced in the process of strategic planning process. Some of the key stakeholders, especially the employees, are not involved in the planning process. This is a challenge when it comes to the implementation of the plans. There is bound to be some resistance from some of the employees as they can claim that they do not own the plan and therefore their role is not defined.

5.4 Recommendations

Considering the results of the study, several recommendations can be made. , First, tour and travel firms need to have formal documented mission and vision which should be formulated by directors and the mission and vision statement should be reviewed annually. Further, the employees should also be involved in the planning process so as to expedite the implementation phase and to avoid unnecessary resistance.

Secondly, that the senior management team should be involved in gathering information from the external environment regarding, competitors, strength and capabilities, weakness and the internal analysis. This information should be used to plan effectively for fluctuations in the business such as in cases of low seasons, say, by focusing their marketing to the local tourists.

5.5 Suggestions for further Research

The tour and travel industry is important in the performance of the economy as a whole and tourism industry. Since this study was particularly interested in strategic planning practices adopted by tour and travel firm in Kenya, the study recommends that further studies be specific to the various aspects raised in this particular paper. For instance, the factor affecting, strategic planning and how different individual influences the setting of strategic plans. A study should be undertaken to try and relate these factors to the level of strategic plan practices adopted by the firms.

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APPENDICES

Appendix I: Introductory Letter

University of Nairobi
School of Business
P.O. BOX 30197
NAIROBI

To whom it may concern,

RE: COLLECTION OF DATA

I am a postgraduate student at the University of Nairobi, School of Business. In order to fulfil the degree requirements, I am undertaking a management project on '**Strategic Planning Practices Adopted by Tour and Travel Firms in Kenya**'

You have been selected to form part of this study. This is to kindly request you to assist me collect the data by Filling out the accompanying questionnaire. I will collect it from your premises. The information data you provide will be used exclusively for academic purposes. I assure you that the information you give will be treated with utmost confidence. Your cooperation will be highly appreciated.

Thank you in advance.

Yours faithfully

Fred Kamau
D61/7144/2006

Appendix 2: Research Questionnaire

SECTION A: GENERAL INFORMATION (Kindly [V] tick as appropriate)

1. What is your gender?

Male

Female

2. What is your age?

Below 30

30-40

40-50

Above 50

3. How long have you been working at the firm?

Less than 3 years

3-5 years

5-7 years

Over 7 years

4. What position do you hold in the organisation?

5. What is your highest level of education?

Primary

Secondary

Undergraduate degree

Masters level

SECTION B: VISION AND MISSION

6. (a) Does your organizations have a formal documented mission and vision statements?

Yes ()

No ()

(b) If Yes in 7(a) above, please indicate those that were involved in the formulation of the company's mission and vision.

Consultants ()

Shareholders ()

Directors ()

Staff ()

Others? Please specify

(c). How often are the missions and vision statements reviewed?

After every 5 Years ()

Annually ()

Semiannually ()

Quarterly ()

Any other period? Please specify

7. To what extent do the following factors cause the alteration of the company's mission and vision?

Factors	Greater extent	Moderate extent	Neutral	Not at all	Low extent
Political changes					
Economical changes					
Physical environmental changes					
Social Cultural factors					
Competitors actions					
Management policies					
Any other? Please specify					

SECTION C: SITUATIONAL ANALYSIS

8 Does the institution gather information from its external environment?

Yes () No ()

9 If yes in 6 above, who collects the information?

Senior management team ()

Heads of departments ()

Employees ()

Others (specify) ()

10 Which firms do you consider to be your four major competitors?

a

b

c

d

11 What do you consider to be their strengths and capabilities?

12 What do you consider to be their weaknesses?

13 Does your company carry out internal analysis?

Yes

()

No

()

14 What do you consider to be your internal forces?

15 What do you consider to be your company's:

a) Strengths and capabilities?

b) Weaknesses?

SECTION D: OBJECTIVES

16 Do you have any set objectives for the company?

Yes () No ()

17 Is everyone in the company aware of the objectives?

Yes () No ()

18 How often are the objectives revised?

Monthly ()

Half yearly { }

Quarterly ()

Yearly ()

Others (specify) ()

19 Who participates in setting the objectives? List them below.

20 (a) When was the last time there was significant change in your objectives?

(b) Please give reasons that brought about the change

21 Has the company been successful in attaining its objectives?

Yes () No ()

22 How influential are the following people in setting your objectives? Tick as applies.

Key:

- i. Means no opinion
- ii. means not influential
- iii. means least influential
- iv. means moderately influential
- v. means highly influential

	1	2	3	4	5
BOG					

CEO					
Senior management					
Employees					

SECTION E: STRATEGIC CHOICE

23 Does your company have a strategic plan?

Yes () No ()

24 If NO in 21 above, what are the reasons for not having a strategic plan in place?

Please tick from below

- a) Lack of awareness []
- b) It is an expensive exercise []
- c) Lack of strategic planners []
- d) No visible benefits coming from it []
- e) View it as a foreign business concept []
- f) Others specify

25 If yes in 21 above, when did you start using strategic plan?

What type of plan has been developed?

3-5 year plan ()

1-2 year plan ()

0-5 year plan (•)

Others(specify) ()

27 Who participates in the development of your strategic plan?

- a) SMT [senior management team] []
- b) Strategic planning group []
- c) External consultants []
- d) Others specify

28 Indicate whether the following features characterize your planning process

- a) Informal planning meetings Yes [] No []
- b) Time tables for preparation of plans Yes [] No []
- c) Clear cut responsibilities for planning Yes [] No []
- d) Existence for planning departments Yes [] No []

29 How is the strategic plan communicated across the firm/company?

- a) Posters []
- b) Word of mouth []
- c) Circulars []
- d) Others specify

30 Indicate by ticking below the extent to which the following factors are considered in the strategic formulation process in your firm/company?

[Where 1-Not at all, 2-Very little extent, 3-Little extent, 4-Great extent, 5-Very great extent]

FACTOR	1	2	3	4	5
Political and legal developments					
Economic factors					
Technological changes					
Social cultural trends					
Others Specify					

End of Questionnaire

Appendix 3: Sampling Procedure

Description	Population	Sample
Category A	28	6
Category B	13	3
Category C	15	3
Category D	50	10
Category E	119	24
KATA members not in KATO	45	9
Total	270	54