Factors Influencing Strategic Planning Practices in Government Organizations: A Case of Nairobi City Water and Sewerage Company

BY
Joseph I. Chege

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

FALL 2017
FACTORS INFLUENCING STRATEGIC PLANNING PRACTICES IN GOVERNMENT ORGANIZATIONS: A CASE OF NAIROBI CITY WATER AND SEWERAGE COMPANY

BY
JOSEPH I. CHEGE

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

FALL 2017
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University - Africa in Nairobi for academic credit.

Signed: ______________________        Date: ______________________

Joseph I. Chege
(ID No: 645973)

This research project report has been presented for examination with my approval as the appointed supervisor.

Signed ______________________        Date ______________________

Dr. James Ngari, PhD

Signed ______________________        Date ______________________

Dean Chandaria School of Business
ABSTRACT
This study sought to examine factors influencing strategic planning practices in government organizations, while focusing on Nairobi City Water and Sewerage Company (NCWSC). The study was guided by the study objectives that sought: to examine the influence of leadership on strategic planning practices, to establish the influence of human resource practices on strategic planning practices, and to determine the influence of organization structure on strategic planning practices in Nairobi City Water and Sewerage Company.

The study applied the descriptive research design. The target population of the study was all level of staff members of Nairobi City Water and Sewerage Company. Stratified random sampling technique was used to select the intended sample size for the study. Data was collected through a questionnaire. Questionnaires were distributed to the different respondents by hand and through electronic mail and thereafter collected after submission. The demographic data was tabulated using frequency and percentages. Pearson’s correlations and regression analysis were used to describe the data.

The study revealed that strategic planning and thinking was viewed as the function and responsibility of leaders and management in the organization and the organization’s leaders were focused on getting the job done through predicting, shaping, controlling and measuring employees work. Managers prioritized and devised operational plans by managing both internal and external constituencies as leaders focused on systematic quality improvements with a focus on employees involved in the processes and the quality of services produced.

The study indicated that setting strategic direction in the organization involved putting into consideration its vision statement. Strategic planning in the organization set the goals and objectives to be met and aligned resources to staff with core competence to deliver the objectives. The study revealed that competitive advantage in the organization was gained through use of a business strategy that manipulated its various resources, and corporate reputation affected the organization’s ability to recruit financial resources, people, and partnerships they needed to attain goals and objectives.
The study showed that the organizational structure revolved around the distribution of responsibilities among organizational members and it enhanced the productivity and performance of members through strategy implementation. Decision-making authority in the organization was concentrated at the higher levels of the organization and centralization of operations in the organization has led to inefficiencies in decision making. The study indicated that employees in the organization were comfortable because managers confidently gave instructions and made decisions, and the organization had policies, procedures, job descriptions, and rules that had been written and had been explicitly articulated.

The study showed that strategic planning in the organization fostered strategic thinking, acting, and learning, and it focused on the work of figuring out how to build organizational capacity. Strategic planning in the organization revealed and clarified future opportunities and threats and this allowed the organization to connect and align to the environment. Strategic planning in the organization had ensured that the organization recorded better performance and it supported the role of finance in establishing and monitoring specific and measurable financial strategic goals.

The study concludes that leaders and management aligned employees’ concerns with the core essence of the organization and they assured that the team’s value system was integrated and holistic in nature so that they did not have to sacrifice values. The study indicated that the organization directed its employee training investment effectively to best develop its human capital and it preferred to recruit staff who were already trained or professionally qualified. The study concludes that organizational structure did not ensure that each employee served a specialized role nor handled large volumes of transactions.

The study recommends the management of Nairobi City Water and Sewerage Company to focus on both quantitative measures of success of actions and the qualitative measures inherent in the organization’s sense of values, purpose, meaning, and vision. This recognition of different perspectives of strategy will be essential for the managers and will facilitate their ability to deal with managing resources and delivering services.
ACKNOWLEDGEMENT

I would like to acknowledge my supervisor Dr. Ngari for the guidance and wise counsel during the development of this research project report. I would also like to acknowledge my friends and family for their support.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>STUDENT’S DECLARATION</td>
<td>ii</td>
</tr>
<tr>
<td>COPYRIGHT</td>
<td>iii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>iv</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>vi</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>ix</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>x</td>
</tr>
<tr>
<td>LIST OF ACRONYMS AND ABBREVIATIONS</td>
<td>xi</td>
</tr>
<tr>
<td><strong>CHAPTER ONE</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>1.0 INTRODUCTION</strong></td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background of the Study</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Statement of the Problem</td>
<td>4</td>
</tr>
<tr>
<td>1.3 General Objectives</td>
<td>5</td>
</tr>
<tr>
<td>1.4 Specific Objectives</td>
<td>5</td>
</tr>
<tr>
<td>1.5 Significance of the Study</td>
<td>6</td>
</tr>
<tr>
<td>1.6 Scope of the Study</td>
<td>7</td>
</tr>
<tr>
<td>1.7 Definition of Terms</td>
<td>7</td>
</tr>
<tr>
<td>1.8 Chapter Summary</td>
<td>9</td>
</tr>
<tr>
<td><strong>CHAPTER TWO</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>2.0 LITERATURE REVIEW</strong></td>
<td>10</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>10</td>
</tr>
<tr>
<td>2.2 Influence of Strategic Leadership on Strategic Planning Practices</td>
<td>10</td>
</tr>
<tr>
<td>2.3 Influence of Human Resource Practices on Strategic Planning Practices</td>
<td>16</td>
</tr>
<tr>
<td>2.4 Influence of Organization Structure on Strategic Planning Practices</td>
<td>22</td>
</tr>
<tr>
<td>2.5 Strategic Planning and its Metrics</td>
<td>26</td>
</tr>
<tr>
<td>2.6 Chapter Summary</td>
<td>31</td>
</tr>
</tbody>
</table>
CHAPTER THREE .................................................................................................................. 32
3.0 RESEARCH METHODOLOGY ...................................................................................... 32
  3.1 Introduction .................................................................................................................. 32
  3.2 Research Design .......................................................................................................... 32
  3.3 Population and Sampling Design ................................................................................ 33
  3.4 Data Collection ............................................................................................................ 35
  3.5 Research Procedures ................................................................................................... 36
  3.6 Data Analysis Methods ................................................................................................. 37
  3.7 Chapter Summary ........................................................................................................ 37

CHAPTER FOUR ................................................................................................................... 38
4.0 RESULTS AND FINDINGS .............................................................................................. 38
  4.1 Introduction .................................................................................................................. 38
  4.2 Demographics and Reliability Rate ............................................................................. 38
  4.3 Influence of Strategic Leadership on Strategic Planning Practices ......................... 42
  4.5 Influence of Organization Structure on Strategic Planning Practices .................... 52
  4.6 Strategic Planning and its Metrics ............................................................................... 56
  4.7 Chapter Summary ........................................................................................................ 60

CHAPTER FIVE ..................................................................................................................... 61
5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS .................................... 61
  5.1 Introduction .................................................................................................................. 61
  5.2 Summary of Findings ................................................................................................. 61
  5.3 Discussions .................................................................................................................. 63
  5.4 Conclusions ................................................................................................................ 71
  5.5 Recommendations ...................................................................................................... 73
REFERENCES ......................................................................................................................... 75
APPENDICES ........................................................................................................................ 82
APPENDIX I: LETTER OF INTRODUCTION ...................................................................... 82
APPENDIX II: QUESTIONNAIRE ......................................................................................... 83
LIST OF TABLES

Table 3.1 Population Distribution................................................................. 33
Table 3.2 Sample Size Distribution............................................................... 35
Table 4.1 Reliability Rate .............................................................................. 39
Table 4.2 Rating of Strategic Leadership on Strategic Planning Practices ........ 43
Table 4.3 Correlations for Strategic Leadership on Strategic Planning Practices .... 44
Table 4.4 Model Summary of Strategic Leadership and Strategic Planning Practices .... 45
Table 4.5 Strategic Leadership and Strategic Planning Practices Regression Coefficients ... 46
Table 4.6 Rating of Human Resource Practices on Strategic Planning Practices ........ 47
Table 4.7 Correlations for Human Resource Practices on Strategic Planning Practices .... 49
Table 4.8 Model Summary of Human Resource Practices and Strategic Planning Practices 50
Table 4.9 Regression Coefficients of Human Resource Practices and Strategic Planning Practices ........................................................................................................... 51
Table 4.10 Rating of Organization Structure and Strategic Planning Practices .......... 53
Table 4.11 Correlations for Organization Structure and Strategic Planning Practices .... 54
Table 4.12 Model Summary of Organization Structure and Strategic Planning Practices .... 55
Table 4.13 Regression Coefficients of Organization Structure and Strategic Planning Practices ........................................................................................................... 55
Table 4.14 Rating of Strategic Planning and its Metrics ..................................... 57
Table 4.15 Correlations for Strategic Planning Metrics and Strategic Planning Practices .... 58
Table 4.16 Model Summary of Strategic Planning Metrics and Strategic Planning Practices 59
Table 4.17 Regression Coefficients for Strategic Planning Metrics and Strategic Planning Practices ........................................................................................................... 60
LIST OF FIGURES

Figure 4.1 Response Rate ................................................................. 38
Table 4.1 Reliability Rate .................................................................. 39
Figure 4.2 Gender ............................................................................. 39
Figure 4.3 Age Bracket ..................................................................... 40
Figure 4.4 Level of Education .......................................................... 40
Figure 4.5 Years Worked ................................................................. 41
Figure 4.6 Management Level ......................................................... 41
<table>
<thead>
<tr>
<th>AWSB</th>
<th>Athi Water Services Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>NCC</td>
<td>Nairobi City County</td>
</tr>
<tr>
<td>NCWSC</td>
<td>Nairobi City Water and Sewerage Company</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>SPA</td>
<td>Service Provision Agreement</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
</tr>
<tr>
<td>WDS</td>
<td>Water and Sewage Department</td>
</tr>
<tr>
<td>WSPs</td>
<td>Water Service Providers</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Every Organization or industry occasionally has to make momentous decisions, the kind of decisions that affect the destiny of the organization for years into the future (McNamara, 2014). These decisions are designed to address major and important issues facing the organization. This therefore implies that strategic planning has something about major decisions (Pearce, 2013). While the term strategic planning has been defined differently by various scholars, the basics about strategic planning seems to be constant and the concept of a systematic way to anticipate and respond to challenges of change is seen in all the definitions (McNamara, 2014; Pearce, 2013).

Ehlers (2014) define strategy as an effort or deliberate action that an organization implements to outperform rivals. It is clear from this definition that a strategy may be perceived as a conscious decision or a planned move on the part of the organization (Pearce, 2013). Thompson and Stickland (2007) define strategy as the management action plan of an organization for running a business and conducting operations. Both these definitions fail to highlight the influence of external factors and therefore subscribe to the planning school or approach to strategy. Mintzberg (1998) argues that strategy comprises more than that which an organization either intends or plans to do. In other words, successful strategies may emerge within organizations without pre-planning. However, the effect of environmental forces on organizations necessitates strategic interventions, and therefore it may happen that organizations are found to be responding to outside pressure (Heathfield, 2016). Norton (2014) says strategy involves the utilization of internal resources and competencies of the organization and the building on organizational strengths in order to meet environmental challenges.

Strategic planning is the process undertaken to develop a range of steps and activities. That will contribute to achieving the organizational goals and objectives (Whitney, 2014). Strategy development has received renewed attention from both scholars and practitioners as business environments become more competitive (Bettis, 1995) and as academics and
consultants advocate the necessity of enhancing strategic thinking within firms (Hamel, 2014). One specific modality of strategy development, namely strategic planning, has received significant research attention.

Strategic planning is the process adopted in identifying a strategy that best suits organizational capability within the environment (Denhardt, 2011). Strategic planning will enable an organization identify the prevailing opportunities and threats, and also to bring out or quantify the organization resources capabilities taking into account the strengths and weaknesses of its resources so as to align itself accordingly to cope with the environmental challenges (Hamel, 2014).

The evaluation of the performance effects of strategic planning has been a central concern of researchers for many decades (Ansoff, 2016). While results are varied, evidence suggests that formal strategic planning is related to superior performance. For example Schrader (1993) conducted a research into the effects of formal strategic planning on the financial performance of small firms and concluded that strategic planning has a significant, positive association with financial performance.

According to Heathfield (2016), for effective strategic planning, organizations must have full and active executive support, effective communication, employee involvement, through organizational planning and competitive analysis and wide spread perceived need for strategic planning. Organizations must engage in strategy planning that clearly defines objectives and assesses both the internal and external environments to formulate strategy, implement the strategy, evaluate the progress, and make adjustments as necessary to stay on track (Ansoff, 2016). The standard approach of strategic planning incorporates internal and external environment analysis to identify opportunities open to improve the organization’s business and threats that can be a potential hindrance to its business. (De Feo, 2011),

According to De Feo (2011), the following is the process of corporate strategic planning:- The first step is formulating the vision of the firm by top management to address the following issues, an expression of the mission of the firm in terms of product, market and
geographical scope, and a statement of the way to achieve competitive leadership, the identification of the strategic business units of the firm and their interactions in terms of shared resources and shared concerns, an articulation of the corporate philosophy in terms of policies and cultural values. Step two is about strategic posture and planning guidelines, this is where the vision of the firm is expressed into pragmatic and concrete guidelines for developing the strategic proposals of businesses and major functions of the firm. Step three is where the mission of the firm is expressed in terms of products, markets geographical scope, and competitive uniqueness. Step four is about formulating of business strategy and broad action programs. Step five is formulation of functional strategies and broad action programs. Step six involves the consolidation of business and functional strategies at the corporate level. In step seven and eight the firm is involved in definition and evaluation of specific action programs at the business and functional levels. Step nine involves the resource allocation and definition of performance measurements for management control. The last three steps (ten, eleven and twelve) involve strategic operational budgeting, this planning process leads toward the development of an intelligent budget, one that is not a mere extrapolation of the past into the future, but an instrument that contains both strategic and operational commitments (ibid).

Nairobi City Water and Sewerage Company (NCWSC) was incorporated in December 2003 under the Companies Act cap 486. It is a wholly owned subsidiary of Nairobi City County (NCC). It has its headquarters in Nairobi and has its area of jurisdiction divided into six administrative regions, namely, Northern, Eastern, North Eastern, and Central, Southern and Western which are further devolved into 25 zones. The Company is charged with the provision of the water and sewerage services in Nairobi. Those services were previously offered by the Water and Sewage Department (WSD) of the Nairobi City Council.

The company is owned by the NCC and it has a board of directors drawn from different interest groups. The management of the company is divided into six directorates lead by the Managing Director. With a total workforce of about 2,000 employees, the company has both contract and permanent employees. The company gets water from different sources. These are Chania River, Thika dam, Sasumua Dam, Ruiru dam and Kikuyu springs. The company
then treats it, transmit it and then distribute it to all consumers. The water is then metered and customers billed accordingly. After customers use water the, resultant waste water is collected and transmitted to sewerage treatment plants at Kariobangi and Ruai.

Nairobi Water Company’s formation rose from the enactment of the Water Act 2002, which created new institution to manage water resources in the country. The Nairobi Water Company has been appointed by the Athi Water Services Board (AWSB) to provide water and sewerage services to its residents under an agreed framework specified in the Service Provision Agreement (SPA) that ensures adequate and quality supply of water, affordable tariffs, maintenance and improvement of water and sewerage infrastructure. There is also a tripartite agreement between the NCC, AWSB and NCWSC. Other agreements include those for Agency and Operational assets between the NCC and NCWSC (Strategic Plan 2014/2015-2018/2019). Currently, of the three million residents of Nairobi, only 50 per cent have direct access to piped water. The rest obtain water from kiosks, vendors and illegal connections. Of the existing customers, about 40 per cent receive water on the 24-hour basis, and hence the need for this study.

1.2 Statement of the Problem
Strategic planning is one of the most important functions of managers in any kind of organization. Among different manager's decisions on strategic planning is a complex process that must be understood completely before it can be practiced effectively. Those responsible for strategic planning face a task of extreme complexity and ambiguity (Ehlers, 2014). For these reasons, over the past decades, numerous studies have been conducted on the construction of models to aid managers and executives in making better decisions concerning the complex and highly uncertain business environment (De Feo, 2011).

In spite of the work that has been conducted in the area of strategic planning, there is still little known about factors influencing it (Heathfield, 2016). Results show that researches on contextual factors influencing strategic planning processes are either limited or have produced contradictory results especially studies relating to decision’s on familiarity magnitude of impact, organizational size, firm’s performance, dynamism hostility,
heterogeneity, industry, cognitive diversity, cognitive conflict, and manager’s need for achievement of strategic planning processes (Pearce, 2013; Thompson and Stickland, 2007; Mintzberg, 1998; Ansoff, 2016).

Given the critical role of strategic planning in organizations it is important to bring out the factors that influence strategic planning processes especially in the context of government institutions in Kenya. A number of studies have been conducted on strategic planning in organizations in Kenya but none has focused on the factors which influence strategic planning processes in Nairobi City Water and Sewerage Company. Kamau (2008) acknowledged that strategic planning is important but what is more important is how it is practiced in different organizations. Other studies on strategic planning processes include; Murenga (2011) studied the strategic planning practices at Barclay Bank, Githinji (2010) strategic planning practices at Kenya National Audit Office, Kimani (2011) on the factors influencing strategy choice in Commercial Banks in Kenya, Murgor (2008) on the strategic response of sugar companies in Kenya. None of the above mentioned studies has focused on factors influencing strategic planning practices in Nairobi City Water and Sewerage Company. This study sought to bridge the gap by focusing on factors influencing strategic planning process in Nairobi City Water and Sewerage Company.

1.3 General Objectives
The general objective of the study was to determine the factors influencing strategic planning practices in government organizations with a key focus on Nairobi City Water and Sewerage Company.

1.4 Specific Objectives
The specific objectives that guided the study included:

1.4.1 To establish the influence of strategic leadership on strategic planning practices in Nairobi City Water and Sewerage Company.

1.4.2 To examine the influence of human resource practices on strategic planning practices in Nairobi City Water and Sewerage Company.
1.4.3 To determine the influence of organization structure on strategic planning practices in Nairobi City Water and Sewerage Company.

1.5 Significance of the Study

1.5.1 Nairobi City Water and Sewerage Company

The study may be of significance to Nairobi City Water and Sewerage Company management and staff as it may enable them to understand and appreciate the critical aspects concerning strategic planning and impact on overall firm’s performance, as well as seek ways to support and facilitate strategic planning and work towards eradicating bottlenecks so as to achieve effective implementation of strategic plans/decisions. The study offers recommendations and the management of Nairobi City Water and Sewerage Company may adopt the stated recommendations to in order to improve their strategic planning initiatives.

1.5.2 Stakeholders in the Water Industry

The study may assist NCWSC and stakeholders in the water sector in formulation of policies, standards, guidance and procedures for tackling strategic planning that positively relates to company or organization performance in the business operations. The study acts as a useful resource for the government in understanding the need and usefulness of adopting appropriate strategic planning that ensures improved organization performance. The study has added significant value and contributions to Water Service Providers (WSPs) planning and reshaping organization effectiveness to deliver on business and strategy.

1.5.3 Policy Makers and Advisors

Strategic planning consultants may also get insights on how to improve the practice of facilitating strategic planning process. Because of the power they hold in relation to the management of public sector, Board of Directors may benefit a great deal since strategic planning document is a management tool. Finally but not the least, leaders of all types of organizations may get a general insights into improving strategic planning in Kenyan and other similar contexts.
1.5.4 Future Scholars

Future Scholars may also benefit from the findings of this study since it provides additional knowledge to the already existing literature on strategic planning. The study may also assist individual researchers to identify gaps in the current research and carry out research in those areas. It may as well assist academicians and scholars interested in issues pertaining to strategic management, and its relationship to firm’s/ organization’s performance in water service providers, especially in the developing countries.

1.6 Scope of the Study

This study examined factors influencing strategic planning practices in government organizations with a key focus on Nairobi City Water and Sewerage Company at its headquarters in Nairobi, Kenya. This study relied on primary data as the preferred source of research data. The collected data was sought from the target respondents who included all employees both in management and non-management level in the organization. The results of the study were limited to Nairobi City Water and Sewerage Company only since the current research solely focused on the organization. Data was collected between the months of October 2017 to November 2017.

1.7 Definition of Terms

1.7.1 Strategy

Ehlers (2014) define strategy as an effort or deliberate action that an organization implements to outperform rivals. It is clear from this definition that a strategy may be perceived as a conscious decision or a planned move on the part of the organization (Pearce, 2013).

1.7.2 Strategic Planning

Strategic planning is the process adopted in identifying a strategy that best suits organizational capability within the environment (Denhardt, 2011). Strategic planning can also be defined as an organization’s process of defining its strategy, or direction, and making decisions on allocating its resources to pursue the set strategies (Ehlers, 2014). The metrics for strategic planning include: value creation index, safety and low cost, revenue and cash flow, and profit growth (Streib, 2012).
1.7.3 Leadership
Leadership is a process of social influence which maximizes efforts of others towards achievement of a goal (Denhardt, 2011). Leadership can also be defined as the ability of an individual or a group of individuals to influence and guide followers or other members of an organization (Heathfield, 2016). In an organization setup, it can be defined as the ability of an organization’s management to make sound decisions and inspire others to perform well (Ehlers, 2014).

1.7.4 Strategic Leadership
Strategic Leadership is the ability of influencing others to voluntarily make decisions that enhance the prospects for the organization’s long-term success while maintaining long-term financial stability (Heathfield, 2016). Strategic leadership can also be defined as utilizing strategy in the management of employees (De Feo, 2011).

1.7.5 Human Resource Practices
Human Resource (HR) practices are the means through which the HR personnel can develop the leadership of an organization’s staff (Cole, 2012). HR practices can be defined as functional activities and strategic plans that enable improved services to employees and increased profitability for the employer (Bradford & Duncan, 2011).

1.7.6 Organizational Structure
An organizational structure defines how activities such as task allocation, coordination and supervision are directed toward the achievement of organizational aims (Heathfield, 2016). It can also be considered as the viewing glass or perspective through which individuals see their organization and its environment (Ansoff, 2016).

1.7.7 Government Organization
A government or state agency, often an appointed commission, is a permanent or semi-permanent organization in the machinery of government that is responsible for the oversight and administration of specific functions provided by the government (Lussier, 2013).
1.8 Chapter Summary

This chapter discusses the background of the problem with regards to strategic planning practices in organizations. The chapter also discusses the statement of the problem whereby the research gap that this study intended to fill has been identified. In addition, the research objective has been clearly stated including all the specific objectives. The significance of the study, scope and lastly definition of key terms have also been discussed. Chapter two of the study focuses on the literature review. Chapter three of the study focuses on the methodology of research for the study. Chapter four of the study focuses on the results and findings of the study. Chapter five of the study focuses on the study’s discussions, conclusions, and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This section provides the literature review of the study on factors influencing strategic planning practices in government organizations. The section was guided by the study objectives that sought: to establish the influence of leadership on strategic planning practices, to examine the influence of human resource practices on strategic planning practices, and to determine the influence of organization structure on strategic planning practices in Nairobi City Water and Sewerage Company.

2.2 Influence of Strategic Leadership on Strategic Planning Practices

Whatever the view of strategic planning/thinking, such activities have long been assumed to be functions and responsibilities of leadership (Fairholm, 2004a). Each perspective on strategy pre-supposes certain assumptions about the task of leadership especially in terms of the emphasis given to controlling, guiding, or shaping the organizational environment (Fairholm, 2004b). One way then to grapple with the differences (and similarities) between strategic planning and leadership is to uncover what certain perspectives of leadership emphasize in the “strategic” process (Fairholm & Fairholm, 2004).

Fairholm (2004b) offers a classification of five leadership perspectives culled from researching the practice of local government managers. The first leadership perspective is Leadership as Scientific Management. The underlying strategic assumption is that organizations and their leaders need to control chaos so that predictable, verifiable, and routinizable processes and outputs are the norm. Basically, this perspective focuses on strategic planning for efficiency. Fairholm and Fairholm (2004) states that, the second perspective is Leadership as Excellence Management, which assumes, like the one above, that leaders should control chaos. Its difference lies in the focus given to process improvement and employee participation to assist in developing strategic plans to control the organizational chaos and disorder.
The third perspective is Leadership as a Values Displacement Activity. This perspective assumes the strategic thinking involves prioritizing other people’s values so they support and implement organizational goals. In this way it assumes strategic thinking is about influencing chaos (thus shaping how organizational actors participate) rather than trying to control it (Fairholm, 2004a). The fourth perspective is Leadership in a Trust Culture, where the leader’s goal (and related activity) is to encourage and maintain mutual trust so people act wisely and independently to achieve mutual goals. This perspective assumes a systems approach and focuses on embracing chaos – using it to create the environment to achieve desired ends (Fairholm, 2004b). The last perspective is Whole Soul (Spiritual) Leadership. Squarely in the non-control camp, this perspective emphasizes strategic thinking at the grandest levels to develop the best in others so they lead themselves (and others) in appropriate directions to achieve appropriate ends. It is perhaps the ultimate manifestation of embracing the inherent order in apparent chaos in the strategic thinking approach (Fairholm, 2004a).

2.2.1 Leadership as Scientific Management
This perspective equates leadership with management, specifically the type of management that draws upon the scientific management movement of the first part of the 20th century. At that time, much emphasis was placed on the officers of management understanding the best way to promote and maintain productivity amongst the employee ranks (Fairholm & Fairholm, 2009). The executive functions and skills outlined were namely: planning, organizing, staffing, directing, coordinating, reporting, and budgeting (POSDCORB) which operationalized the role of organizational actors (Fairholm & Card, 2009). This perspective of leadership views “management” as getting the job done through predicting, shaping, controlling and measuring the work of others (Fairholm & Fairholm, 2009).

This perspective of leadership views “management” as getting the job done through predicting, shaping, controlling and measuring the work of others (Fairholm & Gronau, 2015). In this perspective, management or leadership functions are refined into three categories: strategy - which includes establishing objectives and priorities and devising operational plans; managing internal components – which includes organizing and staffing,
directing personnel and the personnel management system, and controlling performance; and
finally managing external constituencies – which includes dealing with external units subject
to some common authority, dealing with independent organizations, and dealing with the
press and the public (Fairholm, 2016).

Fairholm and Fairholm (2009) stress that effectiveness in management roles, they identify
five practices essential to managerial effectiveness: recording and analyzing where the time
goes; choosing to advance organizational contributions; knowing where and how to mobilize
strength for best effect; setting up the right priorities; and acting rationally based on good
decision-making. Fairholm and Gronau (2015) state that, these principles fit nicely into the
perspective of leadership as management. Not only are they applicable to the organization,
but also to the manager him or herself and in this way solidifies the link by equating good
management with good leadership, and good managers with good leaders (Fairholm, 2016).

### 2.2.2 Leadership as Excellence Management

The second perspective of leadership suggests that leadership is management with a focus on
what has recently been called the excellence movement (Foreman & Fairholm, 2014).
Popularized by Peters and Waterman (1982) in the early 1980’s, this perspective focuses on
systematic quality improvements with a focus on the people involved in the processes, the
processes themselves, and the quality of products that are produced by the processes
(Fairholm & Card, 2009). The work of leadership is to create innovation in an environment
of honest managerial concern for all stakeholders (Fairholm, 2016).

The general framework of leadership as excellence management revolves around an
organizational cultural change based on a management philosophy of meeting customer
requirements through continuous improvement of people, process, and product (Foreman &
Fairholm, 2014). Elements of the manager or leader behavior in this perspective includes role
modeling, using quality processes and tools, encouraging communication, sponsoring
feedback and fostering a supportive environment (Fairholm & Fairholm, 2009). The
mechanisms to achieve success include training, communications, recognition systems,
teamwork, and customer satisfaction programs (Fairholm, 2016).
The role and functions of leadership in this perspective emphasize quality and productivity process improvement rather than just product and people over either product or process, and require the management of values, attitudes, and organizational aims within a framework of quality improvement (Foreman & Fairholm, 2014). Fairholm (2016) notes that, some of the key elements of this perspective include being sensitive to the human relations needs of workers along with the productivity demands on them, improving the process, having a concern for performance excellence/quality, and focusing on stakeholder development and interaction.

2.2.3 Leadership as a Values Displacement Activity

The third perspective of leadership suggests that leadership is essentially a relationship between leader and follower that allows for typical management objectives to be achieved in ways different from prediction and control (Fairholm & Gronau, 2015). Leadership success is dependent more on values and shared vision than it is on prediction and control (Fairholm, 2004a). Fairholm (2004b) suggests that this may be what pre-modern leadership ideas reflect. He suggests that modern management as described in the first two perspectives arose to allow for predictability and stability to counter the previous organizational structures based on personality, traits, charisma, and shamanism that yielded unpredictability in organizational systems.

Two distinctive elements that emerge in this perspective are organizational vision and values. These elements help define and guide the leader/follower relationship. Though some in practice short-change the power of vision by simply borrowing common phrases found in other organizations’ vision statements, as if from a “vision warehouse,” the power of sincerely articulated vision, forms the foundation of leadership activities (Foreman & Fairholm, 2014). Fairholm and Card (2009) describe vision as a vivid description with an artistic and emotional component. Vision serves to make explicit the organizational purpose or reason for being and inspires organizational members in their work efforts. Ansoff (2016) describes vision as dreams in action that are leader initiated and then taught to followers. Vision is neither rhetoric nor platitude; it provides direction and guidance and aligns people. De Feo (2011) states that the common advice in setting a vision include: senior management
must get in touch with their leadership responsibilities, craft vision, do not wait for perfection, have fortitude, and remember that visioning can happen at all levels.

The values leadership perspective is the integration of group behavior with shared values through the leader setting values, and teaching those values to followers through an articulated vision that leads to excellent products and service, mutual growth and enhanced self-determination (Fairholm & Card, 2009). Some of the key elements of this perspective according to Fairholm (2016) include: everyone has values and those values trigger behavior, group shares values in common, values provide the goals (vision) and measures of success, individual change and development and group productivity are equally considered core purposes.

2.2.4 Leadership in a Trust Culture
Values leadership differentiates leadership and management, but still focuses much on the role of the leader in the relationship. The next conception, trust culture leadership, shifts the focus more on the interaction between leader and the led and recognizes the follower as having a much more influential role in the leadership relationship (Foreman & Fairholm, 2014). This focus on the follower is important in this conception because of the emphasis on teams, culture, and mutual trust between leader and follower.

Fairholm (2004b) states that the leader’s role is to build unity, a team, out of different individuals. This activity is not a function of amalgamation, but of aligning individual concerns with the core essence of the group. The first goal in leading a diverse workforce is to define common values and customs (Fairholm & Card, 2009). The second, according to Foreman and Fairholm (2014) is to integrate and acculturate workers into the team culture, its value systems, and operating practices. According to Fairholm (2004a), leadership, then, is a process of building a trust culture within which leader and follower can relate in accomplishing mutually valued goals using agreed upon processes. In this sense, leadership is a sharing, not a starring role.
This conception of leadership assumes that follower development, team success and building effective cultures depends upon trust. Fairholm (2004b) states that common values build trust, and trust is the foundation of cooperative action. The kind of leadership that grows out of shared values only flourishes in a climate within which individuals can accept the individuality of others without sanctioning all of their behavior or words. Without trust, he warns, cultural values can become strictures, impeding individual and group progress (Fairholm, 2004a). In sum, this perspective places two obligations on leaders: first, to create a common culture where all members can trust one another to do their part to attain agreed-upon results; second, to ensure that the trust culture that is created allows individual members to grow toward their personal self-development goals. Low trust cultures force us to manage, not lead (Fairholm & Card, 2009).

2.2.5 Whole Soul (Spiritual) Leadership

The fifth perspective builds on the ideas of values and trust culture maintenance, focusing attention on the whole soul nature of both leader and led. This perspective assumes that people have only one spirit that manifests itself in both our professional and personal lives and that leadership engages individuals at this level (Fairholm & Gronau, 2015). Spirit in the workplace has no real relationship to religion in the workplace. The elements of spirituality as understood in this perspective define who the person is, not just what his or her moral stance is or the religious doctrines he or she espouses (Fairholm, 2016).

Leadership in this conception requires a holistic, integrated approach. Fairholm (2004a) says that through personal efforts, leaders assure that the team’s value system is integrated and holistic in nature so they do not have to sacrifice values. Pearce (2013) concludes that a holistic approach includes organizational services and programs that address both the professional and personal lives of stakeholders. Fairholm (2004b) built on Herzberg’s (1984) model that explained how leaders and organizations earn loyalty from their members when they help unify beliefs that fit into the underlying “mystery systems” of their cultures.
Spiritual (whole soul) leadership is the integration of the components of work and self – of the leader and each follower – into a comprehensive system that fosters continuous growth, improvement, self-awareness, and self-leadership so that leaders see each worker as a whole person with a variety of skills, knowledge and abilities that invariably go beyond the narrow confines of job needs (Fairholm & Gronau, 2015). Some key elements of this final perspective include: concern for and integration of the whole-soul, the inner self, of leader and led; enhancing self-awareness and meaning in life; focusing on the core values – the spirit of the leader and led – not facts about personality or situation; understanding that a clear sense of the “spiritual” dimension of self and group members has a transformational effect on organizations, forms, structures, processes, behavior, and attitudes (Foreman & Fairholm, 2014).

2.3 Influence of Human Resource Practices on Strategic Planning Practices

Most of the best placed organizations’ HR planning processes not only defines what will be accomplished within a given timeframe, but also the numbers and types of human resources that will be needed to achieve the defined business goals (Cole, 2012). The planning processes will clearly define the number of employees, the required competencies; when the employees will be needed and the best HR Practices that will help achieve the strategic company objectives (Sloan, 2014). Strategic Human Resource Planning (SHRP) in organizations requires setting of goals and choosing the means to achieve those goals more competitively (Cole, 2012). The greatest benefit of strategic planning is that it encourages managers to take a holistic view of the business and its environment (Wilson, 2008).

Without strategic plans, managers cannot know how to organize people and resources effectively; the major objective of strategic planning is to promote strategic and adaptive thinking for the expressed purpose of effective organization- environment alignment (Aram & Cowen, 2015). Without plan HR staff cannot draft their policies with confidence or expect others to follow them, and without HR plan the other departmental managers and their followers have little chance of achieving their goals or knowing when and where they stray from their plan (Riel, 2014). HR planning is thus seen to be crucial for any business to
achieve its objectives. HR planning refers to the HR’s department approach both formal and informal to prepare for some future state (Christensen & Fahey, 2004).

SHRP consists of a number of objectives, but all the objectives must be closely aligned to overall business goals in order to be effective, and therefore, HR executives must demonstrate the employer’s return on investment through strategic activities (Sullivan & Richardson, 2011). Johnson (2015), argues that the SHRP practices should start by setting the strategic direction, designing the Human Resource Management System (HRMS), planning the total workforce, generating the required human resources, investing in human resource development and performance, and assessing and sustaining organizational competence and performance.

2.3.1 Setting the Strategic Direction
Setting strategic direction for an organization involves putting into consideration its vision statement (Burkhart & Reuss, 2013). The vision may sound nice and even inspiring but unless the vision directs action, it will be considered useless (Riel, 2014). A company’s vision lays out a destination, the destination guides the organization’s strategy, and strategy chooses action and its action that leads to success (Burkhart & Reuss, 2013). In those moments of action, having clear direction is crucial for building momentum (Bradford and Duncan, 2011). The Human resource personnel comes up with strategic plan that focuses on aligning human resource policies to support the accomplishment of the company’s mission, vision, goals and strategies (Riel, 2014). Strategic planning as stated by Gray (2012) is no longer an added managerial duty, but a way of thinking about a business and how to run it.

Strategic planning sets the goals and objectives to be met and aligns the resources to the staff with the core competence profiles to deliver on the objectives (Ansoff, 2016). Many organizations cite their people as their primary source of competitive advantage (Riel, 2014). Successful companies continuously identify and adopt innovative Human Resource Management (HRM) policies and practices to sustain that advantage (Melik, 2010). More importantly, they structure work and design training, performance management, pay, and reward policies to help members of the organization succeed in achieving desired
organizational outcomes (Sloan, 2014). In other words, they integrate and align HRM policies and practices to reinforce employee behaviors that can best realize the leaders’ strategic intent (Sloan & Julie, 2013).

In order for a company to achieve competitive advantage over its rivals in the industry the HRM of the company should set a strategies that will ensure they recruit highly skilled individuals, continuously train them and motivate them so that the employees work towards producing highly innovative quality products and services (Sloan, 2014; Sloan & Julie, 2013). Fillippi (2014) argued that competitive advantage is gained through use of a business strategy by a firm through manipulating the various resources over which it has direct control. He further states that, these resources have the ability to generate competitive advantage. Sloan and Julie (2013) note that, superior performance outcomes, and superiority in production resources reflects competitive advantage and leads to a firm achieving more sales for its products and services.

2.3.2 Designing the Human Resource Management and Performance System

Corporate reputation or image management is founded upon modern cooperate identity practices and the marketing premise that everything an organization does, and does not do, affects the perception of that organization and its performance, products, and services (Lussier, 2013). According to Riel, (2014) these perceptions affect its ability to recruit the financial resources, people, and partnerships it needs to attain its goals and objectives. The HR department should ensure the systems in all the departments are set in a good way to allow easy achievement of the organization’s objectives as they interact towards achieving the final product or service (Lawrence & Lorsch, 2009).

HRM policies and practices may be necessary to support strategic organizational objectives, such as improving the retention of women in the organization or promoting diversity, especially the representation of designated groups amongst senior management (Gray, 2012). Lussier (2013) argued that after attracting and developing employees, an organization must have human resources systems to retain employees. Retaining key workers is ranked as the most initial factor to business. Employee turnover can reduce overall efficiency, profitability
and morale. Riel, (2014) states that, organizations should have systems that ensure they retain their employees rather than focus on recruiting new workers. Grant (2013) also notes that, the HRM should also plan on the systems that will ensure their corporate department is well equipped with individuals who will pursue achieving good corporate reputation.

The HRM team should define the system’s functional architecture in terms of the operations or events that must be performed in order to meet the mission goals of the system; define measures of performance and the metrics by which the performance of the system will be assessed (Bradford & Duncan, 2011). The required infrastructure that will maintain or support the system should be identified. Definition of personnel requirements is also important. Melik (2010) states that, the personnel factors include the abilities, skill levels, experience, physical constraints and force management policies needed to execute the required tasks. Define training requirements: define the required instruction and applied exercises, to include measurable and specific performance level, for acquiring and retaining Knowledge, Skills and Abilities (KSAs) necessary to prepare personnel to operate, maintain and support all system components in the required operational environment throughout the system life cycle (Burkhart & Reuss, 2013). Defining of safety and training requirements will also be important in the organization’s operations. The system structured by HRM should not only show differentiation in terms of specialization of tasks, but also in terms of the different orientation of the job-holders concerned and of the formality of the structure (Lawrence & Lorsch, 2009).

2.3.3 Workforce Planning

Workforce planning is a systematic process for identifying the human capital required to meet organization’s goals and developing the strategies to meet these requirements (Sloan & Julie, 2013). It is a systematic process that is integrated, methodical, and ongoing. It involves identifying the human capital required to meet organization goals, which consist of determining the number and skills of needed workers, where and when they will be needed (Melik, 2010). Johnson (2015) argument is that workforce planning is a continual process used to align the needs and priorities of the organization with those of its workforce to ensure
it can meet its legislative, regulatory, service and production requirements and organizational objectives.

Workforce planning enables evidence based workforce development strategies (Melik, 2010). Workforce planning can only make sense when seen in relation to business objectives. Planning of manpower is a resourcing activity since the basic demand of people springs from the organization’s need to supply goods or services to its customers (Cole, 2012). Manpower resources can have a vital impact on an organization’s objectives. Without the required workforce an organization may not perform or outcompete well in its market area compared to its rivals (Aram & Cowan, 2015). Workforce planning will also entail developing the strategies to meet these requirements, which involves identifying actions that must be taken to attract and retain the number and types of workers the organization needs (Sloan & Julie, 2013). Workforce planning is important in many ways in that the plan helps to map out contingencies, retain critical talent and bolster employer’s brand for a more promising future (Melik, 2010).

The HR practitioner is required to design a comprehensive workplace skills plan that will help identify appropriate training priorities based on the organization’s workforce needs now and in the future (Sloan, 2014). Generation of required workforce will require the HR person to evaluate recruitment and selection practices in light of the organization’s strategic objectives, develop and implement a comprehensive workplace skills plan, implement a learner-ship strategy and adopt or clarify occupational levels and category classifications (Sloan & Julie, 2013).

2.3.4 Human Resource Development and Performance Investment

Human resources are the most dynamic of all organization’s resources and need considerable attention from the organization’s management in order to meet their full potential in their work (Cole, 2012). When planning to invest in HR development and performance the HR staff should refer to the workforce planning strategy to ensure that they get more information on projected growth in the workforce or that promotional or whether career development opportunities are limited (Sloan, 2014). The organization will hence come up with strategies
aimed at employee retention if the company is experiencing slow growth. These strategies will be different with organizations which are experiencing considerable growth and expansion (Riel, 2014).

Organizations need to direct their limited HR training investment effectively to best develop their human capital (Lussier, 2013). Employees in the top evaluated jobs need training and development just to remain current in their fast-changing positions (Cole, 2012). High-performing employees should receive developmental opportunities as a reward. The primary goal is to invest in training that benefits an employee’s career as well as the organization (Lussier, 2013). Training is organized around the eight elements of: defining objectives (tasks) planning, controlling, evaluating, motivating, organizing, briefing and setting an example. It is important that at an individual level, particularly for senior staff, that they feel their development needs are agreed and that they are provided with the skills to do their jobs (Sloan & Julie, 2013). At a team level, this will define the individuals’ ability to work flexibly with others and align individual and team skills and activities to business goals - all of which ensures that the organization is equipped to achieve its goals (Sloan, 2014).

2.3.5 Assessing and Sustaining Organizational Competence and Performance

Few organizations effectively measure how well their different inputs affect performance, by estimating how changes in policies and practices, systems, or processes affect performance (Johnson, 2015). Organizations may prefer to recruit staff who are already trained or professionally qualified. These organizations end up paying the top market rates for skilled staff and what they put into recruitment, selection and pay and benefits, they do not put into training and development (Riel, 2014). Competent workforce can be achieved through employee training. Competencies are defined as observable abilities, skills, knowledge, motivations or traits defined in terms of the behaviors needed for successful job performance (Cole, 2012). Competence is a standardized requirement for an individual to properly perform a specific job. It encompasses a combination of knowledge, skills and behavior utilized to improve performance (Gray, 2012). More generally, competence is the state or quality of being adequately or well qualified, having the ability to perform a specific role. A person possesses a competence as long as the skills, abilities, and knowledge that constitute
that competence are a part of that person, enabling the person to perform effective action within a certain workplace environment (Cole, 2012).

Competency-based management supports the integration of HR planning with business planning by allowing organizations to assess the current HR capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization (Johnson, 2015). To be competent a person needs to be able to interpret the situation in the context and to have a repertoire of possible actions to take and have trained in the possible actions (Lussier, 2013). Regardless of training, competence grows through experience and the extent of an individual to learn and adapt (Melik, 2010).

2.4 Influence of Organization Structure on Strategic Planning Practices

There have been several definitions of organizational structure by notable scholars for instance: Thompson (1965) who defines it as the organization’s internal pattern of relationships, authority, and communication; and Teixeira, Koufteros and Peng (2012) who view it as the manner responsibility and power are given and shared within an organization, and how work should be done by organizational members. Agbim (2013) gave a similar definition of organizational structure, as a framework of roles, responsibilities, authority and communication relationships that are deliberately designed to accomplish an organization’s tasks and achieve its objectives. This study will define organizational structure as a form that defines how activities such as task allocation, coordination and supervision are directed toward the achievement of organizational aims (Heathfield, 2016). It can also be considered as the viewing glass or perspective through which individuals see their organization and its environment (Ansoff, 2016).

From the above definitions organizational structure can be said to revolve around the distribution of responsibilities among organizational members, and how decisions relating to the accomplishment of the shared responsibilities should be taken, and from whom reports should be directed and necessary evaluations made (Agbim, 2013). Therefore the most important role of organizational structure is to enhance the productivity and performance of members via the implementation of formulated strategies (Heathfield, 2016).
Organizational structure can be categorized into centralization, flatness, management specialization and employees’ specialization (Teixeira, Koufteros, & Peng, 2012). It could also be dimensionalized into centralization, formalization, departmentalization, and specialization (Basol & Dogerlioglu, 2014). Ibrahim et al., (2012) categorized organizational structure into formality structure and specialty structure. Others such as Johari, Yahya and Omar (2011) dimensionalized structure into decision-making, hierarchy of authority, job codification, and rule observation. However, in this study, three dimensions (Centralization, Formalization, and Specialization) were used to examine their influence on strategy planning.

2.4.1 Centralization and Strategic Planning

Centralization is the degree to which decision-making authority is concentrated at higher levels in an organization (Willem & Buelens, 2009). In centralized companies, many important decisions are made at higher levels of the hierarchy, whereas in decentralized companies, decisions are made and problems are solved at lower levels by employees who are closer to the problem in question (Ibrahim et al., 2012). Many companies find that the centralization of operations leads to inefficiencies in decision making. For example, in the 1980s, the industrial equipment manufacturer Caterpillar suffered the consequences of centralized decision making. At the time, all pricing decisions were made in the corporate headquarters. This meant that when a sales representative working in Africa wanted to give a discount on a product, they needed to check with headquarters. Headquarters did not always have accurate or timely information about the subsidiary markets to make an effective decision. As a result, Caterpillar was at a disadvantage against competitors such as the Japanese firm Komatsu. Seeking to overcome this centralization paralysis, Caterpillar underwent several dramatic rounds of reorganization in the 1990s and 2000s (Johari, Yahya & Omar, 2011).

However, centralization also has its advantages. Some employees are more comfortable in an organization where their manager confidently gives instructions and makes decisions (Willem & Buelens, 2009). Centralization may also lead to more efficient operations, particularly if the company is operating in a stable environment. In fact, organizations can suffer from extreme decentralization (Latif et al., 2014). For example, some analysts believe
that the Federal Bureau of Investigation (FBI) experiences some problems because all its structure and systems are based on the assumption that crime needs to be investigated after it happens. Over time, this assumption led to a situation where, instead of following an overarching strategy, each FBI unit is completely decentralized and field agents determine how investigations should be pursued. It has been argued that due to the change in the nature of crimes, the FBI needs to gather accurate intelligence before a crime is committed; this requires more centralized decision making and strategy development (Willem & Buelens, 2009).

2.4.2 Formalization and Strategic Planning

Formalization is the extent to which an organization’s policies, procedures, job descriptions, and rules are written and explicitly articulated (Agbim, 2013). Formalized structures are those in which there are many written rules and regulations. These structures control employee behavior using written rules, so that employees have little autonomy to decide on a case-by-case basis (Basol & Dogerlioglu, 2014). According to Agbim (2013), an advantage of formalization is that it makes employee behavior more predictable. Whenever a problem at work arises, employees know to turn to a handbook or a procedure guideline. Therefore, employees respond to problems in a similar way across the organization; this leads to consistency of behavior.

While formalization reduces ambiguity and provides direction to employees, it is not without disadvantages. A high degree of formalization may actually lead to reduced innovativeness because employees are used to behaving in a certain manner (Basol & Dogerlioglu, 2014). In fact, strategic decision making in such organizations often occurs only when there is a crisis. A formalized structure is associated with reduced motivation and job satisfaction as well as a slower pace of decision making (Agbim, 2013). The service industry is particularly susceptible to problems associated with high levels of formalization. Sometimes employees who are listening to a customer’s problems may need to take action, but the answer may not be specified in any procedural guidelines or rulebook (Willem & Buelens, 2009). For example, while a handful of airlines such as Southwest do a good job of empowering their employees to handle complaints, in many airlines, lower-level employees have limited power
to resolve a customer problem and are constrained by stringent rules that outline a limited number of acceptable responses (Agbim, 2013).

2.4.3 Departmentalization and Strategic Planning

Organizational structures differ in terms of departmentalization, which is broadly categorized as either functional or divisional. Organizations using functional structures group jobs based on similarity in functions (Atieno & Juma, 2015). Such structures may have departments such as marketing, manufacturing, finance, accounting, human resources, and information technology (Heathfield, 2016). In these structures, each person serves a specialized role and handles large volumes of transactions. For example, in a functional structure, an employee in the marketing department may serve as an event planner, planning promotional events for all the products of the company (Agbim, 2013).

In organizations using divisional structures, departments represent the unique products, services, customers, or geographic locations the company is serving. Thus each unique product or service the company is producing will have its own department (Teixeira, Koufteros & Peng, 2012). Within each department, functions such as marketing, manufacturing, and other roles are replicated. In these structures, employees act like generalists as opposed to specialists. Instead of performing specialized tasks, employees will be in charge of performing many different tasks in the service of the product (Heathfield, 2016). For example, a marketing employee in a company with a divisional structure may be in charge of planning promotions, coordinating relations with advertising agencies, and planning and conducting marketing research, all for the particular product line handled by his or her division (Agbim, 2013).

In reality, many organizations are structured according to a mixture of functional and divisional forms. For example, if the company has multiple product lines, departmentalizing by product may increase innovativeness and reduce response times (Ibrahim et al., 2012). Each of these departments may have dedicated marketing, manufacturing, and customer service employees serving the specific product; yet, the company may also find that centralizing some operations and retaining the functional structure makes sense and is more
cost effective for roles such as human resources management and information technology. The same organization may also create geographic departments if it is serving different countries (Heathfield, 2016).

Each type of departmentalization has its advantages. Functional structures tend to be effective when an organization does not have a large number of products and services requiring special attention. When a company has a diverse product line, each product will have unique demands, deeming divisional (or product-specific) structures more useful for promptly addressing customer demands and anticipating market changes (Teixeira, Koufteros & Peng, 2012). Functional structures are more effective in stable environments that are slower to change. In contrast, organizations using product divisions are more agile and can perform better in turbulent environments (Heathfield, 2016). The type of employee who will succeed under each structure is also different. Research shows that when employees work in product divisions in turbulent environments, because activities are diverse and complex, their performance depends on their general mental abilities (Agbim, 2013).

2.5 Strategic Planning and its Metrics

Strategic planning and strategic management in public administration is closely related to the overall concept and culture of public administration, i.e., the government essentially serves the community and should follow the changes in society, its values and needs (Ugboro, Obeng & Spann, 2011). According to a joint initiative of the Organization for Economic Cooperation and Development (OECD) and the European Union (EU) the strategic planning system at central public administration level nowadays consists of two main components – management component and budget component (European Commission, 2010).

The strategic management component generally consists of mandate (statement of mission), vision, values, internal and external environment analysis (White, 2014), medium term priorities, and directions of activities, monitoring, and evaluation, reporting, while the budget component consists of current situation analysis (Backoff, Wechsler & Crew, 2013), objectives, results and performance indicators of the budget programs, funding programs (Poister, Pitts & Edwards, 2010). A strategic plan of state institution is management and a
budgetary planning document which assure medium term planning for central public administration institutions (Streib, 2012). It refers to the public policies under the competence of the institution and it offers a clear image of policies, commitments and measures that will be promoted at the institution level, but it is not a public policy document itself (ibid). A strategic plan of state institution supports the shift from a resources oriented management to a results based management (Dinu, 2007).

Effectiveness of strategic planning as an effective tool of strategic management in public agencies requires top managers’ active roles in defining the strategic direction of the organization and creating an environment that recognizes strategic planning as a tool of strategic management (Poister & Streib, 2014). Also, it requires good working relationships between the strategic planning staff, unit or division managers, and the top management team; the location of the strategic planning staff close to top management (Streib, 2012); integration of unit or division plans into an organization-wide strategic plan (Dinu, 2007); and a planning process that is not too rigid or mechanical (Backoff, Wechsler & Crew, 2013). Even though strategic planning has been used in various public sector agencies for a long time, not much is known about its effectiveness (Poister & Streib, 2014). A review of the extant literature by Vinzant and Vinzant (2012) concludes that public organizations are not good candidates for strategic planning such environments. Streib (2012) notes that, if public organizations can utilize strategic planning efficiently, then they may benefit in terms of value creation index, safety and low cost, revenue and cash flow, and profit growth.

2.5.1 Value Creation Index

Value simply refers to the worth of some product or service to the consumer. A firm creates value by combining its resources innovatively to increase the productivity of those resources (White, 2014). Poister, Pitts and Edwards (2010) state that, in most cases, created value is captured by the firm when consumers pay an additional sum for the firm’s products and services based on its participation in projects related to specific social issues. Vinzant and Vinzant (2012) state that value may also be created when new and/ or more efficient processes, products, and services emerge from social action projects. In both cases, the captured value then leads to increased financial performance as measured by accounting-
Based and market-based indicators (Poister, Pitts & Edwards, 2010; Vinzant & Vinzant, 2012).

Strategic planning is action oriented, it involves frame setting and guidance for subsequent decision making, and at its best, and it involves reasonably deliberative and disciplined work around clarifying organizational purposes (Streib, 2012), and the requirements and likely strategies for success (Burkhart & Reuss, 2013). The process, therefore, is meant to foster strategic thinking, acting, and learning (Streib, 2012). Strategic planning also focuses on the work of figuring out how to build organizational capacity for (Vinzant & Vinzant, 2012), and delivery of, success over time (White, 2014). This includes deliberating on how to link purposes, people, structures, processes, political support (Poister, Pitts & Edwards, 2010), and learning in productive ways - in other words, how to pursue effective strategic management (Burkhart & Reuss, 2013).

2.5.2 Environment Safety

Strategic planning reveals and clarifies future opportunities and threats and provides a framework for decision making throughout a company (Heathfield, 2016). McNamara (2014) states that, strategic planning helps organizations to make better strategies through the use of more systematic, logical and rational approach to strategic choice. Riel (2014) argues that, strategic planning results in a viable match between the firm and its external environment.

Strategy concerns an analysis of the firm’s environment, leading to what the firm, given its environment, should achieve (Riel, 2014). Environmental scanning and analysis allows the firm to be connected to its environment and guarantees the alignment between the firm and its environment (McNamara, 2014). Environmental analysis reveals the market dynamics, business opportunities and challenges, customer expectations, technological advancements and the firm’s internal capacities and this provides the basis for strategy selection (Riel, 2014). It is conceptualized that firms that have effectively embraced strategic planning, records better performance as compared to those that have not (Heathfield, 2016). However, it argued that, strategic planning is of limited value by itself, only a partnership with all parts
of the management particularly execution, controls and rewards can result in synergy and lead to substantial advancement (McNamara, 2014; Riel, 2014).

2.5.3 Revenue and Cash Flow

Financial metrics have long been the standard for assessing a firm’s performance (Pforsich, Kramer & Just, 2006). Strategic planning supports the role of finance in establishing and monitoring specific and measurable financial strategic goals on a coordinated, integrated basis, thus enabling the firm to operate efficiently and effectively (Gale & Branch, 2011). Financial goals and metrics are established based on benchmarking the “best-in-industry” (Pforsich, Kramer & Just, 2006).

Strategic planning may facilitate the use of free cash flow, a measure of the firm’s financial soundness and shows how efficiently its financial resources are being utilized to generate additional cash for future investments (Lawrence, 2014). Free cash flow represents the net cash available after deducting the investments and working capital increases from the firm’s operating cash flow (Grant, 2014). Organizations should utilize this metric when they anticipate substantial capital expenditures in the near future or follow-through for implemented projects (Gale & Branch, 2011).

Economic value-added is the bottom-line contribution on a risk-adjusted basis and helps management to make effective (Barton & Gordon, 2013), timely decisions to expand businesses that increase the firm’s economic value and to implement corrective actions in those that are destroying its value (Pforsich, Kramer & Just, 2006). Economic value-added is determined by deducting the operating capital cost from the net income (Grant, 2014). Organizations set economic value-added goals to effectively assess their businesses’ value contributions and improve the resource allocation process (Lawrence, 2014).

Profitability ratio is a measure of the operational efficiency of a firm (Grant, 2014). Profitability ratios also indicate inefficient areas that require corrective actions by management; they measure profit relationships with sales, total assets, and net worth (Lawrence, 2014; Grant, 2014). Organizations must set profitability ratio goals when they
need to operate more effectively and pursue improvements in their value-chain activities (Pforsich, Kramer & Just, 2006).

Asset management calls for the efficient management of current assets (cash, receivables, inventory) and current liabilities (payables, accruals) turnovers and the enhanced management of its working capital and cash conversion cycle (Lawrence, 2014; Barton & Gordon, 2013). Organizations must utilize this practice when their operating performance falls behind industry benchmarks or benchmarked organizations (Lawrence, 2014).

### 2.5.4 Profit Growth

Strategic planning that focuses on corporate profitability is driven towards the company’s survival in the long term (Mass, 2010). Although maintaining a high profit without growth is very difficult, growth is a crucial means for future value creation (Viguerie, Smit & Baghai, 2011). Additionally, the growth of the firm promotes the development and survival of not just the firm itself but also that of the national economy (Ohlson, 2014). Given the fact that the growth-oriented corporate strategy expands employment and income, it has become the main focus of policy-makers (Mass, 2010; Ohlson, 2014).

Strategic planning has long been used successfully by large organizations to manage uncertainties and for better positioning for long-term growth and profitability (Jang et al., 2010). Due to the current and predicted environmental uncertainties the practice of strategic planning for public organizations will become a need to keep them in equilibrium with their external environment to survive and grow (Viguerie, Smit & Baghai, 2011). However, the degree of formality of the process will vary depending on the complexity, size and requirements of projects involved (Jang et al., 2010).

Strategic planning, according to Lang, Ofek and Stulz (2012), makes it possible to lead the organization continuously, considering the situation (strengths and weaknesses) and the external environment (opportunities and threats), and to exploit the project needs and market with the greatest possibilities for the effective presentation and the profitable sale of a product or service. Coad (2007) also states that strategic management concentrates on
effectiveness while tactical management concentrates on efficiency leading to organizational performance. Organizational performance can be used to view how an organization is doing in terms of level of profit, market share and product quality in relation to other organizations in the same industry (Jang et al., 2010). Consequently, it is a reflection of productivity of members of an organization measured in terms of revenue, profit, growth, development and expansion of the organization (Coad, 2007).

2.6 Chapter Summary

This chapter has reviewed the influence of strategic leadership on strategic planning practices by studying five aspects of leadership which include: leadership as scientific management, leadership as excellence management, leadership as a values displacement activity, leadership in a trust culture, and whole soul (spiritual) leadership. It has also reviewed the influence of human resource practices on strategic planning practices by studying: setting the strategic direction, designing the human resource management and performance system, workforce planning, human resource development and performance investment, and assessing and sustaining organizational competence and performance. Finally the chapter reviews the influence of organization structure on strategic planning practices, by looking at the relationship between centralization and strategic planning, formalization and strategic planning, and departmentalization and strategic planning. The next chapter reviews the study methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the research methodology that was used for the study. The chapter describes the research design, the target population from which the data came from, the sampling design, the data collection method, and data analysis method. The study provides answers to questions relating to factors influencing strategic planning practices in Nairobi City Water and Sewerage Company.

3.2 Research Design
Research design is the procedure of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose (Collins, 2010). Research is conducted within the conceptual structures (Neelankavil, 2015). It constitutes the blueprint for collection, measurement and analysis of data (Saunders, Lewis, & Thornhill, 2012). The research design is used to structure the research, as well as to show how each of the major part of the research project, the samples or groups, and the research tools and analysis all work together in order to try to address the central research questions at hand. Understanding the relationships between designs and thinking about the strengths and weaknesses of different designs is important in making design choices (Collins, 2010).

The study used descriptive research design to examine factors influencing strategic planning practices in Nairobi City Water and Sewerage Company. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Saunders, Lewis, & Thornhill, 2012). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution. The design was used since descriptive research designs ensures that all population elements are considered and this facilitated the ability of the study to produce comprehensive findings. The design was also used since it facilitated the ability to use quantitative data analysis. The design will be used to show the existing relationship between independent variables (influencing factors of strategic planning) and the dependent variable (strategic planning practices) in government organizations.
3.3 Population and Sampling Design

3.3.1 Population
A population is the totality of items or objects under consideration (Rubin, 2011). A sample is a subset or some part of the population. Sampling is a procedure that uses a small number of elements of a given population as a basis for drawing conclusions about the whole population (Neelankavil, 2015). Sampling design starts with population definition which identifies and describes the elements of the population (Rubin, 2011). Target population is the total number of elements of a specific population relevant to the research study (Neelankavil, 2015). The target population of this research entailed the top, middle level managers, line managers, and supervisors/ officers of Nairobi City Water and Sewerage Company whose total was 247 since they were the ones who were directly involved with strategic planning and management of the organization. They were distributed as shown in Table 3.1.

Table 3.1 Population Distribution

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers/ Directors</td>
<td>8</td>
</tr>
<tr>
<td>Middle Level Managers</td>
<td>26</td>
</tr>
<tr>
<td>Line Managers/ Coordinators</td>
<td>68</td>
</tr>
<tr>
<td>Supervisors/ Officers</td>
<td>145</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>247</strong></td>
</tr>
</tbody>
</table>

Source: Nairobi City Water and Sewerage Company (2017)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame
A sampling frame is the list of elements from which a sample is selected. In the simplest sample design, the sampling frame is a list of elements composing of the study population. Properly drawn samples provide information appropriate for describing the population of elements composing the sampling frame and nothing more (Rubin, 2011). In regard to this study, the sample frame was drawn from the Human Resources Department at Nairobi City Water and Sewerage Company.
3.3.2.2 Sampling Technique

Stratified random sampling technique was applied in this study. This falls under probability sampling. Saunders, Lewis and Thornhill (2012), state that, with probability samples the chance, or probability, of each case being selected from the population is known and is usually equal for all cases. They further describe stratified random sampling as a modification of random sampling in which one divides the population into two or more relevant and significant strata based on one or a number of attributes. A random sample is then drawn from each of the strata.

Beri (2013) states that, a homogeneous population is one where all individuals can be regarded as the same type and has little to no variation. This population was homogeneous by virtue that the elements worked in the same organization and were in superviory positions. Stratified random sampling was thus used because it combined the conceptual simplicity of simple random sampling with potentially significant gains in reliability. Levy and Lemeshow (2013) note that, it is a convenient technique to use whenever one plans to obtain separate estimates for population parameters for each subdomain within an overall population and, in addition wish to ensure that our sample is representative of the population. Stratified random sampling was selected for the study because it increased the sample’s statistical efficiency, and it provided adequate data for analyzing the different sub-populations. From each strata, simple random sampling was used to select the population elements in order to give all elements of the population an equal chance of being selected for the study.

3.3.2.3 Sample Size

Most researches are content to estimate the population characteristics at 95 per cent certainty to within plus or minus 3 to 5 per cent of its true values. The smaller the relative proportion of the total population sampled, the greater the margin of error (Saunders, Lewis & Thornhill, 2012). For the purpose of this study, the Yamane (1967) formula was used to select the sample size for the study. The desired level of confidence to be considered was 95% and a 5% margin of error was applied as the study was based on a homogeneous population. This gave the sample population as 153 as shown in Table 3.2.
\[ n = \frac{N}{1 + N(e^2)} \]

Where \( n \) was the sample size, \( N \) was the population size, 1 was the constant and \( e^2 \) was the margin of error, which was 5% for 95% confidence level.

\[ n = \frac{247}{1+247(0.05^2)} \]

\[ n = 153 \]

Table 3.2 Sample Size Distribution

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Number</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers/ Directors</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Middle Level Managers</td>
<td>26</td>
<td>16</td>
</tr>
<tr>
<td>Line Managers/ Coordinators</td>
<td>68</td>
<td>42</td>
</tr>
<tr>
<td>Supervisors/ Officers</td>
<td>145</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>247</strong></td>
<td><strong>153</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection

Data collection is conducted for a variety of purposes, with a variety of strategies and instruments. When making decisions about data collection strategies, researchers have a conceptual idea and an operational definition of their data collection methods. The conceptual idea is the statement of the attributes of interest; the operational definition is how the data will be collected about those attributes (Mertens & Wilson, 2012). Primary sources of data were applied in this study. Structured questionnaire was used as the tool for data collection. This is further known as a structured-non-disguised questionnaire in which the listing of questions is in a pre-arranged order and where the object of enquiry is revealed to the respondent (Beri, 2013). The questionnaire was a self-completed questionnaire. Saunders, Lewis and Thornhill (2012), state that self-completed questionnaires are usually completed by the respondents.

The questionnaire contained five sections which were as follows: Section one of the questionnaire addressed the demographic factors. Section two of the questionnaire addressed
the influence of strategic leadership on strategic planning practices. Section three of the questionnaire addressed influence of human resource practices on strategic planning practices. Section four of the questionnaire addressed influence of organization structure on strategic planning practices. Section five of the questionnaire addressed strategic planning and its metrics.

3.5 Research Procedures
A questionnaire was designed based on the research questions. An introduction letter was attached to the questionnaire explaining the purpose of the research study. The developed questionnaire was pilot tested, before administering it to the whole population. Pilot testing is an extremely important part of questionnaire design, and sufficient time should be allocated for it. Before pilot testing the questionnaire on people who are representatives of the target population, it should be evaluated by a number of other researchers, particularly those who have used similar questionnaires and used the answers in a study. At the pilot testing stage, it may become clear if the intentions of the researcher are sufficiently understood by the subjects. The researcher should be critical to their work and open to suggestions. The better the pilot testing, the fewer regrets there will be at the end of the study (Nieuwenhuijsen, 2015). Only 10 per cent of the earlier determined sample size was used for the pilot test.

According to Vaus (2014), at least four things should be carefully checked: flow, question skips, timing and respondent interest and attention. Finally, pilot testing should provide one with some indication of reliability and validity of one’s items and the questionnaire as it corresponds to the declared aims of the study. After data from the pilot test is coded, one can analyze response patterns and examine triangulated items on the same topic to see how their answers correlate (Gideon, 2012). Reliability analysis for the purpose of this study was done using the Cronbach Alpha test. The variables that had Cronbach alpha of 0.7 and above were considered for subsequent analysis. Validity analysis of factor analysis was used to test for validity whereby the variables that had a co-efficient of less than 0.4 were not considered for subsequent analysis. This was used as a reduction measure to ensure that the study utilized only those variables that met the threshold.
Final administration of the questionnaires to the target population was through hand delivery. Procedures to encourage response rates included using simple and straightforward language in individual questions, limiting the number of open-ended questions in the questionnaire, using credible sponsors for the study, and finally contacting initial non-respondents through follow-up correspondence (Bradford & Cullen, 2012). In addition to assurance of confidentiality, these methods were used to facilitate a high response rate. Such questionnaires are sent electronically using the Internet, posted to respondents or delivered by hand to each respondent and collected later. Responses to interviewer-completed questionnaires were recorded by the researcher on the basis of each respondent’s answers. Respondents were assured of confidentiality and anonymity. The research instruments were based on the literature review. The instrument used a Likert scale from strongly disagree to strongly agree. This was expected to be valid since several studies have used similar factors and items and found them to be valid and reliable measures.

3.6 Data Analysis Methods
The data collected was in the form of discrete quantitative variables. It was thoroughly checked for completeness and comprehensiveness. The Statistical Package for the Social Sciences (SPSS) program version 22.0 was used to analyze the data. Descriptive statistics (means) were used. Reliability analysis was done through subjecting the data on Cronbach Alpha to check for the coefficient of 0.7 and above. Validity analysis was coordinated using factor analysis. Correlation analysis was used to test the relationship between the independent and the dependent variable factors against strategic planning.

3.7 Chapter Summary
This chapter has identified and described methods and procedures that were used to carry out the study. It has focused on research design, population and sampling design, data collection methods, research procedures and data analysis methods. Primary data was used and was collected using questionnaires, which were analyzed using SPSS. Chapter four presents the results and findings of the study based on the analyzed data.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the results and findings of the study based on the analyzed data. The chapter was guided by the questionnaire that gives answers to the following: demographic factors, influence of strategic leadership on strategic planning practices, influence of human resource practices on strategic planning practices, and influence of organization structure on strategic planning practices.

4.2 Demographics and Reliability Rate

4.2.1 Response Rate
The researcher distributed 153 questionnaires to the employees of Nairobi City Water and Sewerage Company who were the study target. From the collected questionnaires, only 123 questionnaires were complete and were used in the study. This gave the study a response rate of 80.4%. This percentage was above the required threshold, making the results of the study reliable.

Figure 4.1 Response Rate
4.2.2 Reliability Rate
Reliability analysis for the questionnaire was carried out using the Cronbach Alpha test. Table 4.1 shows that influence of strategic leadership items on strategic planning practices had a coefficient of 0.847. The coefficient for human resource practices variables on strategic planning practices was 0.868. The coefficient for organization structure variables on strategic planning practices was 0.851. The coefficient for strategic planning and its metrics was 0.869. These results show that the questionnaire was reliable in conducting the study, since the coefficients for all the study variables was >0.7.

<table>
<thead>
<tr>
<th>Questionnaire Variables</th>
<th>No. of Items</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Leadership Variables</td>
<td>11</td>
<td>.847</td>
</tr>
<tr>
<td>Human Resource Practices Variables</td>
<td>10</td>
<td>.868</td>
</tr>
<tr>
<td>Organization Structure Variables</td>
<td>10</td>
<td>.851</td>
</tr>
<tr>
<td>Strategic Planning and its Metrics Variables</td>
<td>11</td>
<td>.869</td>
</tr>
</tbody>
</table>

4.2.3 Gender
Figure 4.2 indicates the gender distribution of the respondents. The figure shows that 53.7% were male and 46.3% were female. This indicates that Nairobi City Water and Sewerage Company has a lot of male employees compared to female employees.

Figure 4.2 Gender
4.2.4 Age Bracket
Figure 4.3 shows that 60.2% of the respondents were aged between 31-40 years, 16.3% were aged between 51 years and above, 14.6% were aged between 20-30 years, and 8.9% were aged between 41-50 years. The results indicate that majority of employees at Nairobi City Water and Sewerage Company were mature and experienced in their workplace.

![Figure 4.3 Age Bracket](image)

4.2.5 Education Level
Figure 4.4 presents the education level of the respondents and it shows that 41.5% had undergraduate degrees, 38.2% had diplomas, 15.4% had graduate degrees, and 4.9% had certificates. The results indicate that employees at Nairobi City Water and Sewerage Company were well educated and could understand the questions being asked.

![Figure 4.4 Level of Education](image)
4.2.6 Years Worked

Figure 4.5 points out that 36.6% had worked for 6-10 years, 23.4% had worked for 11-15 years, 14.8% had worked for 0-5 years, 11.4% had worked for 26 years and above, 8.9% had worked for 16-20 years, and 4.9% had worked for 21-25 years. The results show that majority of the employees had been with Nairobi City Water and Sewerage Company for more than 6 years making them most viable respondents for the study.

![Figure 4.5 Years Worked](image)

4.2.7 Management Level

Figure 4.6 indicates that 34.1% of the respondents were regular staff, 30.9% were lower management, 26.1% were in middle management, and 8.9% were senior managers. The results indicate that all cadres of employees were covered in the study making the study results comprehensive.

![Figure 4.6 Management Level](image)
4.3 Influence of Strategic Leadership on Strategic Planning Practices

4.3.1 Rating of Strategic Leadership on Strategic Planning Practices

Table 4.2 shows that strategic planning and thinking is viewed as the function and responsibility of leaders and management in the organization as agreed to by all the respondents, with a mean of 4.20 and a standard deviation of 0.398. Leaders are about getting the job done through predicting, shaping, controlling and measuring employees work as agreed to by 50.4% of the respondents, 35% disagreed, and 14.6% were neutral; the results had a mean of 3.15 and a standard deviation of 0.915. Managers prioritize and devise our operational plans by managing both internal and external constituencies as agreed to by 76.4% of the respondents, and 23.6% were neutral; the results had a mean of 3.81 and a standard deviation of 0.502. Leaders focus on systematic quality improvements with a focus on employees involved in the processes and the quality of services produced as agreed to by 78% of the respondents, 16.3% disagreed, and 5.7% were neutral; the results had a mean of 3.76 and a standard deviation of 0.897.

Table 4.2 shows that the organizational cultural is based on the philosophy of meeting customer requirements through continuous improvement of employees and processes as agreed to by 85.4% of the respondents, and 14.6% were neutral; the results had a mean of 4.16 and a standard deviation of 0.658. Organizational leadership success is dependent more on values and shared vision than it is on prediction and control as agreed to by 73.1% of the respondents, 16.3% disagreed, and 10.6% were neutral; the results had a mean of 3.81 and a standard deviation of 0.986. The organizational vision provides direction and guidance and aligns employees to strategies as agreed to by 66.6% of the respondents, 17.1% were neutral, and 16.3% disagreed; the results had a mean of 3.78 and a standard deviation of 1.029. The leadership values integrate employee behavior with the organization’s shared values through setting and teaching these values as agreed to by 84.5% of the respondents, and 15.5% disagreed; the results had a mean of 3.82 and a standard deviation of 1.145. Leaders emphasize on teams, culture, and mutual trust between management and employees as agreed to by 58.6% of the respondents, 26.8% were neutral, and 14.7% disagreed; the results had a mean of 3.52 and a standard deviation of 1.141.
Table 4.2 Rating of Strategic Leadership on Strategic Planning Practices

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>NS</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning and thinking is viewed as the function and</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>80.5</td>
<td>49.5</td>
<td>4.20</td>
<td>.398</td>
</tr>
<tr>
<td>responsibility of leaders and management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders are about getting the job done through predicting,</td>
<td>0</td>
<td>35</td>
<td>14.6</td>
<td>50.4</td>
<td>0</td>
<td>3.15</td>
<td>.915</td>
</tr>
<tr>
<td>shaping, controlling and measuring employees work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our managers prioritize and devise our operational plans by</td>
<td>0</td>
<td>0</td>
<td>23.6</td>
<td>71.5</td>
<td>4.9</td>
<td>3.81</td>
<td>.502</td>
</tr>
<tr>
<td>managing both internal and external constituencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders focus on systematic quality improvements with a</td>
<td>0</td>
<td>16.3</td>
<td>5.7</td>
<td>63.4</td>
<td>14.6</td>
<td>3.76</td>
<td>.897</td>
</tr>
<tr>
<td>focus on employees involved in the processes and the quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of services produced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational cultural is based on the philosophy of</td>
<td>0</td>
<td>0</td>
<td>14.6</td>
<td>54.5</td>
<td>30.9</td>
<td>4.16</td>
<td>.658</td>
</tr>
<tr>
<td>meeting customer requirements through continuous improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of employees and processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational leadership success is dependent more on</td>
<td>0</td>
<td>16.3</td>
<td>10.6</td>
<td>48.8</td>
<td>24.4</td>
<td>3.81</td>
<td>.986</td>
</tr>
<tr>
<td>values and shared vision than it is on prediction and control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational vision provides direction and guidance and</td>
<td>0</td>
<td>16.3</td>
<td>17.1</td>
<td>39</td>
<td>27.6</td>
<td>3.78</td>
<td>1.029</td>
</tr>
<tr>
<td>aligns employees to strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leadership values integrate employee behavior with the</td>
<td>9.8</td>
<td>5.7</td>
<td>0</td>
<td>61.8</td>
<td>22.8</td>
<td>3.82</td>
<td>1.145</td>
</tr>
<tr>
<td>organization’s shared values through setting and teaching these values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders emphasize on teams, culture, and mutual trust</td>
<td>9.8</td>
<td>4.9</td>
<td>26.8</td>
<td>40.7</td>
<td>17.9</td>
<td>3.52</td>
<td>1.141</td>
</tr>
<tr>
<td>between management and employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders/ management aligns employees’ concerns with the</td>
<td>0</td>
<td>19.5</td>
<td>17.1</td>
<td>53.7</td>
<td>9.8</td>
<td>3.54</td>
<td>.917</td>
</tr>
<tr>
<td>core essence of the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders assure that the team’s value system is integrated</td>
<td>0</td>
<td>5.7</td>
<td>19.5</td>
<td>69.9</td>
<td>4.9</td>
<td>3.74</td>
<td>.638</td>
</tr>
<tr>
<td>and holistic in nature so that they do not have to sacrifice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4.2 also shows that leaders/management aligns employees’ concerns with the core essence of the organization as agreed to by 63.5% of the respondents, 19.5% disagreed, and 17.1% were neutral; the results had a mean of 3.54 and a standard deviation of 0.917. Leaders assure that the team’s value system is integrated and holistic in nature so that they do not have to sacrifice values as agreed to by 74.8% of the respondents, 19.5% were neutral, and 5.7% disagreed; the results had a mean of 3.74 and a standard deviation of 0.638.

4.3.2 Correlations for Strategic Leadership on Strategic Planning Practices
A Pearson correlation test was carried out to determine whether there existed a relationship between strategic leadership factors (leadership as scientific management, leadership as excellence management, leadership as a values displacement activity, leadership in a trust culture, and whole soul (spiritual) leadership) and strategic planning practices and the results were as shown on Table 4.3.

Table 4.3 Correlations for Strategic Leadership on Strategic Planning Practices

<table>
<thead>
<tr>
<th></th>
<th>Strategic Planning</th>
<th>Scientific Management</th>
<th>Excellence Management</th>
<th>Values Displacement Activity</th>
<th>Trust Culture</th>
<th>Whole Soul (Spiritual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Planning</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scientific Management</td>
<td>.601** .000</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excellence Management</td>
<td>.595** .000</td>
<td>.267** .003</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Values Displacement Activity</td>
<td>.572** .000</td>
<td>.040 .657 .520** .000</td>
<td>.393** .000</td>
<td>.791** .000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Trust Culture</td>
<td>.472** .000</td>
<td>.212* .018</td>
<td>.393** .000</td>
<td>.791** .000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Whole Soul (Spiritual)</td>
<td>.533** .000</td>
<td>.228* .011</td>
<td>.244** .006</td>
<td>.563** .000</td>
<td>.738** .000</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)
Table 4.3 shows that leadership as scientific management was significant to strategic planning practices (r=0.601, p<0.01). Leadership as excellence management was significant to strategic planning practices (r=0.595, p<0.01). Leadership as a values displacement activity was significant to strategic planning practices (r=0.572, p<0.01). Leadership in a trust culture was significant to strategic planning practices (r=0.472, p<0.01). Whole soul (spiritual) leadership was significant to strategic planning practices (r=0.601, p<0.01).

4.3.3 Regression Analysis for Strategic Leadership on Strategic Planning Practices

A regression analysis test was carried out to examine the existing relationship between strategic leadership factors (leadership as scientific management, leadership as excellence management, leadership as a values displacement activity, leadership in a trust culture, and whole soul (spiritual) leadership) and strategic planning practices and the results were as shown on Table 4.4.

Table 4.4 Model Summary of Strategic Leadership and Strategic Planning Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.880</td>
<td>.774</td>
<td>.765</td>
<td>.16249</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Leadership as Scientific Management, Leadership as Excellence Management, Leadership as a Values Displacement Activity, Leadership in a Trust Culture, and Whole Soul (Spiritual) Leadership

Table 4.4 presents the results of the regression model summary for leadership as scientific management, leadership as excellence management, leadership as a values displacement activity, leadership in a trust culture, and whole soul (spiritual) leadership (independent variables), and strategic planning practices (dependent variable). The adjusted R square result of 0.765 in the model shows that 76.5% of the variance in strategic planning practices could be explained by the independent variable.
Table 4.5 Strategic Leadership and Strategic Planning Practices Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.019</td>
<td>.141</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scientific Management</td>
<td>.333</td>
<td>.031</td>
<td>.529</td>
<td>10.838</td>
</tr>
<tr>
<td>Excellence Management</td>
<td>.140</td>
<td>.031</td>
<td>.242</td>
<td>4.452</td>
</tr>
<tr>
<td>Values Displacement Activity</td>
<td>.260</td>
<td>.036</td>
<td>.596</td>
<td>7.306</td>
</tr>
<tr>
<td>Trust Culture</td>
<td>-.158</td>
<td>.030</td>
<td>-.482</td>
<td>-5.366</td>
</tr>
<tr>
<td>Whole Soul (Spiritual)</td>
<td>.159</td>
<td>.028</td>
<td>.373</td>
<td>5.670</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic Planning

Table 4.5 presents the regression coefficients for strategic leadership and strategic planning practices. It predicts strategic leadership variables (leadership as scientific management, leadership as excellence management, leadership as a values displacement activity, leadership in a trust culture, and whole soul (spiritual) leadership) and strategic planning practices. The regression coefficients show that leadership as scientific management, leadership as excellence management, leadership as a values displacement activity, and whole soul (spiritual) leadership have positive and very significant influence on strategic planning practices, because their precision levels were <0.01. Leadership in a trust culture had a negative, but very significant influence on strategic planning practices, because its precision level was <0.01. This therefore concludes that strategic leadership variables have a positive influence on strategic planning practices, and they are very significant.


4.4.1 Rating of Human Resource Practices on Strategic Planning Practices

Table 4.6 shows that setting strategic direction in the organization involves putting into consideration its vision statement as agreed to by all respondents; the results had a mean of 4.20 and a standard deviation of 0.398. Strategic planning in the organization sets the goals and objectives to be met and aligns resources to staff with core competence to deliver the
objectives as agreed to by 78.8% of the respondents, and 21.2% disagreed; the results had a mean of 3.67 and a standard deviation of 1.198.

Table 4.6 Rating of Human Resource Practices on Strategic Planning Practices

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>NS</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting strategic direction in our organization involves putting into consideration its vision statement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>80.5</td>
<td>19.5</td>
<td>4.20</td>
<td>.398</td>
</tr>
<tr>
<td>Strategic planning in our organization sets the goals and objectives to be met and aligns resources to staff with core competence to deliver the objectives</td>
<td>9.8</td>
<td>11.4</td>
<td>0</td>
<td>59.3</td>
<td>19.5</td>
<td>3.67</td>
<td>1.198</td>
</tr>
<tr>
<td>Competitive advantage in our organization is gained through use of a business strategy that manipulates its various resources</td>
<td>0</td>
<td>31.7</td>
<td>17.9</td>
<td>40.7</td>
<td>9.8</td>
<td>3.28</td>
<td>1.020</td>
</tr>
<tr>
<td>Corporate reputation affects our ability to recruit the financial resources, people, and partnerships we need to attain its goals and objectives</td>
<td>0</td>
<td>16.3</td>
<td>25.2</td>
<td>53.7</td>
<td>4.9</td>
<td>3.47</td>
<td>.823</td>
</tr>
<tr>
<td>Our organization has human resource systems that facilitate the retaining of key workers</td>
<td>9.8</td>
<td>17.1</td>
<td>18.7</td>
<td>49.6</td>
<td>4.9</td>
<td>3.23</td>
<td>1.100</td>
</tr>
<tr>
<td>Our workforce planning identifies the human capital required to meet the organization’s goals and develop strategies</td>
<td>0</td>
<td>21.1</td>
<td>17.1</td>
<td>47.2</td>
<td>14.6</td>
<td>3.55</td>
<td>.985</td>
</tr>
<tr>
<td>Our workforce planning is a continual process that is used to align the needs and priorities of the organization with those of the employees</td>
<td>0</td>
<td>6.5</td>
<td>30.1</td>
<td>43.9</td>
<td>19.5</td>
<td>3.76</td>
<td>.840</td>
</tr>
<tr>
<td>When investing in human resource development and performance, our organization refers to the workforce planning strategy for information</td>
<td>0</td>
<td>16.3</td>
<td>33.3</td>
<td>35.8</td>
<td>14.6</td>
<td>3.49</td>
<td>.935</td>
</tr>
<tr>
<td>Our organization directs its employee training investment effectively to best develop its human capital</td>
<td>0</td>
<td>16.3</td>
<td>11.4</td>
<td>67.5</td>
<td>4.9</td>
<td>3.61</td>
<td>.816</td>
</tr>
<tr>
<td>Our organization prefers to recruit staff who are already trained or professionally qualified</td>
<td>0</td>
<td>26</td>
<td>17.9</td>
<td>46.3</td>
<td>9.8</td>
<td>3.40</td>
<td>.981</td>
</tr>
</tbody>
</table>
Table 4.6 indicates that competitive advantage in the organization is gained through use of a business strategy that manipulates its various resources as agreed to by 49.6% of the respondents, 31.7% disagreed, and 17.9% were neutral; the results had a mean of 3.28 and a standard deviation of 1.020. Corporate reputation affects the organization’s ability to recruit the financial resources, people, and partnerships they need to attain its goals and objectives as agreed to by 58.6% of the respondents, 25.2% were neutral, and 16.3% disagreed; the results had a mean of 3.47 and a standard deviation of 0.823. The organization has human resource systems that facilitate the retaining of key workers as agreed to by 54.5% of the respondents, 26.9% disagreed, and 18.7% were neutral; the results had a mean of 3.23 and a standard deviation of 1.100.

Table 4.6 also shows that the workforce planning identifies the human capital required to meet the organization’s goals and develop strategies as agreed to by 61.86% of the respondents, 21.1% disagreed, and 17.1% were neutral; the results had a mean of 3.55 and a standard deviation of 0.985. Workforce planning is a continual process that is used to align the needs and priorities of the organization with those of the employees as agreed to by 63.4% of the respondents, 30.1% were neutral, and 6.5% disagreed; the results had a mean of 3.76 and a standard deviation of 0.840. When investing in human resource development and performance, the organization refers to the workforce planning strategy for information as agreed to by 50.4% of the respondents, 33.3% were neutral, and 16.3% disagreed; the results had a mean of 3.49 and a standard deviation of 0.935.

Table 4.6 finally indicates that the organization directs its employee training investment effectively to best develop its human capital as agreed to by 72.4% of the respondents, 16.3% disagreed, and 11.4% were neutral; the results had a mean of 3.61 and a standard deviation of 0.816. The organization prefers to recruit staff who are already trained or professionally qualified as agreed to by 56.1% of the respondents, 26% disagreed, and 17.9% were neutral; the results had a mean of 3.40 and a standard deviation of 0.981.
4.4.2 Correlations for Human Resource Practices on Strategic Planning Practices

A Pearson correlation test was carried out to determine whether there existed a relationship between human resource practices (setting strategic direction, designing the human resource management and performance system, workforce planning, human resource development and performance investment, and assessing and sustaining organizational competence and performance) and strategic planning practices and the results were as shown on Table 4.7.

Table 4.7 Correlations for Human Resource Practices on Strategic Planning Practices

<table>
<thead>
<tr>
<th></th>
<th>Strategic Planning</th>
<th>Strategic Direction</th>
<th>HRM Performance System</th>
<th>Workforce Planning</th>
<th>HR Development &amp; Investment</th>
<th>Organizational Competence &amp; Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Planning</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Direction</td>
<td>.599** .000</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRM Performance System</td>
<td>.682** .000</td>
<td>.442** .000</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce Planning</td>
<td>.626** .000</td>
<td>.753** .000</td>
<td>.758** .000</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR Development &amp; Investment</td>
<td>.490** .000</td>
<td>.715** .000</td>
<td>.402** .000</td>
<td>.682** .000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Organizational Competence &amp; Performance</td>
<td>.557** .000</td>
<td>.592** .000</td>
<td>.724** .000</td>
<td>.681** .000</td>
<td>.686** .000</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

Table 4.7 shows that setting strategic direction was significant to strategic planning practices ($r=0.599$, p<0.01). Designing the human resource management and performance system was significant to strategic planning practices ($r=0.682$, p<0.01). Workforce planning was significant to strategic planning practices ($r=0.626$, p<0.01). Human resource development and performance investment was significant to strategic planning practices ($r=0.490$, p<0.01). Assessing and sustaining organizational competence and performance was significant to strategic planning practices ($r=0.557$, p<0.01).
4.4.3 Regression Analysis for Human Resource Practices on Strategic Planning Practices

A regression analysis test was carried out to examine the existing relationship between human resource practice factors (setting strategic direction, designing the human resource management and performance system, workforce planning, human resource development and performance investment, and assessing and sustaining organizational competence and performance) and strategic planning practices and the results were as shown on Table 4.8.

**Table 4.8 Model Summary of Human Resource Practices and Strategic Planning Practices**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.768</td>
<td>.590</td>
<td>.572</td>
<td>.21907</td>
</tr>
</tbody>
</table>


Table 4.8 presents the results of the regression model summary for setting strategic direction, designing the human resource management and performance system, workforce planning, human resource development and performance investment, and assessing and sustaining organizational competence and performance (independent variables), and strategic planning practices (dependent variable). The adjusted R square result of 0.572 in the model shows that 57.2% of the variance in strategic planning practices could be explained by the independent variable.

Table 4.9 presents the regression coefficients for human resource planning and strategic planning practices. It predicts human resource planning variables (setting strategic direction, designing the human resource management and performance system, workforce planning, human resource development and performance investment, and assessing and sustaining organizational competence and performance) and strategic planning practices.
Table 4.9 Regression Coefficients of Human Resource Practices and Strategic Planning Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.058</td>
<td>.179</td>
<td></td>
<td>11.478</td>
</tr>
<tr>
<td>Strategic Direction</td>
<td>.268</td>
<td>.064</td>
<td>.425</td>
<td>4.193</td>
</tr>
<tr>
<td>HRM Performance System</td>
<td>.283</td>
<td>.046</td>
<td>.693</td>
<td>6.193</td>
</tr>
<tr>
<td>Workforce Planning</td>
<td>-.064</td>
<td>.045</td>
<td>-.182</td>
<td>-1.422</td>
</tr>
<tr>
<td>HR Development &amp; Investment</td>
<td>.065</td>
<td>.044</td>
<td>.154</td>
<td>1.478</td>
</tr>
<tr>
<td>Organizational Competence and Performance</td>
<td>-.086</td>
<td>.054</td>
<td>-.178</td>
<td>-1.595</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic Planning

The regression coefficients show that setting strategic direction, designing the human resource management and performance system have positive and very significant influence on strategic planning practices, because their precision levels were <0.01. This concludes that setting strategic direction, and designing the human resource management and performance system have a positive influence on strategic planning practices, and are very significant.

Human resource development and performance investment has positive, but insignificant influence on strategic planning practices, because its precision level of 0.142 was >0.05. This concludes that human resource development and performance investment has a positive influence on strategic planning practices, and is insignificant. Workforce planning and assessing and sustaining organizational competence and performance had negative, and insignificant influence on strategic planning practices, because their precision levels of 0.158 and 0.114 were >0.05 respectively. This therefore concludes that workforce planning and assessing and sustaining organizational competence and performance variables had a negative influence on strategic planning practices, and they were insignificant.
4.5 Influence of Organization Structure on Strategic Planning Practices

4.5.1 Rating of Organization Structure and Strategic Planning Practices

Table 4.10 indicates that the organizational structure revolves around the distribution of responsibilities among organizational members as agreed to by 84.5% of the respondents, 10.6% were neutral, and 4.9% disagreed; the results had a mean of 3.94 and a standard deviation of 0.669. The organizational structure enhances the productivity and performance of members through strategy implementation as agreed to by 63.4% of the respondents, 19.5% were neutral, and 17.1% disagreed; the results had a mean of 3.46 and a standard deviation of 0.771. In the organization, decision-making authority is concentrated at the higher levels of the organization as agreed to by 74% of the respondents, and 26% were neutral; the results had a mean of 4.07 and a standard deviation of 0.765.

Table 4.10 also shows that centralization of operations in the organization has led to inefficiencies in decision making as agreed to by 76.5% of the respondents, 17.9% were neutral, and 5.7% disagreed; the results had a mean of 3.80 and a standard deviation of 0.685. Employees in the organization are comfortable because managers confidently give instructions and make decisions as agreed to by 39.8% of the respondents, 40.7% were neutral, and 19.5% disagreed; the results had a mean of 3.20 and a standard deviation of 0.746. The organization has policies, procedures, job descriptions, and rules that have been written and have been explicitly articulated as agreed to by 89.4% of the respondents, and 10.6% disagreed; the results had a mean of 4.07 and a standard deviation of 0.837.

The results on Table 4.10 also indicate that the organizational structure has led to reduced innovativeness because employees are used to behaving in a certain manner as agreed to by 65.1% of the respondents, 29.3% were neutral, and 5.7% disagreed; the results had a mean of 3.69 and a standard deviation of 0.726. The organization has a formalized structure that has led to lack of employee motivation and job satisfaction as agreed to by 49.6% of the respondents, 25.2% were neutral, and another 25.2% disagreed; the results had a mean of 3.15 and a standard deviation of 1.014.
<table>
<thead>
<tr>
<th>Description</th>
<th>SD</th>
<th>D</th>
<th>NS</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organizational structure revolves around the distribution of responsibilities among organizational members</td>
<td>0</td>
<td>4.9</td>
<td>10.6</td>
<td>69.9</td>
<td>14.6</td>
<td>3.94</td>
<td>.669</td>
</tr>
<tr>
<td>Our organizational structure enhances the productivity and performance of members through strategy implementation</td>
<td>0</td>
<td>17.1</td>
<td>19.5</td>
<td>63.4</td>
<td>0</td>
<td>3.46</td>
<td>.771</td>
</tr>
<tr>
<td>In our organization, decision-making authority is concentrated at the higher levels of the organization</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>41.5</td>
<td>32.5</td>
<td>4.07</td>
<td>.765</td>
</tr>
<tr>
<td>Centralization of operations in the organization has led to inefficiencies in decision making</td>
<td>0</td>
<td>5.7</td>
<td>17.9</td>
<td>66.7</td>
<td>9.8</td>
<td>3.80</td>
<td>.685</td>
</tr>
<tr>
<td>Employees in the organization are comfortable because managers confidently give instructions and make decisions</td>
<td>0</td>
<td>19.5</td>
<td>40.7</td>
<td>39.8</td>
<td>0</td>
<td>3.20</td>
<td>.746</td>
</tr>
<tr>
<td>Our organization has policies, procedures, job descriptions, and rules that have been written and have been explicitly articulated</td>
<td>0</td>
<td>10.6</td>
<td>0</td>
<td>61.8</td>
<td>27.6</td>
<td>4.07</td>
<td>.837</td>
</tr>
<tr>
<td>Our organizational structure has led to reduced innovativeness because employees are used to behaving in a certain manner</td>
<td>0</td>
<td>5.7</td>
<td>29.3</td>
<td>55.3</td>
<td>9.8</td>
<td>3.69</td>
<td>.726</td>
</tr>
<tr>
<td>Our organization has a formalized structure that has led to lack of employee motivation and job satisfaction</td>
<td>9.8</td>
<td>15.4</td>
<td>25.2</td>
<td>49.6</td>
<td>0</td>
<td>3.15</td>
<td>1.014</td>
</tr>
<tr>
<td>Our organizational structure ensures that each employee serves a specialized role and handles large volumes of transactions</td>
<td>0</td>
<td>47.2</td>
<td>8.1</td>
<td>44.7</td>
<td>0</td>
<td>2.98</td>
<td>.962</td>
</tr>
<tr>
<td>Our organization structure is effective because we do not have a large numbers in terms of products and services that require special attention</td>
<td>0</td>
<td>16.3</td>
<td>25.2</td>
<td>53.7</td>
<td>4.9</td>
<td>3.47</td>
<td>.823</td>
</tr>
</tbody>
</table>
Results on Table 4.10 also show that the organizational structure did not ensure that each employee serves a specialized role and handles large volumes of transactions as disagreed to by 47.2% of the respondents, 44.7% disagreed, and 8.1% were neutral; the results had a mean of 2.98 and a standard deviation of 0.962. The organization structure is effective because we do not have a large numbers in terms of products and services that require special attention as agreed to by 58.6% of the respondents, 25.2% were neutral, and 16.3% disagreed; the results had a mean of 3.47 and a standard deviation of 0.823.

4.5.2 Correlations for Organization Structure and Strategic Planning Practices

A Pearson correlation test was carried out to determine whether there existed a relationship between organizational structure variables (centralization, formalization, and departmentalization) and strategic planning practices and the results were as shown on Table 4.11.

<table>
<thead>
<tr>
<th></th>
<th>Strategic Planning</th>
<th>Centralization</th>
<th>Formalization</th>
<th>Departmentalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Planning</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centralization</td>
<td>.585**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formalization</td>
<td>.644**</td>
<td>.486**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmentalization</td>
<td>.099</td>
<td>.331**</td>
<td>.352**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>.274</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

Table 4.11 indicates that centralization was significant to strategic planning practices (r=0.585, p<0.01). Formalization was significant to strategic planning practices (r=0.644, p<0.01). Departmentalization was insignificant to strategic planning practices (r=0.099, p>0.05).
4.5.3 Regression Analysis for Organization Structure and Strategic Planning Practices

A regression analysis test was carried out to examine the existing relationship between organizational structure factors (centralization, formalization, and departmentalization) and strategic planning practices and the results were as shown on Table 4.12.

Table 4.12 Model Summary of Organization Structure and Strategic Planning Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.743</td>
<td>.551</td>
<td>.540</td>
<td>.22713</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Centralization, Formalization, and Departmentalization

Table 4.12 presents the results of the regression model summary for centralization, formalization, and departmentalization (independent variables), and strategic planning practices (dependent variable). The adjusted R square result of 0.540 in the model shows that 54% of the variance in strategic planning practices could be explained by the independent variable.

Table 4.13 Regression Coefficients of Organization Structure and Strategic Planning Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.008</td>
<td>.166</td>
<td></td>
<td>12.069</td>
</tr>
<tr>
<td>Centralization</td>
<td>.251</td>
<td>.045</td>
<td>.402</td>
<td>5.604</td>
</tr>
<tr>
<td>Formalization</td>
<td>.307</td>
<td>.042</td>
<td>.525</td>
<td>7.274</td>
</tr>
<tr>
<td>Departmentalization</td>
<td>-.096</td>
<td>.029</td>
<td>-.218</td>
<td>-3.266</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic Planning

Table 4.13 presents the regression coefficients for organization structure and strategic planning practices. It predicts organization structure variables (centralization, formalization, and departmentalization) and strategic planning practices. The regression coefficients show that centralization and formalization have positive and very significant influence on strategic
planning practices, because their precision levels were <0.01. The regression coefficients also show that departmentalization had a negative, but significant influence on strategic planning practices, because its precision level was <0.01. This concludes that centralization, formalization, and departmentalization have an influence on strategic planning practices, and are very significant.

4.6 Strategic Planning and its Metrics

4.6.1 Rating of Strategic Planning and its Metrics

Table 4.14 shows that strategic planning in the organization fosters strategic thinking, acting, and learning as agreed to by 71.6% of the respondents, 23.6% were neutral, and 4.9% disagreed; the results had a mean of 3.76 and a standard deviation of 0.690. Strategic planning in the organization focuses on the work of figuring out how to build organizational capacity as agreed to by 76.4% of the respondents, 18.7% were neutral, and 4.9% disagreed; the results had a mean of 3.87 and a standard deviation of 0.724. Strategic planning in the organization reveals and clarifies future opportunities and threats as agreed to by 68.3% of the respondents, 26.8% were neutral, and 4.9% disagreed; the results had a mean of 3.83 and a standard deviation of 0.797. Strategic planning has allowed the organization to connect and align to the environment as agreed to by 84.6% of the respondents, 10.6% were neutral, and 4.9% disagreed; the results had a mean of 3.85 and a standard deviation of 0.573.

Table 4.14 also indicates that strategic planning has ensured that the organization records better performance as agreed to by 78% of the respondents, and 22% were neutral; the results had a mean of 4.02 and a standard deviation of 0.683. Strategic planning in the organization supports the role of finance in establishing and monitoring specific and measurable financial strategic goals as agreed to by 76.4% of the respondents, and 23.6% were neutral; the results had a mean of 3.91 and a standard deviation of 0.614. Strategic planning has facilitated the use of free cash flow as agreed to by 35% of the respondents, 43.9% were neutral, and 21.1% disagreed; the results had a mean of 3.14 and a standard deviation of 0.739.
Table 4.14 Rating of Strategic Planning and its Metrics

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>NS</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning in our organization fosters strategic thinking, acting, and learning</td>
<td>0</td>
<td>4.9</td>
<td>23.6</td>
<td>61.8</td>
<td>9.8</td>
<td>3.76</td>
<td>.690</td>
</tr>
<tr>
<td>Strategic planning in the organization focuses on the work of figuring out how to build organizational capacity</td>
<td>0</td>
<td>4.9</td>
<td>18.7</td>
<td>61</td>
<td>15.4</td>
<td>3.87</td>
<td>.724</td>
</tr>
<tr>
<td>Strategic planning in the organization reveals and clarifies future opportunities and threats</td>
<td>0</td>
<td>4.9</td>
<td>26.8</td>
<td>48.8</td>
<td>19.5</td>
<td>3.83</td>
<td>.797</td>
</tr>
<tr>
<td>Strategic planning has allowed our organization to connect and align to the environment</td>
<td>0</td>
<td>4.9</td>
<td>10.6</td>
<td>79.7</td>
<td>4.9</td>
<td>3.85</td>
<td>.573</td>
</tr>
<tr>
<td>Strategic planning has ensured that the organization records better performance</td>
<td>0</td>
<td>0</td>
<td>22</td>
<td>53.7</td>
<td>24.4</td>
<td>4.02</td>
<td>.683</td>
</tr>
<tr>
<td>Strategic planning in the organization supports the role of finance in establishing and monitoring specific and measurable financial strategic goals</td>
<td>0</td>
<td>0</td>
<td>23.6</td>
<td>61.8</td>
<td>14.6</td>
<td>3.91</td>
<td>.614</td>
</tr>
<tr>
<td>Strategic planning has facilitated the use of free cash flow</td>
<td>0</td>
<td>21.1</td>
<td>43.9</td>
<td>35</td>
<td>0</td>
<td>3.14</td>
<td>.739</td>
</tr>
<tr>
<td>Strategic planning facilitates timely decisions for expanding the organization’s economic value</td>
<td>0</td>
<td>0</td>
<td>38.2</td>
<td>47.2</td>
<td>14.6</td>
<td>3.76</td>
<td>.690</td>
</tr>
<tr>
<td>The organizations has set profitability ratio goals in order to operate more effectively and efficiently</td>
<td>0</td>
<td>21.1</td>
<td>18.7</td>
<td>50.4</td>
<td>9.8</td>
<td>3.49</td>
<td>.935</td>
</tr>
<tr>
<td>Our strategic planning focuses on corporate profitability and is driven towards the company’s survival in the long term</td>
<td>0</td>
<td>11.4</td>
<td>22</td>
<td>52</td>
<td>14.6</td>
<td>3.70</td>
<td>.858</td>
</tr>
<tr>
<td>Our organization uses strategic planning to manage uncertainties and facilitate better positioning for long-term growth and profitability</td>
<td>0</td>
<td>11.4</td>
<td>17.1</td>
<td>56.9</td>
<td>14.6</td>
<td>3.75</td>
<td>.845</td>
</tr>
</tbody>
</table>
Table 4.14 finally shows that strategic planning facilitates timely decisions for expanding the
organization’s economic value as agreed to by 61.8% of the respondents, and 38.2% were
neutral; the results had a mean of 3.76 and a standard deviation of 0.690. The organizations
has set profitability ratio goals in order to operate more effectively and efficiently as agreed
to by 60.2% of the respondents, 21.1% disagreed, and 18.7% were neutral; the results had a
mean of 3.49 and a standard deviation of 0.935. The organization’s strategic planning focuses
on corporate profitability and is driven towards the company’s survival in the long term as
agreed to by 66.6% of the respondents, 22% were neutral, and 11.4% disagreed; the results
had a mean of 3.70 and a standard deviation of 0.858. The organization uses strategic
planning to manage uncertainties and facilitate better positioning for long-term growth and
profitability as agreed to by 71.5% of the respondents, 17.1% were neutral, and 11.4%
disagreed; the results had a mean of 3.75 and a standard deviation of 0.845.

4.6.2 Correlations for Strategic Planning Metrics and Strategic Planning Practices
A Pearson correlation test was carried out to determine whether there existed a relationship
between strategic planning metrics (value creation index, environment safety, revenue and
cash flow, and profit growth) and strategic planning practices and the results were as shown
on Table 4.15.

<table>
<thead>
<tr>
<th>Strategy Planning</th>
<th>Value Creation Index</th>
<th>Environment Safety</th>
<th>Revenue &amp; Cash Flow</th>
<th>Profit Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Planning</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Creation Index</td>
<td>.835** .000</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment Safety</td>
<td>.766** .000</td>
<td>.614** .000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Revenue &amp; Cash Flow</td>
<td>.536** .000</td>
<td>.301** .001</td>
<td>.564** .000</td>
<td>1</td>
</tr>
<tr>
<td>Profit Growth</td>
<td>.563** .000</td>
<td>.561** .000</td>
<td>.724** .000</td>
<td>.684** 1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
Table 4.15 shows that value creation index was significant to strategic planning practices \((r=0.835, \ p<0.01)\). Environment safety was significant to strategic planning practices \((r=0.766, \ p<0.01)\). Revenue and cash flow was significant to strategic planning practices \((r=0.536, \ p<0.01)\). Profit growth was significant to strategic planning practices \((r=0.563, \ p<0.01)\).

4.6.3 Regression Analysis for Strategic Planning Metrics and Strategic Planning Practices

A regression analysis test was carried out to examine the existing relationship between strategic planning metrics (value creation index, environment safety, revenue and cash flow, and profit growth) and strategic planning practices and the results were as shown on Table 4.16.

Table 4.16 Model Summary of Strategic Planning Metrics and Strategic Planning Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.930</td>
<td>.864</td>
<td>.860</td>
<td>.12551</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Value Creation Index, Environment Safety, Revenue & Cash Flow, and Profit Growth

Table 4.16 presents the results of the regression model summary for value creation index, environment safety, revenue & cash flow, and profit growth (independent variables), and strategic planning practices (dependent variable). The adjusted R square result of 0.860 in the model shows that 86% of the variance in strategic planning practices could be explained by the independent variable.
Table 4.17 Regression Coefficients for Strategic Planning Metrics and Strategic Planning Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.223</td>
<td>.102</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Value Creation Index</td>
<td>.349</td>
<td>.023</td>
<td>.674</td>
<td>.000</td>
</tr>
<tr>
<td>Environment Safety</td>
<td>.260</td>
<td>.034</td>
<td>.409</td>
<td>.000</td>
</tr>
<tr>
<td>Revenue &amp; Cash Flow</td>
<td>.203</td>
<td>.029</td>
<td>.336</td>
<td>.000</td>
</tr>
<tr>
<td>Profit Growth</td>
<td>-.145</td>
<td>.025</td>
<td>-.341</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic Planning

Table 4.17 presents the regression coefficients for strategic planning metrics and strategic planning practices. It predicts strategic planning metrics (value creation index, environment safety, revenue & cash flow, and profit growth) and strategic planning practices. The regression coefficients show that value creation index, environment safety, and revenue & cash flow have positive and very significant influence on strategic planning practices, because their precision levels were <0.01. The regression coefficients also show that profit growth had a negative, but significant influence on strategic planning practices, because its precision level was <0.01. This concludes that value creation index, environment safety, revenue & cash flow, and profit growth have an influence on strategic planning practices, and are very significant.

4.7 Chapter Summary

This chapter has presented the analyzed data and presented the meanings of the figures presented in the figures and tables. Analysis have consisted of descriptive statistics like percentages, means and standard deviations. Inferential statistics of correlations and regressions have also been used in the chapter, and these were guided by the study objectives. The next chapter presents the study’s discussions, conclusions, and recommendations.
CHAPTER FIVE
5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction
This chapter concludes the study. The chapter presents the summary of study findings, the study discussions and conclusions. The last section of the study presents the study recommendations for improvement and for further studies.

5.2 Summary of Findings
This study sought to examine factors influencing strategic planning practices in government organizations, while focusing on Nairobi City Water and Sewerage Company (NCWSC). The study was guided by the study objectives that sought: to examine the influence of leadership on strategic planning practices, to establish the influence of human resource practices on strategic planning practices, and to determine the influence of organization structure on strategic planning practices in Nairobi City Water and Sewerage Company.

The study applied the descriptive research design. The target population of the study was all level of staff members of Nairobi City Water and Sewerage Company. Stratified random sampling technique was used to select the intended sample size for the study. Data was collected through a questionnaire. Questionnaires were distributed to the different respondents by hand and through electronic mail and thereafter collected after submission. The demographic data was tabulated using frequency and percentages. Pearson’s correlations and regression analysis were used to describe the data.

The study revealed that strategic planning and thinking was viewed as the function and responsibility of leaders and management in the organization and the organization’s leaders were focused on getting the job done through predicting, shaping, controlling and measuring employees work. Managers prioritized and devised operational plans by managing both internal and external constituencies as leaders focused on systematic quality improvements with a focus on employees involved in the processes and the quality of services produced. The study showed that the organization’s culture was based on the philosophy of meeting customer requirements through continuous improvement of employees and processes and its
leadership success was dependent more on values and shared vision than it was on prediction and control. The organizational vision provided direction and guidance and aligned employees to strategies and the leadership values integrated employee behavior with the organization’s shared values through setting and teaching these values, as well as emphasizing on teams, culture, and mutual trust between management and employees.

The study indicated that setting strategic direction in the organization involved putting into consideration its vision statement. Strategic planning in the organization set the goals and objectives to be met and aligned resources to staff with core competence to deliver the objectives. The study revealed that competitive advantage in the organization was gained through use of a business strategy that manipulated its various resources, and corporate reputation affected the organization’s ability to recruit financial resources, people, and partnerships they needed to attain goals and objectives. The organization had human resource systems that facilitated the retaining of key workers and their workforce planning identified the human capital required to meet the organization’s goals and develop strategies.

The study showed that the organizational structure revolved around the distribution of responsibilities among organizational members and it enhanced the productivity and performance of members through strategy implementation. Decision-making authority in the organization was concentrated at the higher levels of the organization and centralization of operations in the organization has led to inefficiencies in decision making. The study indicated that employees in the organization were comfortable because managers confidently gave instructions and made decisions, and the organization had policies, procedures, job descriptions, and rules that had been written and had been explicitly articulated. The organizational structure had led to reduced innovativeness because employees were used to behaving in a certain manner, and the organization had a formalized structure that had led to lack of employee motivation and job satisfaction.

The study showed that strategic planning in the organization fostered strategic thinking, acting, and learning, and it focused on the work of figuring out how to build organizational capacity. Strategic planning in the organization revealed and clarified future opportunities
and threats and this allowed the organization to connect and align to the environment. Strategic planning in the organization had ensured that the organization recorded better performance and it supported the role of finance in establishing and monitoring specific and measurable financial strategic goals. The study indicated that strategic planning had facilitated the use of free cash flow and had facilitated timely decisions for expanding the organization’s economic value. The organization had set profitability ratio goals in order to operate more effectively and efficiently and its strategic planning focused on corporate profitability and was driven towards the company’s survival in the long term. The organization used strategic planning to manage uncertainties and facilitate better positioning for long-term growth and profitability.

5.3 Discussions

5.3.1 Influence of Strategic Leadership on Strategic Planning Practices

Strategic planning and thinking is viewed as the function and responsibility of leaders and management in the organization. This is in agreement with Fairholm (2004a) who states that, whatever the view of strategic planning/thinking, such activities have long been assumed to be functions and responsibilities of leadership.

Leaders are about getting the job done through predicting, shaping, controlling and measuring employees work. This is similar to the study by Fairholm and Fairholm (2009) who observed that leadership as scientific management, is a perspective of leadership views “management” as getting the job done through predicting, shaping, controlling and measuring the work of others.

Managers prioritize and devise our operational plans by managing both internal and external constituencies. This is similar to the study by Fairholm (2016) who observed that leadership as scientific management where management or leadership establishes objectives and priorities by devising operational plans of managing internal components and managing external constituencies.
Leaders focus on systematic quality improvements with a focus on employees involved in the processes and the quality of services produced. This is in agreement with Fairholm and Card (2009) who stated that leadership as excellence management focuses on systematic quality improvements with a focus on the people involved in the processes, the processes themselves, and the quality of products that are produced by the processes.

The organizational culture is based on the philosophy of meeting customer requirements through continuous improvement of employees and processes. This concurs with Foreman and Fairholm (2014) who stated that the general framework of leadership as excellence management revolves around an organizational cultural change based on a management philosophy of meeting customer requirements through continuous improvement of people, process, and product.

Organizational leadership success is dependent more on values and shared vision than it is on prediction and control. This is in agreement with Fairholm (2004a) who states that, leadership success is dependent more on values and shared vision than it is on prediction and control (Fairholm, 2004a). Fairholm (2004b) suggests that this may be what pre-modern leadership ideas reflect.

The organizational vision provides direction and guidance and aligns employees to strategies. This is in agreement with Fairholm and Card (2009) who describe vision as a vivid description with an artistic and emotional component. Vision serves to make explicit the organizational purpose or reason for being and inspires organizational members in their work efforts.

The leadership values integrate employee behavior with the organization’s shared values through setting and teaching these values. This is in agreement with Fairholm and Card (2009) who state that the values leadership perspective is the integration of group behavior with shared values through the leader setting values, and teaching those values to followers through an articulated vision that leads to excellent products and service, mutual growth and enhanced self-determination.
Leaders emphasize on teams, culture, and mutual trust between management and employees. This is in agreement with Fairholm (2004a) who states that, leadership, then, is a process of building a trust culture within which leader and follower can relate in accomplishing mutually valued goals using agreed upon processes.

Leaders/ management aligns employees’ concerns with the core essence of the organization. This is in agreement with Fairholm and Card (2009) who state that this leadership activity is not a function of amalgamation, but of aligning individual concerns with the core essence of the group.

Leaders assure that the team’s value system is integrated and holistic in nature so that they do not have to sacrifice values. This is in agreement with Fairholm (2004a) who states that, whole soul (spiritual) leadership requires a holistic, integrated approach through personal efforts, leaders assure that the team’s value system is integrated and holistic in nature so they do not have to sacrifice values.

5.3.2 Influence of Human Resource Practices on Strategic Planning Practices

Setting strategic direction in the organization involves putting into consideration its vision statement. This is in agreement with Burkhart and Reuss (2013) who state that setting strategic direction for an organization involves putting into consideration its vision statement. Riel (2014) adds that the vision may sound nice and even inspiring but unless the vision directs action, it will be considered useless.

Strategic planning in the organization sets the goals and objectives to be met and aligns resources to staff with core competence to deliver the objectives. This is in agreement with Ansoff (2016) who state that strategic planning sets the goals and objectives to be met and aligns the resources to the staff with the core competence profiles to deliver on the objectives.
Competitive advantage in the organization is gained through use of a business strategy that manipulates its various resources. This is in agreement with Fillippi (2014) who states that competitive advantage is gained through use of a business strategy by a firm through manipulating the various resources over which it has direct control. He further states that, these resources have the ability to generate competitive advantage.

Corporate reputation affects the organization’s ability to recruit the financial resources, people, and partnerships they need to attain its goals and objectives. This concurs with Riel (2014) who observes that corporate perceptions affect its ability to recruit the financial resources, people, and partnerships it needs to attain its goals and objectives. The HR department should ensure the systems in all the departments are set in a good way to allow easy achievement of the organization’s objectives.

The organization has human resource systems that facilitate the retaining of key workers. This is in agreement with Gray (2012) who notes that HRM policies and practices may be necessary to support strategic organizational objectives, such as improving the retention of women in the organization or promoting diversity, especially the representation of designated groups amongst senior management.

The workforce planning identifies the human capital required to meet the organization’s goals and develop strategies. This concurs with Sloan and Julie (2013) who state that workforce planning is a systematic process for identifying the human capital required to meet organization’s goals and developing the strategies to meet these requirements.

Workforce planning is a continual process that is used to align the needs and priorities of the organization with those of the employees. This is in agreement with Johnson (2015) who argues that workforce planning is a continual process used to align the needs and priorities of the organization with those of its workforce to ensure it can meet its legislative, regulatory, service and production requirements and organizational objectives.
When investing in human resource development and performance, the organization refers to the workforce planning strategy for information. This concurs with Sloan and Julie (2013) who state that, workforce planning will also entail developing the strategies to meet these requirements, which involves identifying actions that must be taken to attract and retain the number and types of workers the organization needs.

The organization directs its employee training investment effectively to best develop its human capital. This concurs with Lussier (2013) who state that, organizations need to direct their limited HR training investment effectively to best develop their human capital. Cole (2012) states that, employees in the top evaluated jobs need training and development just to remain current in their fast-changing positions.

The organization prefers to recruit staff who are already trained or professionally qualified. This is in agreement with Riel (2014) who states that, organizations may prefer to recruit staff who are already trained or professionally qualified. These organizations end up paying the top market rates for skilled staff and what they put into recruitment, selection and pay and benefits, they do not put into training and development.

5.3.3 Influence of Organization Structure on Strategic Planning Practices

The organizational structure revolves around the distribution of responsibilities among organizational members. This is in agreement with Agbim (2013) who states that, organizational structure can be said to revolve around the distribution of responsibilities among organizational members, and how decisions relating to the accomplishment of the shared responsibilities should be taken, and from whom reports should be directed and necessary evaluations made.

The organizational structure enhances the productivity and performance of members through strategy implementation. This is in agreement with Heathfield (2016) who states that, the most important role of organizational structure is to enhance the productivity and performance of members via the implementation of formulated strategies.
In the organization, decision-making authority is concentrated at the higher levels of the organization. This concurs with Willem and Buelens (2009) who note that, centralization is the degree to which decision-making authority is concentrated at higher levels in an organization. Centralization of operations in the organization has led to inefficiencies in decision making. This concurs with Johari, Yahya and Omar (2011) who note that many companies find that the centralization of operations leads to inefficiencies in decision making.

Employees in the organization are comfortable because managers confidently give instructions and make decisions. This is in agreement with Willem and Buelens (2009) who state that centralization also has its advantages. Some employees are more comfortable in an organization where their manager confidently gives instructions and makes decisions.

The organization has policies, procedures, job descriptions, and rules that have been written and have been explicitly articulated. This is in agreement with Agbim (2013) who states that, formalization is the extent to which an organization’s policies, procedures, job descriptions, and rules are written and explicitly articulated. He further states, formalized structures are those in which there are many written rules and regulations. The organizational structure has led to reduced innovativeness because employees are used to behaving in a certain manner. This concurs with Basol and Dogerlioglu (2014) who observe that, a high degree of formalization may actually lead to reduced innovativeness because employees are used to behaving in a certain manner. In fact, strategic decision making in such organizations often occurs only when there is a crisis.

The organization has a formalized structure that has led to lack of employee motivation and job satisfaction. This is in agreement with Agbim (2013) who states that, a formalized structure is associated with reduced motivation and job satisfaction as well as a slower pace of decision making. The service industry is particularly susceptible to problems associated with high levels of formalization.
The organizational structure did not ensure that each employee serves a specialized role and handles large volumes of transactions. This differs with Agbim (2013) who states that, departmentalization structures are structures where each person serves a specialized role and handles large volumes of transactions. For example, in a functional structure, an employee in the marketing department may serve as an event planner, planning promotional events for all the products of the company.

The organization structure is effective because the organization does not have large numbers in terms of products and services that require special attention. This concurs with Teixeira, Koufteros and Peng (2012) who state that, functional structures tend to be effective when an organization does not have a large number of products and services requiring special attention.

5.3.4 Strategic Planning and its Metrics
Strategic planning in the organization fosters strategic thinking, acting, and learning. This is in agreement with Streib (2012) who observe that, strategic planning is action oriented, it involves frame setting and guidance for subsequent decision making, and is meant to foster strategic thinking, acting, and learning.

Strategic planning in the organization focuses on the work of figuring out how to build organizational capacity. This is in agreement with Vinzant and Vinzant (2012) who state that, strategic planning also focuses on the work of figuring out how to build organizational capacity for, and delivery of, success over time (White, 2014).

Strategic planning in the organization reveals and clarifies future opportunities and threats. This concurs with Heathfield (2016) who state that, strategic planning reveals and clarifies future opportunities and threats and provides a framework for decision making throughout a company. McNamara (2014) states that, strategic planning helps organizations to make better strategies through the use of more systematic, logical and rational approach to strategic choice.
Strategic planning has allowed the organization to connect and align to the environment. This is in agreement with Riel (2014) who argues that, strategic planning results in a viable match between the firm and its external environment. He further states that strategy concerns an analysis of the firm’s environment, leading to what the firm, given its environment, should achieve.

Strategic planning has ensured that the organization records better performance. This concurs with Heathfield (2016) who state that, it is conceptualized that firms that have effectively embraced strategic planning, records better performance as compared to those that have not. However, it argued that, strategic planning is of limited value by itself, only a partnership with all parts of the management particularly execution, controls and rewards can result in synergy and lead to substantial advancement (McNamara, 2014; Riel, 2014).

Strategic planning in the organization supports the role of finance in establishing and monitoring specific and measurable financial strategic goals. This concurs with Gale and Branch (2011) who observe that, strategic planning supports the role of finance in establishing and monitoring specific and measurable financial strategic goals on a coordinated, integrated basis, thus enabling the firm to operate efficiently and effectively.

Strategic planning has facilitated the use of free cash flow. This concurs with Lawrence (2014) who observes that, strategic planning may facilitate the use of free cash flow, a measure of the firm’s financial soundness and shows how efficiently its financial resources are being utilized to generate additional cash for future investments.

Strategic planning facilitates timely decisions for expanding the organization’s economic value. This is in agreement with Pforsich, Kramer and Just (2006) who state that, timely decisions to expand businesses that increase the firm’s economic value and to implement corrective actions in those that are destroying its value.
The organizations has set profitability ratio goals in order to operate more effectively and efficiently. This is in agreement with Pforsich, Kramer and Just (2006) who state that, organizations must set profitability ratio goals when they need to operate more effectively and pursue improvements in their value-chain activities.

The organization’s strategic planning focuses on corporate profitability and is driven towards the company’s survival in the long term. This concurs with Mass (2010) who states that, strategic planning that focuses on corporate profitability is driven towards the company’s survival in the long term. Viguerie, Smit and Baghai (2011) add that, although maintaining a high profit without growth is very difficult, growth is a crucial means for future value creation.

The organization uses strategic planning to manage uncertainties and facilitate better positioning for long-term growth and profitability. This is in agreement with Jang et al. (2010) who state that, strategic planning has long been used successfully by large organizations to manage uncertainties and for better positioning for long-term growth and profitability. Viguerie, Smit and Baghai (2011) add that, due to the current and predicted environmental uncertainties the practice of strategic planning for public organizations will become a need to keep them in equilibrium with their external environment to survive and grow.

5.4 Conclusions

5.4.1 Influence of Strategic Leadership on Strategic Planning Practices
The study concludes that strategic planning and thinking was viewed as the function and responsibility of leaders and management in the organization and the organization’s leaders were focused on getting the job done through predicting, shaping, controlling and measuring employees work. Managers prioritized and devised operational plans by managing both internal and external constituencies as leaders focused on systematic quality improvements with a focus on employees involved in the processes and the quality of services produced. The study concludes that the organization’s culture was based on the philosophy of meeting customer requirements through continuous improvement of employees and processes and its
leadership success was dependent more on values and shared vision than it was on prediction and control. The organizational vision provided direction and guidance and aligned employees to strategies and the leadership values integrated employee behavior with the organization’s shared values through setting and teaching these values, as well as emphasizing on teams, culture, and mutual trust between management and employees.

5.4.2 Influence of Human Resource Practices on Strategic Planning Practices

The study concludes that setting strategic direction in the organization involved putting into consideration its vision statement. Strategic planning in the organization set the goals and objectives to be met and aligned resources to staff with core competence to deliver the objectives. The study concludes that competitive advantage in the organization was gained through use of a business strategy that manipulated its various resources, and corporate reputation affected the organization’s ability to recruit financial resources, people, and partnerships they needed to attain goals and objectives. The organization had human resource systems that facilitated the retaining of key workers and their workforce planning identified the human capital required to meet the organization’s goals and develop strategies. The study concludes that workforce planning was a continual process that was used to align the needs and priorities of the organization with those of the employees, and when investing in human resource development and performance, the organization referred to the workforce planning strategy for information.

5.4.3 Influence of Organization Structure on Strategic Planning Practices

The study concludes that the organizational structure revolved around the distribution of responsibilities among organizational members and it enhanced the productivity and performance of members through strategy implementation. Decision-making authority in the organization was concentrated at the higher levels of the organization and centralization of operations in the organization has led to inefficiencies in decision making. The study concludes that employees in the organization were comfortable because managers confidently gave instructions and made decisions, and the organization had policies, procedures, job descriptions, and rules that had been written and had been explicitly articulated. The organizational structure had led to reduced innovativeness because
employees were used to behaving in a certain manner, and the organization had a formalized structure that had led to lack of employee motivation and job satisfaction. From the results, it can be concluded that the organizational structure did not ensure that each employee serves a specialized role and handles large volumes of transactions, and that it was effective because employees did not have large numbers in terms of products and services that required special attention.

### 5.4.4 Strategic Planning and its Metrics

The study concludes that strategic planning in the organization fostered strategic thinking, acting, and learning, and it focused on the work of figuring out how to build organizational capacity. Strategic planning in the organization revealed and clarified future opportunities and threats and this allowed the organization to connect and align to the environment. Strategic planning in the organization had ensured that the organization recorded better performance and it supported the role of finance in establishing and monitoring specific and measurable financial strategic goals. The study concludes that strategic planning had facilitated the use of free cash flow and had facilitated timely decisions for expanding the organization’s economic value. The organization had set profitability ratio goals in order to operate more effectively and efficiently and its strategic planning focused on corporate profitability and was driven towards the company’s survival in the long term. The organization used strategic planning to manage uncertainties and facilitate better positioning for long-term growth and profitability.

### 5.5 Recommendations

#### 5.5.1 Recommendations for Improvement

##### 5.5.1.1 Influence of Strategic Leadership on Strategic Planning Practices

The study recommends the management of Nairobi City Water and Sewerage Company to focus on both quantitative measures of success of actions and the qualitative measures inherent in the organization’s sense of values, purpose, meaning, and vision. This recognition of different perspectives of strategy will be essential for the managers and will facilitate their ability to deal with managing resources and delivering services.
5.5.1.2 Influence of Human Resource Practices on Strategic Planning Practices
The study recommends the HR managers of Nairobi City Water and Sewerage Company to ensure they understand and analyze all the HR dimensions with regards to the organization, people, processes and systems when addressing the issue of HR management strategies within the organization. Management needs to be aware of significant external factors that are driving radical changes to the way organizations work and shape their strategic context for managing people at present and in the coming years.

5.5.1.3 Influence of Organization Structure on Strategic Planning Practices
The study recommends the management of Nairobi City Water and Sewerage Company to have in place an organizational structure that ensures each employee serves a specialized role and handles specific volumes of transactions. This will ensure that employees are specialized and trained in their roles leading to organizational effectiveness and efficiency.

5.5.1.3 Strategic Planning and its Metrics
The study recommends the management of Nairobi City Water and Sewerage Company to ensure that it has a tracking mechanism for its strategic planning metrics in order to account for the resources developed and used in order to fulfill organizational goals that have been set. Management should acquire resources like new data gathering tools or surveys, professional development, staffing changes, improvements for inclusive workplace environments, and accessibility improvements, which could be included in their annual budget process.

5.5.2 Recommendations for Further Studies
This study examined factors influencing strategic planning practices in government organizations with a key focus on Nairobi City Water and Sewerage Company at its headquarters in Nairobi, Kenya. The results of the study were limited to Nairobi City Water and Sewerage Company only since the current research solely focused on the organization. The study recommends that other studies be conducted in other public institutions within the country to offer a comprehensive overview of the study topic.
REFERENCES


APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

To Whom It May Concern

United States International University
P.O. BOX 14634 - 00800
Nairobi, Kenya

Dear Respondent,

I am a graduate student at the United States International University in partial fulfillment of the requirement for the degree of Masters of Business Administration (MBA) Strategic Management option. I am conducting a study to determine the Factors Influencing Strategic Planning Practices in Governmental Organizations: A Case Study of Nairobi City Water and Sewerage Company.

The information provided by respondents will be protected by the principle of confidentiality. Your participation is very imperative for the accomplishment of this study and it will be highly appreciated. Should you have any questions or concerns with regards to the questionnaire, please do not hesitate to contact me through my contact provided above.
Thank you for your cooperation and time.

Yours Sincerely,

Joseph I. Chege.
APPENDIX II: QUESTIONNAIRE

Section A: Demographic Factors

1. Gender
   Male □     Female □

2. Age bracket
   20 – 30 □     31 – 40 □     41 - 50 □
   Above 50 □

3. Highest Level of Education
   Certificate □     Undergraduate □
   Diploma □     Graduate □
   Higher Diploma □     Post Graduate □

4. Number of years you have worked in Nairobi City Water and Sewerage Company.
   0 – 5 □     6 – 10 □     11 - 15 □
   16 - 20 □     21 – 25 □     Above 25 □

5. Management Level
   Senior Management □     Middle Management □
   Lower Management □     Regular Staff □
Section B: Influence of Strategic Leadership on Strategic Planning Practices

6. Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [ ✔ ] in the table below to the statement that closely relates to your organization.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning and thinking is viewed as the function and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>responsibility of leaders and management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders are about getting the job done through predicting,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>shaping, controlling and measuring employees work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our managers prioritize and devise our operational plans by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>managing both internal and external constituencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders focus on systematic quality improvements with a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>focus on employees involved in the processes and the quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of services produced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational cultural is based on the philosophy of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>meeting customer requirements through continuous improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of employees and processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational leadership success is dependent more on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>values and shared vision than it is on prediction and control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational vision provides direction and guidance and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>aligns employees to strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leadership values integrate employee behavior with the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>organization’s shared values through setting and teaching these</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders emphasize on teams, culture, and mutual trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>between management and employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders/ management aligns employees’ concerns with the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>core essence of the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our leaders assure that the team’s value system is integrated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and holistic in nature so that they do not have to sacrifice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section C: Influence of Human Resource Practices on Strategic Planning Practices

7. Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [✔] in the table below to the statement that closely relates to your organization.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting strategic direction in our organization involves putting into consideration its vision statement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning in our organization sets the goals and objectives to be met and aligns resources to staff with core competence to deliver the objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive advantage in our organization is gained through use of a business strategy that manipulates its various resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate reputation affects our ability to recruit the financial resources, people, and partnerships we need to attain its goals and objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has human resource systems that facilitate the retaining of key workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our workforce planning identifies the human capital required to meet the organization’s goals and develop strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our workforce planning is a continual process that is used to align the needs and priorities of the organization with those of the employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When investing in human resource development and performance, our organization refers to the workforce planning strategy for information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization directs its employee training investment effectively to best develop its human capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization prefers to recruit staff who are already trained or professionally qualified</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section D: Influence of Organization Structure on Strategic Planning Practices

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [✓] in the table below to the statement that closely relates to your organization.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organizational structure revolves around the distribution of responsibilities among organizational members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational structure enhances the productivity and performance of members through strategy implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In our organization, decision-making authority is concentrated at the higher levels of the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centralization of operations in the organization has led to inefficiencies in decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees in the organization are comfortable because managers confidently give instructions and make decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has policies, procedures, job descriptions, and rules that have been written and have been explicitly articulated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational structure has led to reduced innovativeness because employees are used to behaving in a certain manner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization has a formalized structure that has led to lack of employee motivation and job satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organizational structure ensures that each employee serves a specialized role and handles large volumes of transactions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization structure is effective because we do not have a large numbers in terms of products and services that require special attention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Section E: Strategic Planning and its Metrics**

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, show your opinion by putting a tick [✓] in the table below to the statement that closely relates to your organization.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning in our organization fosters strategic thinking, acting, and learning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning in the organization focuses on the work of figuring out how to build organizational capacity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning in the organization reveals and clarifies future opportunities and threats</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning has allowed our organization to connect and align to the environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning has ensured that the organization records better performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning in the organization supports the role of finance in establishing and monitoring specific and measurable financial strategic goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning has facilitated the use of free cash flow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning facilitates timely decisions for expanding the organization’s economic value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organizations has set profitability ratio goals in order to operate more effectively and efficiently</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our strategic planning focuses on corporate profitability and is driven towards the company’s survival in the long term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organization uses strategic planning to manage uncertainties and facilitate better positioning for long-term growth and profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**THANK YOU**