EFFECTS OF STRATEGIC PLANNING ON ORGANIZATIONAL PERFORMANCE
A CASE OF EVENT PLANNING FIRMS IN NAIROBI CBD

BY

EMILY NJOROGE

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

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SPRING 2018
STUDENT’S DECLARATION

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

Signed___________________________    Date___________________________

Emily Njoroge (ID 640624)

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

Signed___________________________    Date___________________________

Prof. Paul Katuse

Signed___________________________    Date___________________________

Dean, Chandaria School of Business.
COPYRIGHT

All rights reserved. No part of this project report may be photocopied, recorded or otherwise reproduced, stored in retrieval systems or transmitted in any electronic or mechanical means without prior permission of USIU-A or the author.

Emily Njoroge 2017
ACKNOWLEDGEMENT

First, I wish to thank God for granting me the strength and ability to have reached this far in my academic endeavour. I would like to extend my sincere gratitude to my supervisor Prof Paul Katuse for his mentorship and professionalism. He provided the much-needed guidance with precision and personal zeal. My heartfelt gratitude goes to my family for being there for me during this challenging time and for being patient and understanding with me. My sincere thanks go to my field assistant for his commitment in reaching the respondents. Finally, I would like to thank all the respondents for the important contribution they made in form of information used in this project.
DEDICATION

This Project is dedicated to My husband Peter Njoroge and my children Wanjiru, Muthoni and Kabura for their caring support, prayers and understanding during the time taken to undertake this study.
TABLE OF CONTENTS

STUDENT’S DECLARATION........................................................................................................ ii
COPYRIGHT.......................................................................................................................... iii
ACKNOWLEDGEMENT........................................................................................................ iv
LIST OF FIGURES................................................................................................................ viii
LIST OF TABLES................................................................................................................... ix
ABSTRACT........................................................................................................................... x

CHAPTER ONE: .................................................................................................................... 1
INTRODUCTION...................................................................................................................... 1
1.1 Background of the Study ............................................................................................... 1
1.2 Statement of the Problem ............................................................................................ 5
1.3 Purpose of the Study .................................................................................................... 6
1.4 Research Questions ...................................................................................................... 6
1.5 Significance of the Study ............................................................................................ 6
1.6 Scope of the Study ....................................................................................................... 7
1.7 Definition of Terms ..................................................................................................... 7
1.8 Chapter Summary ........................................................................................................ 8

CHAPTER TWO .................................................................................................................... 9
LITERATURE REVIEW .......................................................................................................... 9
2.1 Introduction .................................................................................................................. 9
2.2 Vision, Mission and Action Plan as Strategic Planning Tools ................................... 9
2.3 Nature of Strategic Planning ...................................................................................... 14
2.4 Strategic Planning practices and Organizational Performance ............................... 18
2.5 Summary .................................................................................................................... 24

CHAPTER THREE ................................................................................................................ 25
RESEARCH METHODOLOGY ............................................................................................... 25
3.1 Introduction ................................................................................................................ 25
3.2 Research Design ......................................................................................................... 25
3.3 Population and Sampling Design ............................................................................... 25
3.4 Data Collection .......................................................................................................... 27
3.5 Research Procedures ................................................................................................. 27
3.6 Data Analysis ............................................................................................................. 28
3.7 Chapter Summary ....................................................................................................... 28

CHAPTER FOUR .................................................................................................................. 29
DATA ANALYSIS, RESULTS AND DISCUSSION............................................................... 29
4.1 Introduction ................................................................................................................ 29
4.2 Response Rate .......................................................................................................... 29
4.3 Pilot Test Results ...................................................................................................... 29
4.4 Demographic Information ......................................................................................... 30
4.5 Vision Mission ........................................................................................................... 34
4.6 Nature of Strategic Planning ..................................................................................... 36
4.7 Strategic Planning and Firm Performance ................................................................. 40
4.8 Summary .................................................................................................................... 46

CHAPTER FIVE ...................................................................................................................... 47
SUMMARY, CONCLUSION AND RECOMMENDATIONS .................................................. 47
5.1 Introduction ................................................................................................................. 47
5.2 Summary of the Study ........................................................................................................... 47

5.3 Discussion ........................................................................................................................... 48
5.4 Conclusion .......................................................................................................................... 52
5.5 Recommendations .............................................................................................................. 53
REFERENCE ............................................................................................................................. 56
APPENDICES ............................................................................................................................. 64
APPENDIX I: INTRODUCTION LETTER ................................................................................. 64
APPENDIX II: QUESTIONNAIRE ............................................................................................. 65
LIST OF FIGURES

Figure 4.1: Gender of Respondents .................................................................30
Figure 4.2: Age of Respondents.......................................................................31
Figure 4.3: Relevant Training ........................................................................33
Figure 4.4 Years of Experience .....................................................................34
Figure 4.5 Normal P-P Plot of Regression Standardized Residual ..............41
Figure 4.6 Scatterplot ..................................................................................42
LIST OF TABLES

Table 3.1: Sample Size ........................................................................................................26
Table 4.1 Reliability Statistics ..............................................................................................30
Table 4.2 Highest Level Of Education ..................................................................................32
Table 4.3 Level Of Management .........................................................................................32
Table 4.4 Vision, Mission And Action Plan In Strategic Planning .....................................35
Table 4.5 Influence Of Strategic Planning, Practices On Firm’s Performance ....................37
Table 4.6 Strategic Planning Approaches By Firms .............................................................39
Table 4.7 One-Sample Kolmogorov-Smirnov Test .............................................................42
Table 4.8 Collinearity Test With Firm’s Performance As Dependent Variable ..................43
Table 4.9 Model Summary ....................................................................................................44
Table 4.10 Analysis Of Variance ..........................................................................................44
Table 4.11 Beta Coefficients ................................................................................................45
ABSTRACT

The general objective of the study was to identify the influence of strategic planning in event planning firms in Nairobi Central Business District. The study was undertaken to further seek to answer the following questions: Does a vision, mission and action plan as strategic planning tools lead to performance of event planning firms in Nairobi CBD? What is the nature of strategic planning by event planning firms in Nairobi CBD? How does the strategic planning practice contribute to the performance of event planning firms? The descriptive design was used because it ensured complete description of the situation. The target population of interest in this study comprised of event planning firms in Nairobi CBD. The sample size for the study was selected from the event planning firms in Nairobi’s CBD. The study targeted a sample size of 60 (30%) event planning firms. The study adopted non-probability purposive sampling method to arrive at the participating event planning firms. The study performed data collected through a questionnaire structured to meet the objectives of the study. Descriptive statistics was undertaken to analyze quantitative qualitative data using content analysis. The findings strongly acknowledged that strategic planning is the foundation that improves the business processes and ultimately reduces the internal costs of operation. The study concluded that there is a definite strategic fit between the needs of the environment and what the business offers, as well as what the business needs vis a viz what the environment can provide. The study also concluded that there is a need for firms to analyze the external environment pertaining what they do. This is of great importance for researchers and firms as it helps them comprehend the motivation of firms’ activities and helps them to take appropriate action and respond to the changing environment. This study also alluded that strategic planning in event planning firms is an important instrument for forecasting and planning which enables the firm to meet customers’ demands and changes which might crop up while discharging its duties. It would be a useful contribution to investigate the use of planning techniques and the pervasiveness of the process in service organizations. The study recommends that there is need for strategic fit between the needs of the environment in respect to what the business should offer, vis a viz what the business needs with regards to what the environment can provide. Firms should take into consideration all the steps take in the strategic planning process as important.
CHAPTER ONE: 
INTRODUCTION

1.1 Background of the Study
Over the years, the concept and practice of strategic planning has been embraced wide reaching and across sectors because of its perceived influence on organizational performance (Latif & Gohar, 2013). Organizations from both the public and private sectors have taken the practice of strategic planning critically as a tool that can be adopted to improve their performances (Aldehyyat, AlKhattab & Anchor, 2011). According to Aremu (2010), strategy is needed to focus effort and promote coordination of activities. Without strategy, an organization becomes bunch of individuals, hence strategy is required to ensure collective actions and concentration of efforts towards achieving organizational plans and objective

Many organizations today are focusing on becoming more competitive by launching competitive strategies that give them an edge over others. To do this, it is necessity to design workable strategies (Cater & Pucko, 2010). Strategic planning is a backbone support to strategic management and it is a major process in the conduct of strategic management (Awino, Muturia, & Oeba, 2012). Wagner (2013), stated that the importance of strategic planning can be explained from four points of view including environmental scanning, strategy formulation, and linking goals to budgets and strategic planning as a process. The strategy planning process starts with setting organizational goals.

The strategic planning process is applied by management to establish objectives, set goals, and schedule activities for achieving those goals and includes a method for measuring progress (Bulle, 2012). The process regulates how the organization will change to take advantage of new opportunities that help achieve the needs of customers and clients. According to Thomson and Strickland (2012), strategy implementation can fail due to lack of effective top management support because strategic management and leadership are important drivers to strategic implementation.
According to Khan and Khalique (2014), strategy is traced from a Greek word “strategos” which means the roles of a general. Mohamed (2010), posits that planning in management is a process of preparing ways to use resources more economically and efficiently so that the purpose of the company is achieved. Strategic process is important to any organizational work performance because it determines the organization’s success or failure (Bryson, 2014). A strategy is a plan that is planned to achieve a particular purpose. Wernham (2014) observes that in a strategic planning process, resources such as people, skills, facilities, and money to implement the strategy must be adequate.

According to Pearce and Robinson (2008), the strategic planning process can be showed as a series of steps; strategy formulation (Company Vision and Mission, Company Objectives and Internal analysis), situation analysis and environmental scanning (Competitor, industry, Market analysis and strategy selection), strategy implementation and strategy evaluation and control. Strategic planning is a critical part of the strategic management process, which aids non-governmental organizations formulate and appreciate strategies aimed at greater performance effectiveness, improved accountability measures, and sustainable competitive advantage (Awino, Muturia, & Oeba, 2012).

The business environment has become more indeterminate, complex and very turbulent (Hasse and Franco, 2011) The survival of an organization depends on its capability to anticipate the rapid changes around it and incorporate them in its strategy. Environmental scanning comprises gathering relevant information and synthesizing it into knowledge that can be used to manage a business. Environmental scanning is a management tool that uses external information to improve strategic decision-making Managers that use environmental scanning are able to identify new trends and opportunities (Bischoff, 2012).

The environment affects organizational structure, internal process, and managerial decision-making. It creates uncertainty for managers through environmental changes, events, and trends, which continually send signals and messages that must be recognized by the organization (Aremu, 2010). In order to pick up these signals and make use of the information, the organizations need to establish efficient environmental scanning, a
process, which can be viewed as a kind of radar to scan the world systematically and signal the new, the unexpected, the major, and the minor. Environmental scanning is critical for all types of organizations to survive and remain successful (Ilesanmi, 2011).

Strategy formulation is a continuous process in organizations since it involves a framework for actions that lead to anticipated results. It comprises of both corporate strategy in which companies decide which line or lines of business to engage in and business strategy, which sets the framework for achieving success in a particular business. Wernham (2014), suggests that the importance of strategy formulation increases when a firm is confronted with inefficient markets; need to deal with high degrees of uncertainty, and major environmental changes.

For strategy to be worthwhile and benefit the entire organization, the process should be all-inclusive by involving everybody in the organisation (Bryson, 2014). According to Wernham (2014), there are three categories of factors that affects strategy formulation process; environmental factors, organizational factors and, employee involvement. These, therefore, call for attention in the formulation process. Formulation of new strategy is concerned with adjustments in the structure, employees, systems, and styles of doing things to accommodate the perceived needs of strategy (Pearce and Robinson, 2007).

Performance is the yield or results of activities carried out in relation to the purposes being pursued and to effectively implement the strategic plan, management must know if the plan’s goals are being achieved on time and with the allocated resources. Performance can only be managed if it can be accurately measured (Awino & Mutua, 2014). According to Ilesanmi (2011), the problem in most companies is not a lack of measures, but a lack of focused and effective measures. The challenges in selecting the right measures include choosing the right leading and lagging indicators, benchmarking (entails feedback control, identifying gaps and putting strategies in place to fill the gaps) against competitors, balancing financial and non-financial measures, and using an appropriate number of measures (Awino & Mutua, 2014).
Antikainen (2014) alludes to the fact that performance is a key factor with specific reference to the organization capacity for progress in the competition field. The improvement in improvement provides a good opportunity for firms to contribute to the organizations' bottom line through the improvement of the production processes, rather than concentrating on only the reduction or omission of costs (Ramirez & Nembhard, 2014). Organizational performance remains of great concern today to all organizations including private, public, and profit or not for profit. Organizational performance is a recurrent theme of great interest to both scholars and practitioners. Researchers and practitioners alike have attempted to understand why some organizations achieve higher levels of performance than others (Mkalama, 2014).

The recent growth of events industry around the world means that the planning of events can no longer be ad hoc. Events and festivals have a large impact on their communities and, in some cases, the whole country. The industry now includes events of all sizes from the Olympics down to a breakfast meeting for ten business people. Many industries, charitable organizations, and interest groups will hold events of some size to market themselves, build business relationships, raise money or celebrate. Event planning is the application of project management to the creation and development of festivals, events, and conferences (Ramirez & Nembhard, 2014).

Event Planning involves studying the intricacies of the brand, identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before launching the event (Kilkenny, 2011). Post-event analysis and ensuring a return on investment have become significant drivers for the event industry, however, events planning success or failure heavily relies on supply chain networks. Event planning in Kenya has indeed changed the way events are handled. It’s not only done for lavish parties, weddings and big companies who hire managers to help in organizing and planning their events but clients who have small budgets are also getting help from event managing companies. Event management in Kenya mostly involves planning the management logistics, studying the complexity of a brand, identifying the companies target audience, and projecting the concept of the event.
1.2 Statement of the Problem

Planning is vital to the performance management in meeting its goals and objectives. The relationship between the planning function and the performance management is uncertain (Bloom, Genakos, Martin & Sadun, 2011). 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 uncertainty. Furthermore, planning in small firms is generally typified by intense personalisation and is highly influenced by the preferences, experiences, attitudes, prejudices, and general personality sets of the firm (Goldstein & Ward, 2014). Thus, the existence of diverse planning processes in small businesses should be expected but with little or no resemblance to the planning process found in large organisations.

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. In spite of the work that has been conducted in the area of strategic planning we still know little about factors influencing it. Results show that researches on contextual factors influencing strategic planning processes are either limited or have produced contradictory results especially studies relating to decisions 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 (Awino & Mutua, 2014).

Several studies have been conducted on strategic planning in organizations in Kenya but none has focused on event planning industry, and specifically on the factors, which influence strategic planning processes in this sector. Local studies done on the factors affecting strategy implementation include Kiptugen (2014). He did a study to determine the strategic retort of KCB to a varying competitive environment. Since the study focused mainly on strategies that can be adopted in a competitive environment; the study did not cover the processes involved in strategy implementation and challenges in the
implementation phase. Kamanda (2016), studied on KCB with the key objective to
determine the factors that influence its regional growth strategy did not cover the issues of
strategy implementation. Even though studies have been done on strategic planning; none
was carried out in event planning firms. Events planning in Kenya have been handled very
inadequately and therefore much undesired results have been witnessed. It is with this in
mind that this study sought to fill the gap by trying to identify the influence of strategic
planning in event planning firms in Nairobi Central Business District.

1.3 Purpose of the Study
The general objective of the study was to identify the effects of strategic planning in event
planning firms in Nairobi Central Business District.

1.4 Research Questions
1.4.1 Does a vision, mission and action plan as strategic planning tools lead to
performance of event planning firms in Nairobi CBD?
1.4.2 What is the nature of strategic planning by event planning firms in Nairobi CBD?
1.4.3 How does the strategic planning practice contribute to the performance of event
planning firms?

1.5 Significance of the Study
1.5.1 Management of event organizing
The findings of the study will be to assist the management of event organizing firms as
well as other organizations to address various strategic planning issues that affect their
performance. 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 to achieve effective
implementation of strategic decisions.
1.5.2 Stakeholders
The study will also provide stakeholders with a basis of understanding strategic planning in the organization and seek ways of adopting best management practices hence contributing positively to the overall sector planning.

1.5.3 Scholars
The study provided information to current and potential scholars on the area of strategic planning and organizational performance in both private sector and public sector. Likewise, researchers may want to gain insights and explore the area of strategic planning in hospitality industry.

1.6 Scope of the Study
The study aimed at exploring the competitive strategic planning strategies and their influence on performance of event organizing firms in Nairobi. The target population of this study was employees of event organizing firms in Nairobi. The research was limited to the strategies applied by the firms during event planning. The study will focus on nature of strategic planning tools, vision, mission and action plan as strategic planning, and how strategic planning practice contribute to the performance. The study will take place between September and December 2017.

1.7 Definition of Terms
1.7.1 Central business District: This is the focal point of a city. It is the commercial, office, retail and cultural center of the city and usually is the center point for transportation networks (Wernham, 2014).

1.7.2 Strategic: Relates to the identification of long-term or overall aims and interests and the means of achieving them (Bryson, 2014).

1.7.3 Event: Event is a planned public or social occasion (Kilkenny, 2011).

1.7.4 Planning: This is a time management technique. It is an orderly step by step conception for accomplishing an objective (Ilesanmi, 2011).
1.8 Chapter Summary

This chapter looked on the background information on organizational performance, strategic planning and the statement of the problem, scope, the purpose of the study, and the importance of the study. The research questions that will steer the study have also been articulated in this chapter. The relevance and the importance of the study to different stakeholders has also been articulated followed by the scope of the study and the definition of terms used in this study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter gives a review of documented scholarly work, which is relevant to effects of strategic planning and organization performance. The literature embraced related studies conducted elsewhere and their arguments and findings advanced by other scholars on the issue under scrutiny in this research. Literature on strategy formulation was presented first, followed by the influence of strategic planning on organizational performance.

2.2 Vision, Mission and Action Plan as Strategic Planning Tools
2.2.1 Vision
The organization's vision and mission is the first step of any strategic planning process. The organization's vision sets out the reasons for its existence and the "ideal" state that the organization aims to achieve; the mission classifies major goals and objectives. Mission statement and the firms vision are well defined in the framework of the organization's philosophy. They are used as a context for development and evaluation of planned and emergent strategies (Lynch, 2000). Vision statements have been tremendously accepted as a crucial part of the strategic management process for organizations of all types for profit, a multinational or a small and medium scale enterprise. It is broadly believed that mission and vision statements influence on strategy and most features of organizational performance. Bart et al. (2001) posited that mission statements had consistently been shown to be the top-rated management tool deployed by senior managers during each of the ten years prior to his study.

Mullane (2002) argued that mission and vision statements are useful for practical day-to-day operations, taking a contrary view to those who assert they are archaic documents that are typically exhibited as wall hangings. Several works (Campbell, 1997; Mullane 2002; Rigby, 1994; Matejka et al., 1993; Campbell and Yeung, 1991) have outlined how vision statements can be used to build a common and shared sense of purpose and also serve to as conduit through which employees’ focus are shaped. Vision statements motivate, shape behaviours, cultivate high levels of commitment and ultimately influence positively on
employee performance. Vision statements are widely believed to be antecedents to any strategy formulation effort (Mullane, 2002).

Mission statements are good in capturing corporate level strategy in terms of scope, boundaries and value creation. They are a broad overarching statements around which other strategic principles like vision, strategic capabilities, strategic intent, objectives and goals, core values, standards of behaviour as well as business models evolve (Campbell & Tawadey, 1992; Lynch, 2000). Vision offers a strategic direction, which is the facilitator for the mission and related goals. Though this element of discourse exists, there is irresistible consensus about the future orientation of a vision statement as opposed to that of a mission statement. According to Kantabutra and Avery (2010), vision guides businesses, retell of history of the company, motivates and controls the business. Ungerer (2013), stated that a business vision is necessary to be shared and to ensure everyone’s commitment, be able to clarify the business’ anticipated future. The vision should not be unclear and should be a solution to the firms’ current problems.

A vision is supposed to bring out a powerful and compelling mental picture of the desired future states or resemblance of their organizations. Having a vision and aspirations about tomorrow is a defining tenet of entrepreneurial organizations and those organizations whose strategy formulation process could be described as entrepreneurial (Mintzberg & Waters, 1985). Sufi and Lyons (2003), alluded that vision statements must be challenging and determined while remaining achievable enough to encourage employee’s creativity as far as its achievement is concerned. Core values are enduring principles, ideologies and worldviews that the founding fathers of organization hold in high esteem; these are sometimes referred to organizational vision. The enduring nature of these core values must provide the toast for a vision for that matter. Mintzberg and Quinn (1996), posit that the vision statement should include core values that distinguish one organization from another.

Bartkus et al. (2004), stated that the key role of a vision statement is to communicate the strategic direction of the organization to stakeholders in order to guide strategic planning. In study of USA, Japanese and European businesses motivation and inspiration of
employees strongly featured as the second most important objective for mission statements (Bartkus et al. 2004). Mission statements are believed relevant to the extent that they deliver high levels of motivation and inspiration to employees.

Strategy formulation encompasses defining the mission, corporate vision, and the specification of objectives which are achievable, developing strategies and setting policy guidelines (Johnson and Scholes, 2002). Vision is a short, brief and inspiring statement of what the organization intends to become and to achieve at some point in the future. It’s often state in competitive terms (Mintzberg, 1991). Bart et al. (2001), argues that mission statements could positively influence employee performance which has a direct impact on firm financial performance and this could only happen when organization policies are derived from the vision statement. Hussey (2008), posited that objectives are derived from vision, linked to the measurement of corporate progress, and cascaded down to personal performance. Majetka et al. (2013), advised that mission statements could induce desirable behaviours if it is first clearly communicated and reinforced through the reward system.

According to Hugh and Michael (2002), the one or two sentences vision statements most companies make available to the company provide only a glimpse of what executives are really thinking and the strategic course they have chartered. Company personnel really have much better understanding where the company is headed and why is revealed in the official vision. But the real purpose of strategic vision is to serve as management for giving the organization a sense of direction. Vision statements should to be ambitious and challenging yet attainable enough to evoke employee’s ingenuity and creativity as far as its realization is concerned. Core values are enduring principles, ideologies and worldviews that the founding fathers of organization hold in high esteem; these are sometimes referred to organizational vision (Sufi and Lyons, 2003).
2.2.2 Mission Statement

Mission statements are viewed as the critical starting point for almost every major strategic initiative. They are intended to motivate the behaviours of organizational members toward common organizational goals. Mission statement provides a context for strategy and are the ultimate reference point in making critical resource allocation decisions (Bart, 2001). Stone (1996), stated that mission statement have an integral impact on the performance of employee's as well as organizational performance. An organization’s mission is its purpose, or the reason for its existence. It states what it is providing to society (Johnson & Scholes, 2002). Mission statement should state and define the fundamental, outstanding and unique purpose that sets an organization apart from other firms of its types and purpose and should identify the scope of the company’s operation in terms of products and services offered and markets served. Objectives are the end results of planned activity; they state what is to be accomplished by when and should be quantified if possible Grant (2005).

Alavi and Karami (2009), in their study found that 72% of the CEO’s examined believe on a formal and written mission statement. They believed that this positively impact on enhancing organizational performance. Gharleghi et al. (2011), found a positive correlation between the characteristics and organizational performance and the firms mission statement. A study by Dermol (2012), on the relationship between mission statement and performance in 394 Slovenian organizations indicated that existence of mission statement by firms leads to an increase in firm performance. Corporate is the highest level with a span of five to ten years and clearly defines the area of organizational operation and the overall strategic direction. Business is the mid-level with a three to five years span involving entry exit guidelines. These strategies not only involve creating of effective and efficient practices and procedures but also suitability and cost effectiveness of this program. The lowest level is the functional level which is short term ranging a year or less and involves entry, exit, and procedures. This stage involves day to day implementation of the program (Karami, 2001).

Palmer and Short (2008) conducted a study on mission statement of Association to Advance Collegiate School of Business (AACSB) schools located in USA. The study
found that business school missions lacked extensiveness. They posited that the variances in performance in business schools were because of mission components. Alavi and Karami (2009) established the presence of mission statements is directly related to an increase in firm performance. Collins and Porras (2011), in their study the firms that embraced mission statements and had a firm philosophy performed much better than firms that do not have any mission. In the conclusion the study established that mission statement has a positive effect on employee motivation and the achievement of competitive advantage.

Green and Medlin (2003) established a positive relationship between the value of mission statements in connection with the financial performance. The study concluded that mission statement has an important effect in increasing financial performance. However, a study conducted by Bartkus et al., (2006) found out that there is no positive relationship amongst most components of mission statements and firm performance. nevertheless, the only factor among others that were found to have a positive relationship with firm performance were the firm’s values and the philosophy component.

Stallworth (2008), studied the correlation between mission statements and financial performance of Fortune: 1000 firm on the 2006 list by examining the main components of mission statement of higher-performing firms and lower performing firms. The findings found out that in as much as mission statements of the higher performing firms considered much more components (eight of nine) in their mission statement relating to lower performing firms, the alterations were only important for three (survival, public image and employees) of nine components.

Bart et al. (2001), posited that a positive relationship existed between the mission statement and non-financial measures of performance demonstrated by behaviour, commitment. satisfaction, mission statements and organizational performance. A study by Sufi and Lyons (2003) established an important positive link between mission statement and annual turnover only amid other performance measures (return on equity and net profit margin). Sidhu (2003), They established a fairly weak positive connection between performance and
mission statements. Corporate is the highest level with a span of five to ten years and clearly defines the area of organizational operation and the overall strategic direction. Business is the mid-level with a three to five years span involving entry exit guidelines. These strategies not only involve creating of effective and efficient practices and procedures but also suitability and cost effectiveness of this program. The lowest level is the functional level which is short term ranging a year or less and involves entry, exit, and procedures. This stage involves day to day implementation of the program (Karami, 2001).

2.3 Nature of Strategic Planning

2.3.1 Strategic Objectives

Behn (2013) posited that performance measures serve different purposes in an organization. He observed that performance allows managers to evaluate, control, budget, motivate, promote, celebrate, learn and improve different aspects in an organization. Therefore, no single measure is appropriate for all the eight purposes of organizational learning (Srimai, Damsaman and Bangchokdee, 2011). Evaluation of performance has significant importance in defining the performance levels and standards within an organization (Chenhall, 2015). A study conducted by Cruz, Scapens and Major (2011) on 54 organizations on the effect of performance evaluations on organizational performance revealed the existence of a significant relations between the two. The study also noted that 74% of the organizations indicated that evaluation of performance was important in that it provided mechanisms for reflection, realignment, and restructuring of their projects to meet organizational performance targets.

Choi et al. (2013), argue that evaluation of performance provides essential feedback to employees and the organization on areas they need to improve. Such knowledge is not only essential but fundamental in establishing performance cultures within organization. Dossi and Patelli (2010), stated that evaluation performance is not a panacea for performance. They argue that an organization needs to establish evaluating frameworks that captures overall organizational performance goals, and how this goal has been abstracted to individual employee. Veskaisri, Chan and Pollard (2007), posited that in the absence of a clearly defined strategy, a business will not possess a sustainable basis for creating and
upholding a competitive advantage in the industry where it operates. They are also of the opinion that effective planning and implementation has positive contribution to the financial performance of organizations.

Aremu (2010), posits that strategy is needed to focus effort and promote coordination of activities. Without strategy an organization becomes bunch of individuals, hence strategy is required to ensure collective actions and concentration of efforts towards achieving organizational plans and objective. The significance of a strategic plan is normally on the organization as a whole, however the emphasis of a business plan is on a particular product, program or service (Ansoff, 1999). There are a wide diversity of viewpoints, approaches and models that are applied in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization, expertise of planners. For example, there are a variety of strategic planning models, including goals-based, issues-based, organic, scenario. Goals based planning is probably the most common and starts with focus on the organization's mission (and vision and/or values), goals to work toward the mission, strategies to achieve the goals, and action planning. Issues-based strategic planning often starts by examining issues facing the organization, strategies to address those issues, and action plans.

Muriuki (2010) examined the relationship between strategic planning practices and performance of commercial banks in Kenya. The study found that strategic planning practice has a positive correlation with performance. The major weakness of this study was the reliance of correlation analysis to detect the relationship between strategic planning and performance instead of more rigorous statistical analyses like regression analysis. The study did not report whether the relationships were even significant or not hence the results cannot be relied upon as robust.

According to Taiwo and Idunnu (2010), strategic planning consists of a set of underlying processes that are intended to create or manipulate a situation to create a more favorable outcome for a company and which is quite different from traditional tactical planning that
is more defensive based and depends on the move of competition to drive the company's move. In business, therefore, strategic planning provides overall direction for specific units such as financial focuses, projects, human resources and marketing. Strategic planning may be conducive to productivity improvement when there is consensus about mission and when most work procedures depend on technical or technological considerations. Hendrick (2010), adds that strategic planning unlike long-term financial planning and capital planning, involves thorough assessment of the environment and organization.

Bulle (2012), conducted a survey within the ICT sector to determine the relationship between strategic planning and financial performance. The results displayed that strategic planning is positively related to firm financial performance. Mukokho (2010), examined the influence of strategic planning on the performance of the University of Nairobi. The study concluded that strategic planning has a positive effect on the performance of the university on a number of performance measures such as compliance with set budgetary levels, events within the UoN being open to public, work environment, implementation of service delivery charter, research innovation and technology and outreach and extension activities/programmes. The major weakness of this study is in its data analysis as it concludes the existence of relationships based on descriptive analysis and more specifically mean scores. Since the study intended to examine relationships, more correlation analyses needed to be employed which was not the case. The results are therefore not reliable.

Strategic planning applies a system approach by taking into consideration a company as a system made up of many subsystems. It allows managers to view the entire organization and the various units. This provides a basis for close coordination and control of firm’s activities. It also provides for sound decision-making in the company thereby facilitating the setting of objectives, which forms a basis for measuring performance (Arasa & K’Obonyo, 2012). Taiwo and Idunnu (2010), studied the influence of strategic planning on organizational performance and the survival of organizations. The study made an assessment of the planning-performance relationship in organization and the extent to which strategic planning affected performance of First Bank of Nigeria. The findings established that planning improves organizational performance, which influences its
survival to a large extent. Bakar et al. (2011), assessed the practice of strategic management in construction companies in Malaysia. The findings of the research established that most of the firms that embraced the practice of strategic management possessed clear objectives, a had a winning strategy which led to achievement of the objectives. They also had a sound mission statement to guide the organization towards success.

2.3.2 Effective Strategic Management Approaches

Strategic intent represents a crystallized vision of an organization’s aspired direction of growth and plays an essential role in shaping organizational resource allocation and capability development (Hamel & Prahalad 2009). Firms with low levels of strategic intent have a scarcity of ambition and frequently have trouble with effective goal setting. Strategic intent is about defeating competition and winning the market. It symbolizes and expresses a process of achieving competitive advantage (Brand, 2003). This is because for an organization to win it should have certain capability that others do not have or cannot easily and promptly imitate. To realize strategic intent, some level of activities (strategic action) and behaviour is required. Such activities comprise management focusing the attention of the organization on the essence of winning, motivating people by communicating the value of the target, leaving room for individual and team contribution, sustaining enthusiasm by providing new operational definition as circumstances changes and using intent consistently to guide resources allocation (Hamel & Prahalad, 2009).

Strategic planning consists of planning processes that are undertaken in firms to develop strategies that might contribute to performance (Tapinos et al., 2005). The main aspects of strategic planning are long-time in nature. The formalities employed, use of planning instruments, and frequent control of plans are a major component is strategic planning process. Strategic planning contributes to the firm’s performance by generating relevant information, by providing a better understanding of the importance of the environment, and by reducing uncertainty (Hodgetts and Kuratko, 2001).

Cruz et al. (2011), noted that standards are set not only for the final output but also for intermediate stages of output. Once these standards have been established, evaluation
determines whether the goals were met or not. Evaluation makes it possible to compare and measure the actual performance of predetermined times. According to Siro (2010), one of the advantages of evaluation performance is that it enables organizations to achieve their desired objectives through concerted restructuring mechanisms on the milestone schedule. However, Otieno (2012) argues that in as much as evaluation does help organizations achieve good performance, setting evaluation controls is tedious work that requires constant monitoring. This means that an organization should monitor the project or organizational outcomes before an evaluation is conducted, if they rare to achieve higher levels of performance.

One of the other advantage evaluation of performance brings to organizations is that it enhances the utilization of baselines, and benchmarks (Franco-Santos, Lucianetti & Bourne, 2012). Benchmarking is one of the techniques used in strategy evaluation and control to help compare an organization processes and performance metrics to industry bests or best practices from other industries (Mankins & Steele, 2015). As such, comparing an organizations performance to the industry standard or to the best standards enables the organization to reorganize and realign objectives with best practices which in turn significantly enhances performance. Benchmarking dimensions typically measured in terms of quality, time and cost (Davenport, 2011).

2.4 Strategic Planning practices and Organizational Performance

2.4.1 Setting Objectives

Over time the concept and practice of strategic planning practices has been embraced worldwide and across private and public sectors because of its perceived contribution to organizational effectiveness and to fast track performance. Strategic planning is arguably significant ingredient in the conduct of strategic management. Porter (1985), noted that despite the criticism levelled against strategic planning during the 1970s and 80s it was still useful and it only needed to be improved and recanted. Greenly (2011) noted that strategic planning has potential advantages and intrinsic values that eventually translate into improved firm performance. It is therefore a vehicle that facilitates improved firm performance.
Strategic planning can be viewed from content or a process viewpoint. The content involves the different elements of the strategic plan which vary from firm to firm. Process entails the mechanisms for the creation of the strategic plan and its implementation. According to Grants (2003), strategic planning systems has concentrated on two areas: the influence of strategic planning on performance of firms and the function of strategic planning in decision making. Reneta (2012), sought to determine practices and challenges of strategic management in the city council of Nairobi. The study found that early involvement of employees in the strategy process helped members understand superordinate goals, style, and cultural norms and thus become essential for the continued success of a firm strategy implementation. It also prevents them from being taken by surprise, puts all members at the same platform, and helps the employees to own the process thus ensuring better results. The study concluded that the management should be competent to ensure good strategy objective setting and manage resistance to strategy implementation.

Ultimately, success and growth of an organization will be gauged by how well a firm does relative to the goals it has set for itself. Strategic planning is a key driver of organizational growth, since it must emerge as a strategic business partner helping the top management build an organization that is good not just for today, but for tomorrow and beyond. It is now working with the top management to propel the organization forward. Strategic planning should be reviewed, and firms need to stop looking at what is happening in other strategies and start looking at best strategic planning practices in large corporates (Davenport, 2011).

Cakmak and Tas (2012), investigated the strategic management practices of contractor firms in Turkey. The study found that contractor firms have mostly been aware of the concept of strategy and strategic management. Awino et al. (2012), investigated the influence of strategic planning and planning outcomes on bank performance. The study established a significant positive correlation between strategic planning and organization’s performance. This study is important since it has contributed immensely to the body of
knowledge more specifically in strategic planning where key variables of the study have been linked individually to organizational performance.

2.4.2 Environment Scanning

According to Ansoff (1991), strategic planning is the process of pursuing a better match between a firm’s product or technology and its increasingly changing environment. He addresses it in terms of change from internal environment to an unfamiliar world of new technologies, emerging competitors, new consumers attitudes, new scopes of social control and moreover, questioning of the firm’s role in society. Chimbugia (2011), stated that effective planning as a practice is not as rational and analytical as it has been portrayed in the literature. He argues for the lost art (rather than science) of planning. He contends that planning is both a generic activity whose success determinants are partially independent of the area in which it is applied and an area where judgment, intuition and creativity are still important. Strategic planning has been explained by various writers and scholars in different but complementary ways.

Wendy (2013), stated that strategic planning is the procedure of creating and maintaining uniformity between the organization’s objectives, resources and its changing environment. In addition, Wendy stated that strategic planning purposes at describing and documenting a way to doing business that will result to adequate profits and growth. According to Davenport (2011), strategic planning involves changing of managerial response to environmental change in a effort moving from internal structure and production efficiency, to the incorporation of strategy and structure.

Paiva and Gavronski (2011), listed key decision areas which are dependent on cross functional integration between manufacturing and marketing. These areas include strategic planning integration, strategic or visionary forecasting, new product or process development, tactical forecasting, demand management and operational integration. Tyler and Gnyawali (2002) likewise, showed that, a high level of coordination between different departments is likely to facilitate the sharing of important information between various departments for fast and efficient response to the external stimuli.
Hax and Majluf (2011), explains that strategic planning process comprises of three main elements which helps turn an organization’s vision or mission into concrete achievable choice and strategic implementation. The strategic analysis encompasses setting the organization’s direction in term of vision, mission and goals. Therefore, this entails articulating the company’s strategic intent and directing efforts towards understanding the business environment. Strategic choice stage involves generating, evaluating and selecting the most appropriate strategy. Strategy implementation stage consists of putting in place the relevant policies and formulating frameworks that will aid in translating chosen strategies into actionable forms.

A study done by Odera (2014) indicates that most firms used a combination of different tools during the strategic planning process. The data findings indicated that the highly considered tool was the SWOT analysis followed by Strategic gap analysis at and PESTEL analysis. Key aspects of strategic planning are a long-time horizon, formality, the use of planning instruments, and frequent control of plans. Strategic planning can contribute to performance by generating relevant information, by creating a better understanding of the important environment, and by reducing uncertainty (Hodgetts and Kuratko, 2001).

For strategic planning to be effective and useful, there must be commitment and involvement across all levels of the organization, overcome inherent problems such as; rivalry among departments, projects, resistance to change, resource requirement, resources allocation and so on. The strategy initiatives and directions set up by firm management in the form of mission and vision statements and targets for cost saving, debt/equity ratios embodied (Grant, 2006). Strategic planning is the first phase in strategic management process and sets the basis for the other phases including strategy implementation, evaluation and control. (Steiner, 1979) argues that strategic planning system provides the framework for formulating and implementing strategies. However, it is argued that for strategic planning to translate into results, a facilitative internal environment and culture must be present.
Ansoff (1991) notes that environment is constantly changing, and so it makes it imperative for organizations to continuously adapt their activities in order to succeed. In order to survive in this very dynamic environment, organizations need strategies to focus on their customers and to deal with the emerging challenges. Strategic planning introduces changes that sometimes encounter organizational resistance. Thompson and Strickland (1998) added that galvanizing organization-wide commitment to the chosen strategic plan is critical for effective performance.

2.4.3 Strategy evaluation
A number of tools and techniques have been designed to aid managers find and deal with strategic planning decisions. These techniques assist managers to use important data into forms good for decision making and action (Fleisher and Bensoussan, 2015). The importance of these tools includes raising awareness of the business environment, strategic matters, opportunities and threats that benefits in reducing the risk encountered in formulating decisions; setting priorities in complex firms and giving a guide for evaluating the relative significance of various business portfolios; and help in the presentation of complex issues (Frost, 2003). Gunn and Williams (2007) stated that SWOT, benchmarking and critical success factor analysis were applied organization evaluation.

Lefort (2015) found that companies which emphasize on good strategy implementation sustained twice financial success compared to poor implementers. Sometimes implementation is hard to get right, yet success of organizations depends on effective implementation. Kathama (2012) investigated the relationship between strategic planning practices and performance of state corporations in Kenya. The study found that state corporations adopted a number of strategic planning practices that had a positive impact on performance of corporations, but the impact was not significant at 5% level of confidence. The study therefore failed to establish a significant effect of strategic planning on firm performance though the model was fit at the same level of confidence. This may suggest that some of the practices could have shown significant impact had the researcher modelled the strategic planning practices individually rather than lump all the practices together into one variable while running the regression model.
Chenhall and Langefield-Smith (2015) posit that employees are a critical component in measuring overall organizational performance. Thus, focusing on structural systems and ignoring employee component in evaluations is a self-defeatist. It is important that evaluation performance be conducted in a comprehensive way for an organization to translate the benefits into enhancing performance. According to Gerango and Biazzo (2012) evaluation of performance allows an organization to set standards of expected performance. Standards in this context are detailed expressions of strategic objectives that articulate what should have been done at specified moment in time.

Planners in strategic management make decisions about when and how to involve stakeholders in plan making. Six critical choices that planners must make in designing participation programs are; administration – whether to prepare a participation and how to ensure staff and citizen involvement; objectives – whether to educate citizens, seek their preferences, or grant them influence; stage – when to start encouraging citizen involvement in the planning process; targeting – which types of stakeholder groups to include in participation efforts; techniques – what types of participation approaches to employ; and finally information what types of information and dissemination processes to incorporate in participation activities (Brody, Godschalk & Burby, 2003).

The relationship between the formal strategic planning system and the firm’s decision-making process is particularly important to businesses, where there may be little separation between the strategic thinking/decision making of the entrepreneur and the formal planning system. However, Robinson and Pearce (1983) found that in firms the formality of the planning process and the strategic decision process used were not congruent. The concerns include; assessing risk through environmental scanning; formulating goals and targets to be achieved in the competitive environment; selecting distinctive competences in-order to gain a competitive advantage; determining authority relationships among the firm’s departments; deploying financial physical resources to carry out firm strategies; and monitoring and controlling implementation.
2.5 Summary

The practice of strategy planning has today gained prominence worldwide and across businesses, public and private. Various writers have argued that strategic planning facilitates effective organization performance. This has studied the correlation between strategic planning and firm performance giving consideration to the specific stages in the strategic planning process. The prescriptive strategic management literature alludes that there is a positive relationship between strategic planning and organization performance. Strategic planning intends to increase the effectiveness of management, bring results and influence for an organization. This in turn results in direct enhancement in performance. Strategic Planning is an important success factor in performance.

This chapter reviewed the literature related to strategy planning. It presents empirical literature relating to strategy planning practices, environmental analysis, mission, vision and organizational performance from many other researchers who have undertaken research on strategy planning and performance in the past. The next chapter, chapter three, focused on the research methodology.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter outlines the research design and methodology that was followed in conducting this study. It defines the whole process that the researcher used to get the data, research design, data collection method, the sample size, target population, data collection instrument, data collection procedure and data analysis.

3.2 Research Design
A research design is the plan and organization of investigation to discover answers to research questions. According to Burns and Grove (2003), descriptive design portrays an accurate profile of persons, events, or account of the characteristics, for example behaviour, opinions, abilities, beliefs, and knowledge of a particular individual, situation or group. The descriptive design is preferred because it ensured complete description of strategies, making sure that there is minimum bias in the collection of data.

3.3 Population and Sampling Design
3.3.1 Population
Population is a group of objects, individuals, or items from which samples are taken for measurement (Creswell & Clark, 2007). It involves the whole group of persons or elements that one thing in share at least one thing in common (Collin & Hussey, 2009). Because Nairobi is the most developed county in Kenya, the research used Nairobi, the capital of Kenya as the parameter of the research. The target population of interest in this study comprised of event planning firms in Nairobi CBD. The number of registered event planning firms in Nairobi CBD is 199 (KRA, 2017).

3.3.2 Sampling Design
3.3.2.1 Sampling frame
According to Cooper and Schindler (2008), a sampling frame is a list of elements in the population from which the sample is drawn. In this study, the sample frame comprised the 199 registered event planning firms in Nairobi CBD.
3.3.2.2 Sampling Technique

The study’s population was event planning firms in Nairobi CBD. Uhuru Highway surrounds the Nairobi’s Central Business District (CBD) area: from Haile-selassie Roundabout, the University Way Roundabout and from University way to Moi Avenue and Railways Roundabout and back to Haile-Selassie roundabout. The study adopted non-probability purposive sampling method to arrive at the participating event planning firms. Purposive sampling technique is used when the research design calls for a sample of population that exhibit particular attributes or characteristics (Mulandi, 2013). Some of the attributes of the event planning firms included firms which have been operation for over five years and their capacity in terms of planning large events have been racked higher than the other event planning firm.

3.3.2.3 Sample Size

Sample size determination aims at selecting part of the population from which information will be drawn to form conclusions about the entire population. Mugenda and Mugenda (2003) explain that for any significant study, 10-30% of the selected population makes up an adequate sample size. The sample size for the study was selected from the event planning firms in Nairobi’s CBD. The study targeted a sample size of 60 (30%) event planning firms.

Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>Year of operation</th>
<th>Population</th>
<th>Sample (30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>46</td>
<td>14</td>
</tr>
<tr>
<td>5 – 7 years</td>
<td>39</td>
<td>12</td>
</tr>
<tr>
<td>8 – 10 years</td>
<td>59</td>
<td>18</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>55</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>199</td>
<td>60</td>
</tr>
</tbody>
</table>
3.4 Data Collection

According to Creswell and Clark (2007), data collection is the process of preparing and systematically gathering data for a particular purpose from various sources, that has been systematically observed, recorded, organized. The study performed data collected through a questionnaire structured to meet the objectives of the study. According to Mugenda and Mugenda (2003), questionnaires are commonly used to obtain important information about a population under study. Each item is developed to address specific themes of the study. A five-point Likert scale was used. A Likert scale is more useful when a behavior needs to be evaluated on a continuum (Creswell & Clark, 2007).

Part A of the questionnaire covered the demographics of the respondent which enabled the researcher to collect standardized data that will produce results that will be easily compared and understood. Part B covered Vision, Mission and Action Plan in Strategic Planning, part C was based on Strategic Planning practices by firms, part D covered the influence of Strategic Planning Practices on Firm’s Performance and Part E was on the Firm’s Performance. The respondents were asked to rate extent to which the parameters influence performance on their business on a Likert scale of 1 to 5. The questionnaires were administered to the respondents by the researcher within a specified period of time. The data was collected from the managers who are in involved in strategic planning processes in these firms. Permission to administer the questionnaires was granted by an introductory letter from the School of Business.

3.5 Research Procedures

The research process entailed first getting the relevant number of event planning firms that lie across the Nairobi CBD. The second step was to assess the firms which have been operation for over five years and their capacity in terms of planning large events have been racked high. Data collection was done by the drop and pick method. The questionnaires were dropped at the event planning firms and later collected. Respondents are more truthful while responding to the questionnaires regarding controversial issues in particular due to the fact that their responses are anonymous (Leedy and Ormrod, 2011).
3.6 Data Analysis

The raw data was examined, checked and cleaned for completeness and comprehensibility by eliminating unusable data, interpreting ambiguous answers and eliminating contradictory data from related questions. The data was then coded and entered into statistical package for social sciences (SPSS) program and descriptive analysis ran and data analyzed and cleaned. Descriptive statistics was used in the analysis of quantitative and qualitative data using content analysis. The data were in qualitative and quantitative in nature and data presentation was done by the use of tables and figures.

The following linear model was used:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

Where \( Y \) is the firm’s performance, \( \beta_0 \) is constant and \( \varepsilon \) is the error term of the model.

\[ X_1 = \text{Vision, mission and action plan in strategic planning} \]

\[ X_2 = \text{Strategic planning practices by firms} \]

\[ X_3 = \text{Influence of strategic planning practices on firm’s performance} \]

3.7 Chapter Summary

This chapter reviewed the research methodology that the study will use. This includes the target population, the sample size, sampling design, data collection instrument, and data analysis. The chapter discusses the research methods and procedures that will be used to carry out the study. The sample size under study was 60 event planning firms in Nairobi CBD. The data was analyzed using the SPSS system. The findings, conclusion and recommendations of the study were presented in chapter four and five.
4.1 Introduction
This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations. This chapter analyses the variables involved in the study and estimates of the model presented in the previous chapter.

4.2 Response Rate
The respondents comprised of employees from surveyed event planning firms in Nairobi CBD. Out of the 60 issued questionnaires, 56 questionnaires representing 93% of the total questionnaires distributed were returned fully completed. The response of 93% facilitated towards gathering sufficient data that was generalized to reflect the perceptions, attitudes, behaviors or values of respondents. This was in tandem with Graham (2002) that a response rate above 30 to 50% of the total sample size contributes towards gathering of sufficient data that could be generalized to represent the opinions of respondents in the target population on the sought study problem.

4.3 Pilot Test Results
4.3.1 Validity
The validity of quantitative instruments should be assessed for accuracy to ensure they perform and measure as it is designed to perform. To establish the validity of the data collection instruments, the research instruments were given to 20 employees from the surveyed event planning firms. The coefficient of the data gathered from the pilot study was computed with assistance of Statistical Package for Social Sciences (SPSS) Version 22. A context of validity coefficient index of above 0.82 was obtained and this implied that the questionnaires were valid research instrument for the study. A reliability coefficient (alpha) of 0.70 or higher is considered acceptable reliability (Groves, 1987).
4.3.2 Reliability Analysis

Moskal and Leydens (2000), defined reliability as the extent in which an assessment tool produces dependable and constant results. To ascertain the reliability of the instrument, the pilot test data was subjected to a cronbach’s alpha analysis and results are shown in Table 4.1 below.

Table 4.1: Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.860</td>
<td>3</td>
</tr>
</tbody>
</table>

The results in the table 4.1 show Cronbach’s alpha of 0.860 implying that the instruments were sufficiently reliable for measurement. The study accepted a Cronbach alpha of 0.7 and above as recommended by Groves (1987). Since most items total correlations were reasonably high, the construct validity of the instrument was considered reasonable (Brown, 2006).

4.4 Demographic Information

The section contains information on the demographic profile of the respondents such as gender, age, highest level of education, years of experience and level of management.

4.4.1 Gender of Respondents

The researcher sought to establish the gender composition in the event planning firms. Based on the study results on figure 4.1 above majority (55.4%) of the respondents indicated that they were males, while the least (44.6%) were of female gender. This reveals a consideration of gender balance during recruitment.

![Gender of Respondents](image)

Figure 4.1: Gender of Respondents
4.4.2 Age bracket of Respondents

Respondents were asked their age bracket and the findings are as shown in Figure 4.2. Age is an important research factor to ascertain the inclusivity of youth who are considered majority of the population and unemployed. Figure 4.2 presents that majority (51.8%) of the respondents who were in the age category of 26-35 years, 19.6% were in the age category of 36-45 years, 14.3% aged below 25 years, 12.5% were in the category of 46-55 years while only 1.8% were aged above 56 years. This suggests that most of the respondents are considered to be the productive years.

Figure 4.2: Age of Respondents

4.4.3 Highest Education Level

The study sought to establish the education level held by the employees in order to ascertain if they were equipped with relevant knowledge and skills in their area of work. Table 4.2 below shows the highest level of education of the respondents.
Table 4.2 Highest level of education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctorate</td>
<td>2</td>
<td>3.6</td>
</tr>
<tr>
<td>Masters</td>
<td>7</td>
<td>12.5</td>
</tr>
<tr>
<td>Degree</td>
<td>28</td>
<td>50.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>16</td>
<td>28.6</td>
</tr>
<tr>
<td>Certificate</td>
<td>3</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: (SPSS Output, 2017)

The findings in Table 4.2 shows majority of the respondents (50.0%) had attained a bachelor’s degree as their highest level of education while 28.6% had a Diploma. The study further established that 12.5% of the respondents had masters, 5.4% with certificate, and 3.6% had attained Doctorate. This indicates that the respondents were in a position to answer the questionnaire.

4.4.4 Level of Management

Respondents were asked to indicate the level of management. Research study covered the entire employees of event planning firms and therefore it was necessary to ensure all the levels of management are included for the research to capture all areas. The findings are shown in Table 4.3;

Table 4.3 Level of Management

<table>
<thead>
<tr>
<th>Level of Management</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior</td>
<td>9</td>
<td>16.1</td>
</tr>
<tr>
<td>Middle Management</td>
<td>25</td>
<td>44.6</td>
</tr>
<tr>
<td>Operational Level</td>
<td>22</td>
<td>39.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
Majority of the respondents were on middle management level (44.6%), 39.3% of the respondent were on operational level while 16.1% of the respondents were on senior level management. This shows that the respondents were spread across the three levels of management.

4.4.5 Relevant training for current role
The respondents were asked to indicate if they had undergone relevant training for their current role. Responses are indicated in figure 4.3 below;

![Pie Chart: Relevant training](image)

**Figure 4.3: Relevant training**

As evident in the figure 4.3, majority of the respondents (87.5%) are equipped with relevant training for their current role. On the other hand, 12.5% said they never underwent any training for their current role. The survey reveals that employees are well trained in their profession.

4.4.4 Years of Experience
The study on figure 4.4 below shows the number of years the respondents have working at the firm. Employees who have worked for a longer period are well informed of the firm’s policies, activities and processes.
Results shown on Figure 4.3 above indicate that the study majority (35.7%) of the respondents had served the company for between 4-6 years. A further 25.0% had served for between 7 – 9 years, 17.9% had served for between 1-3 years, 14.3% had served for below 1 year, and 7.1% had served for above 10 years.

### 4.5 Vision Mission

The study variables in this section will be measured using Likert scale ranging from ‘strongly disagree’ (1) to ‘strongly agree’ (5). The scores of agreeing have been taken to represent a variable which had a mean score of 0 to 2.4 on the continuous Likert scale; (0 ≤ Mean < 2.4). The scores of ‘Undecided have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale; (2.5 ≤ Mean < 3.4) and the score of both disagree and strongly disagree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; (3.5 ≤ S.A. < 5.0). A standard deviation of > 0.9 implies a significant difference on the impact of the variable among respondents.
The respondents were asked to indicate the extent to which they agreed with various factors that contribute to firm’s performance using a five Likert scale of 1= Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Strongly Disagree. The results are shown in table 4.4 below.

Table 4.4 Vision, Mission and Action Plan in Strategic Planning

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company mission and vision are crucial elements of strategic management in my organization</td>
<td>56</td>
<td>3.91</td>
<td>1.225</td>
</tr>
<tr>
<td>My business vision and growth are reinforced by my strategic focus on market growth and profits</td>
<td>56</td>
<td>3.96</td>
<td>1.220</td>
</tr>
<tr>
<td>In my business plan, I always decide on who is going to do what and by when and in what order for so as to be successful</td>
<td>56</td>
<td>3.73</td>
<td>1.213</td>
</tr>
<tr>
<td>As a business man, I consistently apply a disciplined approach to strategic planning in order to be ready for any market changes</td>
<td>56</td>
<td>3.98</td>
<td>1.168</td>
</tr>
<tr>
<td>At times when my business has gone off track, I use strategic planning to redirect my recovery process</td>
<td>56</td>
<td>3.98</td>
<td>1.136</td>
</tr>
<tr>
<td>Strategic planning has helped me establish benchmarks or milestones that show me whether or not I am meeting my goals and objectives</td>
<td>56</td>
<td>4.32</td>
<td>1.208</td>
</tr>
<tr>
<td>As a business man, I include my employees in the decision-making plan of my business</td>
<td>56</td>
<td>4.20</td>
<td>1.102</td>
</tr>
<tr>
<td>As business man, I have developed a decision-making routine that simplifies the process of decision-making for me</td>
<td>56</td>
<td>4.18</td>
<td>1.223</td>
</tr>
<tr>
<td>As an entrepreneur I have improved my level of understanding of my competitor’s strategies through strategic planning</td>
<td>56</td>
<td>3.95</td>
<td>1.197</td>
</tr>
<tr>
<td>High competition in the market has reinforced my ability in making effective choices about when to leave marketplaces and about which new ones to move into and being innovative</td>
<td>56</td>
<td>3.88</td>
<td>1.222</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>56</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.5.1 Vision
The means shown in Table 4.4 reveals that, at times when their business has gone off track, they use strategic planning to redirect their recovery process (mean=3.98, SD=1.136), as business people, the respondents consistently apply a disciplined approach to strategic planning in order to be ready for any market changes (mean=3.98, SD=1.168), their business vision and growth are reinforced by their strategic focus on market growth and profits (mean=4.96, SD=1.220), and that as entrepreneurs the respondents have improved their level of understanding of their competitors strategies through strategic planning(mean=3.95, SD=1.197).

4.5.2 Mission
The findings further revealed that company mission are crucial elements of strategic management in their organization (mean=3.91, SD=1.225), high competition in the market has reinforced respondent’s ability in making effective choices about when to leave marketplaces and about which new ones to move into and being innovative (mean=3.88, SD=1.222), and finally in their business plan, they always decide on who is going to do what and by when and in what order for so as to be successful (mean=3.73, SD=1.213). The means shown in Table 4.4 reveals that majority of the respondents are in agreement that strategic planning has helped employee establish benchmarks or milestones that show whether or not they’re meeting their goals and objectives (Mean=4.32, SD=1.208) followed by as a business people, they include their employees in the decision-making plan of their business (Mean=4.20, SD=1.101), and as business people, the respondents have developed a decision-making routine that simplifies the process of decision-making for them (mean=4.18, SD=1.223).

4.6 Nature of Strategic Planning
4.6.1 Strategic Planning Objectives
The respondents were asked to indicate the extent to which they agreed with various factors that contribute to firm’s performance using a five Likert scale of 5= strongly agree 4= agree 3= Neutral 2= disagree 1= strongly disagree. The results are shown in table 4.5 below.
Table 4.5 Influence of Strategic Planning, Practices on Firm’s Performance

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting performance targets and the preceding process of strategic planning is an important aspect of performance management for my organization</td>
<td>56</td>
<td>4.21</td>
<td>1.155</td>
</tr>
<tr>
<td>Strategic planning and target setting allows me to translate my organization vision and strategy into strategic objectives that are associated with medium to long-term goals</td>
<td>56</td>
<td>4.25</td>
<td>1.225</td>
</tr>
<tr>
<td>While setting targets, I combine human expertise and organizational resources to implement my value-creating organizational strategies</td>
<td>56</td>
<td>4.12</td>
<td>1.161</td>
</tr>
<tr>
<td>Target setting allows me to reconfigure my existing business capabilities and also build new capabilities</td>
<td>56</td>
<td>3.96</td>
<td>1.111</td>
</tr>
<tr>
<td>I normally grant rewards to my employees to influence their behavior</td>
<td>56</td>
<td>4.02</td>
<td>1.243</td>
</tr>
<tr>
<td>I have a feedback system in place that influences the development of new capabilities and my organizational learning</td>
<td>56</td>
<td>4.32</td>
<td>1.162</td>
</tr>
<tr>
<td>My business has loyal customers facilitating my ability to work easily and achieve my objectives and outperform my set targets</td>
<td>56</td>
<td>4.11</td>
<td>1.171</td>
</tr>
<tr>
<td>I use communication as an essential determinant of customer dedication and satisfaction strategy</td>
<td>56</td>
<td>4.20</td>
<td>1.086</td>
</tr>
<tr>
<td>The feedback given by my customers helps my business to reinforce its operational systems and subsequently turns out to be more focused</td>
<td>56</td>
<td>4.09</td>
<td>1.210</td>
</tr>
<tr>
<td>The pursuit of personal non-economic goals is something I am willing to sacrifice the prospect of achieving greater financial rewards</td>
<td>56</td>
<td>4.43</td>
<td>1.126</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>56</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The findings exhibited by Table 4.5 shows that the pursuit of personal non-economic goals is something the respondents are willing to sacrifice the prospect of achieving greater financial rewards (mean=4.43, SD=1.126), the respondents have a feedback systems in place that influences the development of new capabilities and their organizational learning (mean=4.32, SD=1.162), strategic planning and target setting allows the respondents to translate their organization vision and strategy into strategic objectives that are associated with medium to long-term goals (mean=4.25, SD=1.225), and setting performance targets and the preceding process of strategic planning is an important aspect of performance management for their organization (mean=4.21, SD=1.155).

Results further reveals that setting performance targets and the preceding process of strategic planning is an important aspect of performance management for their organization (mean=4.20, SD=1.086), while setting targets, the respondents combine human expertise and organizational resources to implement their value-creating organizational strategies (mean=4.12, SD=1.161), their business has loyal customers facilitating their ability to work easily and achieve their objectives and outperform their set targets (mean=4.11, SD=1.171), the feedback given by their customers helps their business to reinforce its operational systems and subsequently turns out to be more focused (mean=4.09, SD=1.210), and they normally grant rewards to their employees to influence their behavior (mean=4.02, SD=1.243). The factor having the least agreement is that target setting allow the respondents to reconfigure their existing business capabilities and also build new capabilities (mean=3.96, SD=1.111).

**4.6.2 Effective Strategic Management Approaches**

The respondents were asked to indicate the extent to which they agreed with various factors that contribute to firm’s performance using a five Likert scale of 5= strongly agree 4= agree 3= Neutral 2= disagree 1= strongly disagree. The results are shown in table 4.6 below.
### Table 4.6 Strategic Planning Approaches by Firms

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The nature of my business requires specific, predetermined behavior by means of formal direction and control to be successful</td>
<td>56</td>
<td>3.77</td>
<td>1.079</td>
</tr>
<tr>
<td>Strategic planning structures and systems in my business contribute towards building my organizational capabilities that drive my performance</td>
<td>56</td>
<td>4.16</td>
<td>1.125</td>
</tr>
<tr>
<td>Strategic planning is the foundation that improves my business processes and ultimately reduces my internal costs of operation</td>
<td>56</td>
<td>4.41</td>
<td>1.172</td>
</tr>
<tr>
<td>As an Firm owner, I find myself in an environment of constant technological change</td>
<td>56</td>
<td>4.23</td>
<td>1.128</td>
</tr>
<tr>
<td>As a business man, I am keen on monitoring and identifying trends or cycles of some kind in order to find patterns of the market trend</td>
<td>56</td>
<td>4.21</td>
<td>0.967</td>
</tr>
<tr>
<td>As an entrepreneur, I monitor my environment by collecting information in all environmental sectors, sort out relevant information and adjust my business to meet future forecasts</td>
<td>56</td>
<td>4.34</td>
<td>1.100</td>
</tr>
<tr>
<td>Strategic planning is vital for business men to give a dependable direction of assessing the most appropriate methods for enhancing a product/ item</td>
<td>17</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>My business enterprise concentrates on producing products/ services that meet the desires or needs of various target markets</td>
<td>3</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Despite the existence of the support programs that provide my business with a back-up plan, my business continues to weaken or face stunted growth</td>
<td>8</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>My business has an advantage in terms of making quick decisions and the willingness to take risks</td>
<td>2</td>
<td>76</td>
<td></td>
</tr>
</tbody>
</table>

Valid N (list wise)
The findings as exhibited by Table 4.6 strongly acknowledged that strategic planning is the foundation that improves the business processes and ultimately reduces the internal costs of operation (mean=4.41, SD=1.172), entrepreneurs they monitor their environment by collecting information in all environmental sectors, sort out relevant information and adjust their business to meet future forecasts (mean=4.34, D=1.100), strategic planning is vital for business men to give a dependable direction of assessing the most appropriate methods for enhancing a product/ item (mean=4.27, SD=1.152), as an firm owners, their find themselves in an environment of constant technological change (mean=4.23, SD=1.128).

Furthermore, the respondents agree that as a business people, they’re keen on monitoring and identifying trends or cycles of some kind in order to find patterns of the market trend (mean=4.21, SD=0.967), despite the existence of the support programs that provide their business with a back-up plan, their business continues to weaken or face stunted growth (mean=4.18, SD=1.252), strategic planning structures and systems in their business contribute towards building their organizational capabilities that drive their performance (mean=4.16, SD=1.125), their business enterprise concentrates on producing products/ services that meet the desires or needs of various target markets (mean=4.13, SD=1.129), and their business has an advantage in terms of making quick decisions and the willingness to take risks (mean=4.12, SD=1.176). In a low extent, the respondents stated that the nature of their business requires specific, predetermined behavior by means of formal direction and control to be successful (mean=3.77, SD=1.079).

4.7 Strategic Planning and Firm Performance

In order to establish the relationship between the dependent and independent variables, the study conducted a multiple regression analysis. The results of regression analysis were presented by the use of regression model summary, analysis of variance (ANOVA) and beta coefficient tables.

The linear regression model below;

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon \]
Where $Y$ is the firm’s performance, $\beta_0$ is constant and $\epsilon$ is the error term of the model.

$X_1 = $ Vision, mission and action plan in strategic planning

$X_2 = $ Strategic planning practices by firms

$X_3 = $ Influence of strategic planning practices on firm’s performance

Regression analysis can only be performed once the assumptions of normality, linearity, independence, and multicollinearity are not violated. Several tests were conducted as shown in the following subsections. A normality test was conducted to determine whether the sample data follows a normal distribution. A normal probability plot was constructed and the Kolmogorov-Smirnov (K-S) test conducted. The Normal P-P Plot of Regression Standardized Residual shows a plot of expected normal value against the actual (observed) normal value. A normally distributed data will be shown when actual values line up along the diagonal line joining the lower left to the upper right. On the other hand, the K-S test has a null hypothesis that data follows a normal distribution and an alternate hypothesis that data does not follow a normal distribution. Null hypothesis will be rejected if p-value < 0.05. Normality holds if we fail to reject null hypothesis (Motulsky, 2010).

![Scatterplot]

**Figure 4.5 Normal P-P Plot of Regression Standardized Residual**
Table 4.7 One-Sample Kolmogorov-Smirnov Test

<table>
<thead>
<tr>
<th></th>
<th>Firm’s performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>72</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>3.2650</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.59302</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td></td>
</tr>
<tr>
<td>Absolute</td>
<td>.074</td>
</tr>
<tr>
<td>Positive</td>
<td>.052</td>
</tr>
<tr>
<td>Negative</td>
<td>-.074</td>
</tr>
<tr>
<td>Test Statistic</td>
<td></td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.074</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.200</td>
</tr>
</tbody>
</table>

From table 4.7, p-value > 0.05 hence we fail to reject null hypothesis and we concluded that the data follows a normal distribution. Furthermore, the normal P-P plot reveals that actual values fits perfectly on the diagonal line confirming the assumption that the data has a normal distribution.

The study tested the existence of a linear relationship between the dependent variable (firm’s performance) and each of the independent variables. Scatter plots were used in examining these relationships and the results displayed in Figures 4.6 below. The associated linear equation generated is presented.

Figure 4.6 Scatterplot
The associated linear equation is given below:

\[ y = 3.2 + 0.48x \]

The coefficient of determination 0.576, shows the linear model provides a relatively good fit. Moreover, a straight line in the plot above comfortably fits through the data; hence a linear relationship exists. The study established that the data set does not violate the assumption of linearity and proceeded with linear regression analysis.

The study tested the assumption that the residuals were not correlated from one observation to the next. This was critical in helping establish that the size of residuals for one case had no impact on the residuals for the next case. The Durbin-Watson statistics results are displayed in Table 4.8. The value of the Durbin-Watson statistic ranges from 0 to 4 suggests that the residuals are uncorrelated is the Durbin-Watson statistic is approximately 2. A value close to 0 indicates strong positive correlation, while a value of 4 indicates strong negative correlation.

The model summary in Table 4.8 shows Durbin-Watson statistic = 2.217, which was approximate to 2 and hence the residuals in the data set used in this showed no serial correlation. The data was hence considered adequate for linear regression analysis.

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision, mission and action plan in strategic planning</td>
<td></td>
<td>.679</td>
<td>1.473</td>
</tr>
<tr>
<td>1 Strategic planning practices by firms Influence of strategic planning practices on firm’s performance</td>
<td></td>
<td>.575</td>
<td>1.739</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.555</td>
<td>1.803</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Firm’s performance
Table 4.8 shows a regression of three independent variables against firm’s performance as the dependent variable. All the VIF values were < 3 and all the tolerance values are ≥ 0.1, meaning the independent variables were not highly correlated firm’s performance and hence the data set did not suffer from multicollinearity.

Coefficient of determination explains the extent to which changes in the dependent variable (firm’s performance) can be explained by the change in the independent variables or the percentage of variation in the dependent variable that is explained by all the independent variables. From table 4.9, the coefficient of determination 0.576 means that 57.6 % of the total variance in independent variables has been explained.

**Table 4.9 Model Summary**

<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>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.774a</td>
<td>.600</td>
<td>.576</td>
<td>.40074</td>
<td>2.217</td>
</tr>
</tbody>
</table>

Analysis of Variance results reports how well the regression equation fits the data (i.e., predicts the dependent variable) and results are shown in table 4.10 below.

**Table 4.10 Analysis of Variance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>16.112</td>
<td>4</td>
<td>4.028</td>
<td>25.083</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>8.211</td>
<td>51</td>
<td>.161</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>24.323</td>
<td>55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A null hypothesis states that there is no linear relationship between the variables. The F-test can be used to reject the null hypothesis of fail to reject it. F (4, 55) = 25.083 and df = 71, the test is highly significant (p = 0.000 < 0.05). Therefore, the null hypothesis is rejected and we conclude that there is a linear relationship between the variables in our model and that the regression model is a good fit of the data.
Results presented in table 4.10 reveal that all the independent variables notably; (X₁) Vision, mission and action plan in strategic planning, (X₂) Strategic planning practices by firms, and (X₃) Influence of strategic planning practices on firm’s performance.

Table 4.11 presents the results of the test of unstandardized beta coefficients which indicates the equation of the linear model.

**Table 4.11 Beta 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>(Constant)</td>
<td>.250</td>
<td>.309</td>
<td>2.091</td>
<td>.037</td>
</tr>
<tr>
<td>Vision, mission and action plan in strategic planning</td>
<td>.215</td>
<td>.092</td>
<td>.219</td>
<td>2.339</td>
</tr>
<tr>
<td>Strategic planning practices by firms</td>
<td>.319</td>
<td>.106</td>
<td>.307</td>
<td>3.010</td>
</tr>
<tr>
<td>Influence of strategic planning practices on firm’s</td>
<td>.248</td>
<td>.090</td>
<td>.288</td>
<td>2.772</td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Firm’s performance

The prediction equation is \( Y = 0.250 + 0.215X_1 + 0.319X_2 + 0.248X_4 + \epsilon \)

Vision, mission and action plan in strategic planning, Strategic planning practices by firms and Influence of strategic planning practices on firm’s performance have p-value of 0.022, 0.004, and 0.007 respectively. These p-values are statistically significant at 5% significant level. In addition, t-test for these independent variables confirm that they are statistically significant if t-values is greater than 2.

As presented in table 4.11, all the coefficients are found to be positive suggesting that an increase of a unit of Vision, mission and action plan in strategic planning, Strategic planning practices by firms or Influence of strategic planning practices leads to an increase in firm’s performance. The higher the coefficient values of beta, the more influential the independent variable. As evident from the study, Strategic planning practices by firms has
the most influence on firm’s performance and Vision, mission and action plan in strategic planning has the least influence.

4.8 Chapter Summary
The findings of the study revealed that three of the independent variables notably \((X_1)\) Vision, mission and action plan in strategic planning, \((X_2)\) Strategic planning practices by firms, and \((X_3)\) Influence of strategic planning practices on firm’s performance have a significance influence on firm’s performance. Since the P value < 0.05 level of significance, there is sufficient evidence to conclude that these independent variables significantly influence firm’s performance.

Regression analysis reveals Vision, mission and action plan in strategic planning coefficient of 0.215 and p-value of 0.022 was found to be significant at 5% significant level and this indicates that Vision, mission and action plan in strategic planning has a positive influence on firm’s performance, Strategic planning practices by firms coefficient of 319 and p-value of 0.004 was found to be significant at 5% significant level and this indicates that Strategic planning practices by firms has a positive influence on firm’s performance, Influence of strategic planning practices on firm’s performance coefficient of 0.248 and p-value of 0.004 was found to be significant at significance level of 5% and this indicates that Influence of strategic planning practices on firm’s performance has a positive influence on firm’s performance.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter is a summary of the major findings of the study. This study sought to find out the factors influencing firm’s performance in events planning firm in Nairobi CBD. In addition, this chapter points at a direction for further studies and provided some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher. The use of both primary and secondary information was employed to determine the findings of the study.

5.2 Summary of the Study
In the previous chapter, the mean and standard deviation of responses of each independent variable revealed that in the event planning firms; Vision, mission and action plan in strategic planning had an overall mean of 4.009, strategic planning practices by firms on the other hand has an overall mean of 4.182, and finally the influence of strategic planning practices on firm’s performance has an overall mean of 4.171. These means indicate that these firms take strategic planning into consideration.

The results of ANOVA test which reveal that three of the independent variables notably (X1) Vision, mission and action plan in strategic planning, (X2) Strategic planning practices by firms, and (X3) Influence of strategic planning practices on firm’s performance have a significance influence on firm’s performance. Since the P value < 0.05 level of significance, there is sufficient evidence to conclude that these independent variables significantly influence firm’s performance.

Regression analysis reveals Vision, mission and action plan in strategic planning coefficient of 0.215 and p-value of 0.022 was found to be significant at 5% significant level and this indicates that Vision, mission and action plan in strategic planning has a positive influence on firm’s performance, Strategic planning practices by firms coefficient of 319
and p-value of 0.004 was found to be significant at 5% significant level and this indicates that Strategic planning practices by firms has a positive influence on firm’s performance, Influence of strategic planning practices on firm’s performance coefficient of 0.248 and p-value of 0.004 was found to be significant at significance level of 5% and this indicates that Influence of strategic planning practices on firm’s performance has a positive influence on firm’s performance.

5.3 Discussion

5.3.1 Vision, mission and action plan in strategic planning

Majority of the respondents agreed that strategic planning has helped employee establish benchmarks or milestones that show whether they’re meeting their goals and objectives or not. The findings showed that employer their employees in the decision-making plan of their business and employees have developed a decision-making routine that simplifies the process of decision-making for them. The study revealed that at times when their business has gone off track, the companies use strategic planning to redirect their recovery process and consistently apply a disciplined approach to strategic planning in order to be ready for any market changes. The respondents also indicated that their business vision and growth are reinforced by their strategic focus on market growth and profits. As entrepreneurs, the respondents have improved their level of understanding of their competitor’s strategies through strategic planning and company mission and vision are crucial elements of strategic management in their organization. The findings further revealed that high competition in the market has reinforced respondent’s ability in making effective choices about when to leave marketplaces and about which new ones to move into and being innovative and finally in their business plan, they always decide on who is going to do what and by when and in what order for to be successful.

The findings agree with Bart et al. (2001) who posited that mission statements had consistently been shown to be the top-rated management tool deployed by senior managers during each of the ten years prior to his study. Mullane (2002) argued that mission and vision statements are useful for practical day-to-day operations, taking a contrary view to those who assert they are archaic documents that are typically exhibited as wall hangings.
Several works (Campbell, 1997; Mullane 2002; Rigby, 1994; Matejka et al., 1993; Campbell and Yeung, 1991) have outlined how vision statements can be used to build a common and shared sense of purpose and also serves as conduit through which employees’ focus are shaped. Vision statements motivate, shape behaviours, cultivate high levels of commitment and ultimately influence positively on employee performance. Vision statements are widely believed to be antecedents to any strategy formulation effort (Mullane, 2002).

According to Ungerer (2013), an organizations vision must be shared amongst all the members of that organization and should ensure everyone’s commitment, be able to clarify the business’ desired future, be flexible and sustainable. The vision should not be very clear and should be a solution to the business’ current problems. A study conducted by Alavi and Karami (2009) established that 72% of selected CEO's examined trusted the existence of formal vision and mission statements which are written down. These statements have a great influence on enhancing organizational performance. Gharleghi et al. (2011), found a positive relationship between mission statement characteristics (clearness, completeness, flexibility, reality, practically, acceptance, the number of employees and managers awareness, attention to stakeholders, and distinctiveness of the mission statement) and the overall organizational performance.

Sidhu (2003) however found a weak positive relationship between performance and mission statements. Desmidt et al. (2011), analyzed the last 20 years of empirical research of mission statements and performance. The result established a very small positive effect of missions' statements on the firm’s financial performance. They also found out that based on the content analysis of mission statement and performance, there are no differences in the performance of organizations that have mission statement and organizations' that do not have the mission statements where the positive relationship is limited to exist between mission statements and non-financial measures.
5.3.2 Nature of Strategic planning practices by firms

The findings strongly acknowledged that strategic planning is the foundation that improves the business processes and ultimately reduces the internal costs of operation. Entrepreneurs monitor their environment by collecting information in all environmental sectors, sort out relevant information and adjust their business to meet future forecasts. The study further found that strategic planning is vital for business men to give a dependable direction of assessing the most appropriate methods for enhancing a product/item. Firm owners revealed that they find themselves in an environment of constant technological change.

Furthermore, the respondents agree that as a business people, they’re keen on monitoring and identifying trends or cycles of some kind in order to find patterns of the market trend. Despite the existence of the support programs that provide their business with a back-up plan, their business continues to weaken or face stunted growth. The study found that strategic planning structures and systems contribute towards building their organizational capabilities that drive their performance and that companies concentrates on producing products/services that meet the desires or needs of various target markets. The respondents agreed that business has an advantage in terms of making quick decisions and the willingness to take risks in a low extent, the respondents stated that the nature of their business requires specific, predetermined behavior by means of formal direction and control to be successful.

The findings agree with a study conducted by Cruz, Scapens and Major (2011) on 54 organizations on the effect of performance evaluations on organizational performance revealed the existence of a significant relations between the two. The study also noted that 74% of the organizations indicated that evaluation of performance was important in that it provided mechanisms for reflection, realignment, and restructuring of their projects to meet organizational performance targets. Choi et al. (2013), argue that evaluation of performance provides essential feedback to employees and the organization on areas they need to improve. Such knowledge is not only essential but fundamental in establishing performance cultures within organization.
Dossi and Patelli (2010), stated that evaluation performance is not a panacea for performance. They argue that an organization needs to establish evaluating frameworks that captures overall organizational performance goals, and how this goal has been abstracted to individual employee.

Cruz et al. (2011), noted that standards are set not only for the final output but also for intermediate stages of output. Once these standards have been established, evaluation determines whether the goals were met or not.

5.3.3 Influence of strategic planning practices on firm’s performance

The findings showed that the pursuit of personal non-economic goals is something the respondents are willing to sacrifice the prospect of achieving greater financial rewards. The respondents have a feedback system in place that influences the development of new capabilities and their organizational learning. Further, respondents agreed that strategic planning and target setting allows the respondents to translate their organization vision and strategy into strategic objectives that are associated with medium to long-term goals, and setting performance targets and the preceding process of strategic planning is an important aspect of performance management for their organization.

Results further reveals that setting performance targets and the preceding process of strategic planning is an important aspect of performance management for their organization, while setting targets, the respondents combine human expertise and organizational resources to implement their value-creating organizational strategies. Respondents agreed that their business has loyal customers facilitating their ability to work easily and achieve their objectives and outperform their set targets, and that the feedback given by their customers helps their business to reinforce its operational systems and subsequently turns out to be more focused. The event planning companies normally grant rewards to their employees to influence their behavior. The factor having the least agreement is that target setting allow the respondents to reconfigure their existing business capabilities as well as build new capabilities.
The findings agree with Chimbugia (2011), that effective planning as a practice is not as rational and analytical as it has been portrayed in the literature. He argues for the lost art (rather than science) of planning. He contends that planning is both a generic activity whose success determinants are partially independent of the area in which it is applied and an area where judgment, intuition and creativity are still important.

Lefort (2015) found that companies which emphasize on good strategy implementation sustained twice financial success compared to poor implementers. Sometimes implementation is hard to get right, yet success of organizations depends on effective implementation. Kathama (2012) investigated the relationship between strategic planning practices and performance of state corporations in Kenya. The study found that state corporations adopted a number of strategic planning practices that had a positive impact on performance of corporations but the impact was not significant at 5% level of confidence.

5.4 Conclusion

5.4.1 Vision, mission and action plan in strategic planning
Through an interpretation of information gathered during the environmental analysis, business owners can determine the direction in which a firm should move. Entrepreneurial businesses are driven by vision and high aspirations. Developing a mission statement will help the small business realize their vision. By developing a strategic plan that incorporates the mission statement, entrepreneurs are more likely to be successful and stay focused on what is important. The mission statement encourages managers and small business owners alike to consider the nature and scope of the business.

5.4.2 Nature of Strategic planning practices by firms
The study concluded that there must be a strategic fit between what the environment wants and what the business has to offer, as well as between what the business needs and what the environment can provide. As revealed by the findings, every step in the strategic planning process is important. If the firm’s direction is not clear, then employees will not know if they are on the right track. If the business environment has not been critically
examined, then firms will not understand its internal competences or business opportunities from where appropriate strategies are crafted to facilitate a fit and success. In a nutshell, the process of strategic planning should be given its deserved attention in terms of all the prescribed steps within the existing literature. The study also concluded that firms should analyze their external environment which is important for researchers and firms as it helps researchers understand the motivation of firms’ activities and helps firms take appropriate action with the changing environment

5.4.3 Influence of strategic planning practices on firm’s performance

The study concluded that strategic planning in event planning firms is an essential instrument for planning and forecasting which positions the firm to meet demands and changes which might come up while discharging its services. This study also concluded that firms should have a clear strategic plan which is articulated to all of its employees at various levels and department within the firms. From the results, a positive strategic planning was found to affect firm’s performance. The study therefore concluded that strong agreement of factors of various dimension of strategic planning indicate the effectiveness and efficiency of such planning by these firms and hence affect their performance positively.

5.5 Recommendations

5.5.1 Recommendations for the Study

5.5.1.1 Vision, mission and action plan in strategic planning

Vision, mission and action plan in strategic planning, Strategic planning practices by firms, and influence of strategic planning practices on firm’s performance have a significance influence on firm’s performance. The strategic planning should therefore be adopted by business organizations to enhance firm’s performance. Through an interpretation of information gathered during the environmental analysis, business owners can determine the direction in which a firm should move. Entrepreneurial businesses are driven by vision and high aspirations. Developing a mission statement will help the small business realize their vision. By developing a strategic plan that incorporates the mission statement, entrepreneurs are more likely to be successful and stay focused on what is important.
mission statement encourages managers and small business owners alike to consider the nature and scope of the business.

5.5.1.2 Nature of Strategic planning practices by firms

The study recommends that there must be a strategic fit between what the environment wants and what the business has to offer, as well as between what the business needs and what the environment can provide. Firms should consider every step in the strategic planning process as important. If the firm’s direction is not clear, then employees will not know if they are on the right track. If the business environment has not been critically examined, then firms will not understand its internal competences or business opportunities from where appropriate strategies are crafted to facilitate a fit and success. The study further recommends that the process of strategic planning should be given its deserved attention in terms of all the prescribed steps within the existing literature. The study also recommends that firms should analyze their external environment which is important for researchers and firms as it helps researchers understand the motivation of firms’ activities and helps firms take appropriate action with the changing environment.

5.5.1.3 Influence of strategic planning practices on firm’s performance

The study recommended that should have a feedback system in place that influences the development of new capabilities and their organizational learning. Further, firms should set strategic plans and target to allow the firms to translate their organization vision and strategy into strategic objectives that are associated with medium to long-term goals.

Setting performance targets and the preceding process of strategic planning is an important aspect of performance management for their organization. Setting performance targets and the preceding process of strategic planning is an important aspect of performance management for their organization. While setting targets, the respondents combine human expertise and organizational resources to implement their value-creating organizational strategies. The event planning companies should grant rewards to their employees to influence their behavior.
5.5.2 Suggestions for Further Research

While the findings of this study provide a contribution to our understanding of the nature and practice of strategic planning in event planning firms and relationship between their efforts and their performance, there are many potential areas for future research. First, it would be a useful contribution to investigate the use of planning techniques and the pervasiveness of the process in service organizations.

Future studies should involve larger samples sizes than 60 which this study used to increase result reliability for further generalization. With a larger study population, we could also try to understand the relationships between strategic process and firm performance in different business sectors. Unfortunately, because of the small sample size and the small number of firms from a given sector, we could not analyze the data to see if there are any differences between and among sectors. By focusing on specific sectors, we might have been better able to determine if there are significant differences between the companies that employ the tools and are using strategic planning process and the ones which do not.
REFERENCE


Dear Respondent,

RE: Request to collect Research Data

I am a graduate student at United States International University pursuing Master’s Degree in Strategic Management. I am carrying out a research on the Effects of Strategic Planning on Firms performance: A case of events planning firms in Nairobi CBD which is a partial fulfilment of the requirement of the Degree of Masters in Business Administration (MBA)

This is an academic research and the data gathered will be treated with confidentiality and will be presented in summary only for academic purposes without disclosing the name of the respondent.

Kindly spare some time to complete the questionnaire attached.

Yours Sincerely

Emily N. Njoroge (Researcher)
USIU-AFRICA
APPENDIX II: QUESTIONNAIRE

This questionnaire is designed to gather information concerning the nature and scope of strategic planning in your organization. Please describe the planning practices as you feel they truly exist in your organization, not as you believe they should exist. Data gathered with this questionnaire will be treated confidentially and presented only in summary form without disclosing the name or affiliation of the respondent.

PART A: General Information
1. What is your gender? Male [ ] Female [ ]
2. How old are you?

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Below 25</th>
<th>26-35</th>
<th>36-45</th>
<th>46-55</th>
<th>Above 56</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. What is your highest level of education?
   Doctorate [] Masters [] Degree [] Diploma [] Certificate []
   Other .................
4. What is your current designation? ..............................................
5. Do you have relevant training for your current role? .........................
6. How much working experience do you have in event planning?
   Years | Below 1 | 1-3 | 4-6 | 7-9 | Above 10 |
   Experience |          |     |     |     |
    |
7. How many employees do you have in your firm?
Part B: Vision, Mission and Action Plan in Strategic Planning

To what extent has vision, mission, and action strategic planning influenced performance in your business? Use the scale: SD-Strongly Disagree; D-Disagree; N-Neutral; A-Agree; and SA-Strongly Agree to rate the statements as it relates to your business.

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>VMA1</td>
<td>Company mission and vision are crucial elements of strategic management in my organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA2</td>
<td>My business vision and growth are reinforced by my strategic focus on market growth and profits</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA3</td>
<td>In my business plan, I always decide on who is going to do what and by when and in what order for so as to be successful</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA4</td>
<td>As a business man, I consistently apply a disciplined approach to strategic planning in order to be ready for any market changes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA5</td>
<td>At times when my business has gone off track, I use strategic planning to redirect my recovery process</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA6</td>
<td>Strategic planning has helped me establish benchmarks or milestones that show me whether or not I am meeting my goals and objectives</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA7</td>
<td>As a business man, I include my employees in the decision-making plan of my business</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA8</td>
<td>As business man, I have developed a decision-making routine that simplifies the process of decision-making for me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA9</td>
<td>As an entrepreneur, I have improved my level of understanding of my competitors’ strategies through strategic planning</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>VMA10</td>
<td>High competition in the market has reinforced my ability in making effective choices about when to leave marketplaces and about which new ones to move into and being innovative</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Part C: Strategic Planning Practices by Firm’s

To what extent would you rate the following statements with regards to strategic planning practices in your organization? Use the scale: SD-Strongly Disagree; D-Disagree; N-Neutral; A-Agree; and SA-Strongly Agree.

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SPP1</td>
<td>The nature of my business requires specific, predetermined behavior by means of formal direction and control to be successful</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP2</td>
<td>Strategic planning structures and systems in my business contribute towards building my organizational capabilities that drive my performance</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP3</td>
<td>Strategic planning is the foundation that improves my business processes and ultimately reduces my internal costs of operation</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP4</td>
<td>As a Firm owner, I find myself in an environment of constant technological change</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP5</td>
<td>As a business man, I am keen on monitoring and identifying trends or cycles of some kind in order to find patterns of the market trend</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP6</td>
<td>As an entrepreneur, I monitor my environment by collecting information in all environmental sectors, sort out relevant information and adjust my business to meet future forecasts</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP7</td>
<td>Strategic planning is vital for business men to give a dependable direction of assessing the most appropriate methods for enhancing a product/item</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP8</td>
<td>My business enterprise concentrates on producing products/services that meet the desires or needs of various target markets</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP9</td>
<td>Despite the existence of the support programs that provide my business with a back-up plan, my business continues to weaken or face stunted growth</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>SPP10</td>
<td>My business has an advantage in terms of making quick decisions and the willingness to take risks</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
</tr>
</tbody>
</table>
### Part D: Influence of Strategic Planning Practices on Firm’s Performance

To what extent would you rate the following statements with regards to influence of strategic planning practices on Firm performance? Use the scale: SD-Strongly Disagree; D-Disagree; N-Neutral; A-Agree; and SA-Strongly Agree.

<table>
<thead>
<tr>
<th>ISP1</th>
<th>Setting performance targets and the preceding process of strategic planning is an important aspect of performance management for my organization</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISP2</td>
<td>Strategic planning and target setting allows me to translate my organization vision and strategy into strategic objectives that are associated with medium to long-term goals</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP3</td>
<td>While setting targets, I combine human expertise and organizational resources to implement my value-creating organizational strategies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP4</td>
<td>Target setting allows me to reconfigure my existing business capabilities and also build new capabilities</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP5</td>
<td>I normally grant rewards to my employees to influence their behavior</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP6</td>
<td>I have a feedback system in place that influences the development of new capabilities and my organizational learning</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP7</td>
<td>My business has loyal customers facilitating my ability to work easily and achieve my objectives and outperform my set targets</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP8</td>
<td>I use communication as an essential determinant of customer dedication and satisfaction strategy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP9</td>
<td>The feedback given by my customers helps my business to reinforce its operational systems and subsequently turns out to be more focused</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>ISP10</td>
<td>The pursuit of personal non-economic goals is something I am willing to sacrifice the prospect of achieving greater financial rewards</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Part E: Firm’s Performance

In this section, we are interested in your assessment of your Firm performance. Please read the following statements and circle the number that most accurately reflects your firm performance.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Far Above Average</th>
<th>Slightly Above Average</th>
<th>Average</th>
<th>Slightly Below Average</th>
<th>Far Below Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP1</td>
<td>The overall performance of the firm last year was?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>FP2</td>
<td>The overall performance of the firm relative to major competitors last year was?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>FP3</td>
<td>The overall sales growth of the firm relative to major competitors last year was?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>