ASSESSMENT OF STRATEGIC PLANNING PRACTICES
IN ENGINEERING CONSULTANCY FIRMS IN NAIROBI

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2018
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A Project Report Submitted to the School of Business in Partial
Fulfillment of the Requirement for the Degree of Masters in
Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA

SUMMER 2018
STUDENT’S DECLARATION

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

Signed: ______________________ Date: ______________________

Alain Marcel Gatunange (ID 649970)

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

Signed: ______________________ Date: ______________________

Supervisor: Dr. Juliana Namada

Signed: ______________________ Date: ______________________

Dean, School of Business,
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ABSTRACT

The purpose of the study was to assess the strategic planning practices in the engineering consultancy firms in Nairobi. The study was guided by the following research questions:

How is strategic planning in engineering consultancy firm practiced in Nairobi?

What are the benefits of applying strategic planning in engineering consultancy firm in Nairobi?

What are the challenges in applying strategic planning in engineering consultancy firms in Nairobi?

The study uses descriptive research design. Target population was 358 non registered consulting engineers and 73 registered firms in Kenya. Simple Random Sampling method was used. Purposive sampling was used to select registered engineering consultancy firms. In this study, 40 registered engineering consultancy firms were selected for study which is 54 % of the target population. Structured Questionnaires were used to collect primary data. Raw data was analyzed using SPSS software. Data analysis was done by using descriptive statistics (Frequency distribution and measures of the central tendency) and the results interpreted, inferences made and presented on pie charts, tables and percentages.

The findings on how strategic planning in engineering consultancy firm practiced in Nairobi revealed that respondents agreed that middle managers play a vital role in strategic communication, quality leadership drive the organization into successful strategy implementation and top managers have demonstrate their willingness to towards the implementation process. The findings on benefits of applying strategic planning in engineering consultancy firm in Nairobi indicated that most respondents agreed that employee engagement has resulted into better performance and evaluation require extensive effort to complete. The findings on challenges in applying strategic planning in engineering consultancy firms in Nairobi showed that respondents could not reach an agreement on the organizational environment has a rapid technology development. However, respondents disagreed that the organization environment is turbulent, resistance to change from the organization’s staff, the communication in the organization is poor, the organization has insufficient funds, and the communication in the organization is poor and there is lack of skills and enough staff in the organization, top management commitment is low.
It was concluded that middle managers influences strategic communication, successful strategy implementation is influenced by quality leadership, implementation process was due to manager’s willingness, and organization’s competitive strategy is undertaken with the mission in mind. Strategy is not effectively implemented in the organization due to lack of manages using PESTEL analysis to analyze the environment, employees are able to increase their performance due to their engagement. Major challenge construction company’s face during strategic planning is lack of rapid technology development, lack dynamic organizational culture, lack of variety of stakeholders and ambiguity of external stakeholder’s expectations.

It was recommended that construction companies should ensure that employees are involved in the implementation strategy, scan the business environment and identify threats opportunities, use key performance indicators to track success of the strategy. Develop a culture that has managers who are committed and will motivate and encourage employees to participate in strategic planning process, develop policies and strategies that will prevent leakage of strategic plan. There is a need to undertake further studies in other counties and other organizations to determine other assessment of strategic planning practices.
ACKNOWLEDGEMENTS

I express my sincere gratitude first and foremost to the Almighty God for the strength, courage and guidance throughout this study program, I would not have accomplished it without His help. I would also wish to recognize the institution, United States International University for the resources and assistance they afforded me, and to all my lecturers for very ably imparting their knowledge. Thank you!

I thank and appreciate my supervisor, Dr. Juliana Namada, who was inspirational never retired and was always at hand to offer professional help in the efforts of guiding me in the development of the topic, research proposal and subsequently project writing. Thank you!
DEDICATION
I dedicate this paper to my Special Persons, for their continued support during my study and in preparation of this research paper.
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>PESTEL</td>
<td>Political Economical Social Technological Environmental Legal</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strength Weakness Opportunities Threats</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UNESCO</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Strategic planning plays an important role in an organization. It provides a clear direction in which an organization should follow. Without strategy, the purpose of organizations might be misunderstood by employees and stakeholders and resources might be misplaced. The use of clear strategy will enable and organization enters new markets, maintain existing market shares and adapt to new technology Simerson (2011). Strategic planning is the process of implementing actions and putting in place measures that will allow resources to be in place and decisions to be assessed to be assessed based on the long-term objectives (Marksberry, 2012). McKeown (2012) the key components of strategic planning include an understanding of an organizations vision, mission, values and strategies. Vision outlines what the organization wants to be. It is a long term view and concentrates on the future. Mission defines the purpose of an organization.

According to Wendy (1997), strategic planning is the process of developing and maintaining uniformity between the organization’s objectives and resources and its changing opportunities. Strategic planning is also used by organizations to define and document approaches they will use to do business thus grow and gain profit. Leslie, (2008) strategic planning is a combination of strategy and planning. It is designed by organizations to anticipate and respond to changes that are taking place in the environment. Thompson (2007), strategic planning is an approach organizations use to grow their business, attract more customers and achieve a competitive advantage. Wirth (2010) argues that strategic planning is the process by which an organization envision its future and develop the necessary procedures and operations to achieve that future.

According to UNESCO (2010), strategic planning become popular because organizations felt that it would stimulate strategic thinking, help develop effective strategies, clarify future directions, establish priorities, build teamwork and deal with changes that are taking place in the environment. Adan (2014) in his study on strategic planning and performance of banks in Kenya it was revealed that effective strategic planning practices involve formulation of vision and mission statement, performance of situation analysis
and finally strategy formulation and choice. Strategic planning process involves formulation of vision and mission statement, performance of situational analysis and strategy formulation and choice (Pearce & Robinson, 2008).

According to Lewa, Mutuku and Mutuku (2009), use of strategic planning helps organizations identify direction it want do go and allocate resources to pursue their strategies. In addition, an organization is able to evaluate the internal environment and examine the external environment hence conduct a SWOT analysis and identify strategic issues (Pearce and Robinson, 2007). Strategic planning involves determination of long term objectives of an organization and prescribes the course of action needed to get them (Cole, 2006).

According to Porter’s (2008), the use of a strategic planning process will enable an organization to clearly define its objectives, by developing mission and objective of the organization. The mission statement will describe the vision of the organizations, purpose of the organization and short and long term goals an organization wishes to achieve. An organization will also be able to scan the internal and external environment. Analyze organizations strengths, weaknesses opportunity and threats. Identify external threats hence, formulate strategies the organization can use to match its strengths to opportunities and turn its weaknesses and threats into opportunities. Strategic planning will also help an organization identify resources that they have and develop programmers, budget and procedures they will use to implement their strategy. Finally an organization will be able to measure performance and take necessary action. Determine if the control criteria is done to clear/know performance standards articulated in the planning process and identify tools to measure performance (Porter’s, 2008).

Gachogu (2012) conducted a study on examine factors influencing formulation of strategic plans in public secondary schools in Kirinyaga County. It was revealed that public secondary schools are facing a challenge of formulating strategic plan due to absence of policy framework, inadequate knowledge and skills on strategic management among school leaders, and inadequate allocation of resources. It was recommended that Ministry of Education should provide the policy framework that would make formulation of strategic plans compulsory in public secondary schools. According to a study done by Beatrice (2015) on assessment of factors influencing the implementation of strategic plans.
in public secondary schools it was revealed that leadership styles, resources allocation and organizational structure influence the implementation of strategic plan.

Haden (2010) lack of leadership, lack of consensus, being too ambitious and lack of momentum in the short term are examples of challenges company’s faces while implementing strategic planning. Kiuna, (2007) organizations in public sectors faces a challenge implementing strategic plan due to weak management styles and governance, corruption, lack of facilities and national disasters. Kirui (2012) in his study on assessment of the effects of strategic planning in effective management of secondary schools in Kericho District findings revealed that lack of training, lack of strategic planning skills, lack of time due to heavy teaching workload, lack of adequate support from key stakeholders, frequent transfer of head teachers, head teachers not being visionary, and lack of finances to fund the process of strategic planning are example of factors affecting strategic planning in schools.

Strategic planning can help an organization to clarify future direction, to establish priorities, to diversify its products or services and deal effectively with rapidly changing circumstance (Schaefer, 2001). Lieberman (2010) strategic planning process can help organizations get creative and come up with strategies that deliver improved services to the customers. Birchall, (2004) a strategy plan is a game plan used by organizations to compete and survive in turbulent environment. Organizations are able to determine their vision, mission and objectives. Define policies and plans to achieve their goals. Grace (2013) in her study on effectiveness of strategic planning on the performance of small and medium enterprises in Tanzania. It was established that strategic planning will enable an organization; provide better customer satisfaction through delivery, achieve a competitive advantage and market recognition,

The construction industry includes organization in the general construction and allied construction activities for buildings and civil engineering works. It also entails new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of a temporary nature. General construction is the construction of entire dwellings, office buildings, stores and other public and utility buildings, farm buildings etc., or the construction of civil engineering works such as motorways, streets, bridges, tunnels, railways, airfields, harbours and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric
lines, sports facilities etc. This work can be carried out on own account or on a fee or contract basis. Portions of the work and sometimes even the whole practical work can be subcontracted out. A unit that carries the overall responsibility for a construction project is classified here. The repair of buildings and civil engineering works is also included.

Construction industry plays a key role in economic growth of both developed and developing countries (Isa, Jimoh, &Achunu, 2013). Its contribution to United Kingdom economy is £64.747 million in 2004 (National Statistics, 2006). China construction industry contributed 13% to its GDP in 2010. For countries producing oil, oil wealth has been a key to construction sector affluent. In 2009, United Arab Emirates construction sector contribution to its GDP was 11%. Construction Industry in Nigeria contributed 1.4% to its GDP in the third quarter of 2010 (Oluwakiyesi, 2011). The Kenya economic survey states that construction industry recorded the fastest growth of 13.6% in 2015 (Kenya National Bureau of Statistics, 2016).

The Important role played by construction industry to the Kenyan economy has given more weight to engineering consulting firms. The legal framework regulating engineers is provided by engineer’s act of 2011. The engineering Act defines “Consulting Engineering services” as Consultancy and advisory services relating to independent professional engineering works, services or goods and selling or supplying for gain or reward any plan, sketch, drawing, design, specification or other documents relating to any professional engineering work, service or good with a liability to be sued (Act, 2011). Requirements to be registered as professional engineer under this act are for example to be registered as graduate Engineer and has obtained practical experience as prescribed in this act. Then to be registered as a consulting engineer one need to have worked as a professional engineer for a period of time determined by the board. Under the same Act at section 20 it states that for the registration of an engineering consulting firm requires the main shareholder to be registered as a consulting engineer(Act,2011).

The positive trend of Kenyan construction industry has attracted many international firms which increased competition in the market. Strategic planning is a necessity to be able to survive in that competitive environment. Strategic management has been applied in all fields but it seems like construction industry is lacking behind. A study in Kenya established that a majority of the firms carry out strategic formulation processes by establishment of a vision and mission statement; the firms also carry a situation analysis
to establish their strengths and weaknesses that they had within their firms, and the opportunities and threats they face in the external environment. Majority of the construction firms however, do not have strategic plans on how to meet these objectives.

1.2 Statement of the Problem

Strategic plan is a management tool used to improve the performance of the organization. It is a tool that is indicated in a document. It is used by organizations to outlines direction and priorities. It is acts as a guideline in making decision regarding the allocation of resources (Maorwe, 2011). Okwako (2013) conducted a research on strategic planning and performance of public secondary schools in Rarieda District, Kenya. Findings established that strategic planning is positively correlated to performance. The findings also established that management do not carry out thorough environmental analysis and does not involve stakeholders hence not being able to fully implement the strategic plan.

Studies have been done to investigate strategic planning, for instance Grace(2013) study aimed at establishing the effectiveness of strategic planning on the performance of Small and Medium Enterprises in Tanzania. Findings revealed that organizational complexities, environment dynamics and external constraints are factors that influence SME’s to use strategic planning. Nyambura (2008) conducted a study on barriers of strategic planning in public secondary schools in Thika Municipality, Kenya findings revealed that public schools in Thika do not formulate strategic plans and the plans were not effective. According to Miller (2002) organizations fail to implement about 70 per cent of their new strategies. A recent study is a bit less alarming; it says 40 per cent of the value anticipated in strategic plan is never realized (Olson, Slater, & Hult, 2005). Evidence keeps piling of how barriers to strategy implementation make it so difficult for organizations to achieve sustained success.

A lot of research has been done on effects of strategic planning on organizational performance but none has been done on assessment of strategic planning in engineering consultancy firms in Nairobi therefore the study will seek the gap and add more knowledge.
1.3 Purpose of the Study
The purpose of this study was to assess the strategic planning practices in the engineering consultancy firms in Nairobi.

1.4 Research Questions
1.4.1 How is strategic planning in engineering consultancy firm practiced in Nairobi?
1.4.2 What are the benefits of applying strategic planning in engineering consultancy firm in Nairobi?
1.4.3 What are the challenges in applying strategic planning in engineering consultancy firms in Nairobi?

1.5 Importance of the Study
1.5.1 Engineering Consultancy Firms
Engineering consultancy firms will benefit from this study, it will introduce strategic planning to those who are not practicing it and will help improve strategic planning to those who has already started practicing strategic planning. The study will help engineering consultancy firms to improve the firm’s performance by practicing efficiently strategic planning. Engineering Kenyan industry environment is very competitive with the introduction of international firms and so the application of strategic planning would be a competitive advantage to the engineering consultancy firms.

1.5.2 National Construction Authority
National construction authority is regulating the construction industry by the application of rules and regulations. This study will be very helpful to the National Construction Authority because it will assist them in putting new rules and regulation or change the actual rules and regulation to incite the application of strategic planning.

1.5.3 Architect and Engineers
Architects and Engineers at the management level will use that study to understand what is strategic planning how is it applied and how is it critical to the growth and performance of the firm. We will have lesser and lesser business failures in the Kenyan engineering industry.
1.5.4 Investors

This study will help investors to evaluate consultancy firms before investing. They will then be able to share the same vision and mission of the firm and will be able to understand the bigger picture (where the firm is and where they can to be) or what is at stake. It can also be helpful in attracting investors.

1.5.5 Researches and Academia

Researches and academia can use this study as the basis of another study or can criticize it for the development and a better understanding of the matter.

1.6 Scope of the Study

In this study will delimitate myself to engineering consultancy firms in Nairobi with 10-50 employees. Data was collected in the month of November 2017.

1.7 Definition of Terms

1.7.1 Strategic Planning

Strategic planning is a defined, recognizable set of activities. (Nickols, 2016)

1.7.2 Engineering consultancy firm

Consultancy and advisory services relating to independent professional engineering works, services or goods and selling or supplying for gain or reward any plan, sketch, drawing, design, specification or other documents relating to any professional engineering work, service or good with a liability to be sued (Act, 2011).

1.7.3 Mission

An organization’s mission describes the organization in terms of the business it is in, the customers it serves and the skills it intends to develop to fulfill its vision. Pitts (2003)

1.7.4 Vision

A vision describes where an organization is going or wants to be (Thompson, Gamble & Strickland, 2004).
1.8 Chapter Summary
Strategy was first used in the army to conquer other territories, it is only in the late 1960’s that the concept of strategic management came in. Strategic management includes strategic planning, implementation, evaluation and control. Strategic planning has been used in many industries but in the construction industry here in Kenya, strategic planning is lacking. The study focused on engineering consultancy firm due to the fact that the most engineering construction firms are foreign firms and not local. We studied how strategic planning in engineering consultancy firm is practiced and how it affects firm’s performance. The next chapter reviews the literature review.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter provided literature review of strategic planning. It provides an analysis of effective strategic planning practices, challenges and benefits.

2.2 Strategic Planning Practices
The strategic planning practices involves three main strategic activities strategy formulation, strategy implementation, evaluation and control. This chapter therefore looked at the various literature and how it influences strategic planning practices.

Strategic planning is a vital function to all organizations and its key objective is to bring about a competitive advantage over the rivals in the market. It also aims at providing sustainability in the market despite the environmental changes(Aaltonen & Ikävalko, 2002). Using strategic planning approach has enabled managers at all levels of the organization to interact in planning. Franken et al., (2009) adds that as such, organizations are able to prioritize objectives to ensure proper allocation and use of resources. Planning aids organization to be more proactive than reactive in their activities with the aim of achieving the set vision.

According to Pearce and Robinson (2008) strategic planning involves five major steps which involves the formulation of the vision and mission statements, performance and situational analysis, strategy formulation and choice. For an organization to come up with a strategic plan ought to understand its current position and where it wants to be in the future. Lee, Kim and Park (2011) notes that it aids in the creation of strategies that are realistic in achieving the desirable goals and objectives through proper allocation and use of resources. According to Grace (2013) a strategy should respond to changing external conditions, through providing a means on how to compete in the market. It should also provide the actions and approaches to be used within the organization by each functional department and operating units.

Atkinson (2006) noted that strategic planning process can either be formal or informal. A formal process is where the organizations strategies thus deliberate plan, on the contrary, informal planning happens without prior planning. In a formal planning, managers at all
levels interact in planning. As a result, the behavioral consequences of process are similar to those of participative decision making. Strategic planning practices enhance the firm’s ability to prevent problems. Managers who encourage subordinates attention to planning are aided in their monitoring and forecasting responsibilities by subordinates who are aware of the needs of strategic planning, (Pearce & Robinson, 1997).

2.2.1 Strategic Formulation Process

According to Mintzberg and Waters (Mintzberg, 1985) strategic management comprises two important phases: strategy formulation, and strategy implementation. Strategy formulation is the process of developing the strategy (Where are we now? Where do we want to be?), and includes internal and external analyses of the organization and the industry and the definition of objectives (Mintzberg, 1985). Grace (2013) adds that the primary activity in strategy formulation is SWOT (Strength, Weakness, Opportunity, Threat) analysis or identification of opportunity and threat of the organization and assign risk value to each option and also analyses strength and weakness of the organization before making a choice.

Strategy formulation refers to the process of choosing the most appropriate course of action for an organization to achieve their vision and the realization of organizational goals and objectives (Madu, 2010). The process involves six main steps including; setting organizational objectives, evaluating the organizational environment, setting targets, aiming in context with the divisional plans, performance analysis and the choice of strategy (Lee, Kim & Park, 2011). According to McFarlane (2013), the process of formulating strategy must be undertaken with the vision and mission in mind. The process is time consuming and difficult but it represents the only viable way for organizations to survive in the global economy where competition is constantly on the rise and where economic, social-cultural and technological and political-legal changes are constantly in motion to affect strategy effectiveness and results.

The essence of strategy formulation is coping with competition. Yet it is easy to view competition too narrowly and too pessimistically. While one sometimes hears executives complaining to the contrary, intense competition in an industry is neither coincidence nor bad luck (Porter, 2016). Correctly identifying the structure and competitive dynamics of the industry an organization is proposing to enter will create a good general point of reference for judging whether it is worth entering or not. If the general industry profile
does not appear attractive to the assessor, and the assessor is planning to offer value propositions that have close industry substitutes, then this may be an important signal that the proposed venture may need to be reconsidered.

Formulation phase consists of mission, goals and business policy determination while implementation consists of activities, budgeting and procedures. Between these steps emerge much confusion like who carry out the strategic plan, what must be done and how to work (Lee, Kim & Park, 2011). Franken et al., (2009) adds that before going for strategy formulation, the management must analyze the environment using tools such as SWOT analysis, PESTEL analysis, Porters five forces model, competitor analysis, customer analysis and gap analysis and many others planning tools and technics. The benefits of these tools include: increasing awareness about the business environment, strategic issues, opportunities and threats which helps reduce the risk involved in making certain decisions; establishing priorities in large complex companies and providing a framework for evaluating the relative importance of different business portfolios; and aiding the presentation of complex issues (Aldehayyat, Khattab, & Anchor, 2011). Strategy formulation is done in all levels of management from functional to corporate level management.

At corporate level strategies are formulated by the top level management or the board of directors (Yabs, 2010). Chief executives must allocate their scarce time for scanning efforts among relevant domains of their firms’ external environment and their firms' internal circumstances (Garg, Walters, & Priem, 2003). At business level strategies are formulated by middle level managers for example; marketing manager, production manager, human resource manager, among others (Yabs, 2010). Strategy formulation at functional level is done by generally first line managers or supervisors (Sababu, 2007).

2.2.2 Strategic Implementation

Strategic Implementation is one of the important part of planning along with strategy formulation (Mintzberg, 1985). The effectiveness of the whole process of planning diminishes if the formulated strategies are not implemented. Despite the clear importance of this management area and the obvious problems associated with its execution, it has however, been substantially neglected by academics (Atkinson, 2006; Pellegrinelli & Bowman, 1994). Remarkably, organizations fail to implement about 70 per cent of their new strategies (Franken et al., 2009; Miller, 2002) Similarly, it was found that 40-60 per
cent of the potential value of the strategic plan is never realized and captured due to insufficiencies in planning and implementation (Franken et al., 2009; Mankins & Steele, 2005).

In most cases, companies’ strategies deliver only 63% of their promised financial value (Mankins & Steele, 2005). Kaplan and Norton (2005) believed that 95% of a company’s employees are unaware of or do not understand their company’s strategy. According to Johnson (2004), 66% of corporate strategy is never executed. It is believed that strategy formulation is difficult while executing or implementing it throughout the organization is even more difficult. Without effective implementation, no business strategy can succeed. Unfortunately, most managers know far more about developing strategy than they do about executing it (Hrebinia, 2013).

David (2013) highlighted the following differences between strategy formulation and strategy implementation and it is clear from the differences between strategy formulation and execution that the later requires special motivation and a quality leadership and it involves the whole organization in the process of successful strategy implementation. Aaltonen and Ikävalko (2002) recognize the role of middle managers, arguing they are the “key actors” “who have a pivotal role in strategic communication. Meanwhile Bartlett and Goshal (2006) talk about middle managers as threatened silent resistors whose role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. If managers are not committed to performing their roles the lower ranks of employees will not be provided support and guidance through encouragement of entrepreneurial attributes. The most important thing when implementing a strategy is the top level management’s commitment to the strategic direction itself (Hrebinia, 2013).

According to Rapa and Kauffman (2005) commitment of top level management is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members (Rapa & Kauffman, 2005). Chakravarthy and White, (2001) suggest that education and training policies depend on a firm’s management culture and forms of management-led organizational change. While such policies are
affected by a firm’s market, production technologies and strategic goals, managers have
the discretion to pursue varied strategies regarding three issues: entry-level education and
training, employee development, and companieschool relations. Chakravarthy and White,
(2001) survey of 406 firms in 2003 indicated that two management characteristics,
innovation commitment and resistance to change, and two forms of management-led
organizational change, firm downsizing and work redesign, shape education and training
strategies (Hrebinia, 2013).

Eisenstat (2003) conducted a study among 3,044 white-collar employees of the Western
Australian Public Service to study the correlation of employee attitudes towards
functional flexibility. It was hypothesized that employees would favor functional
flexibility if they have lower levels of perceived job characteristics, perceived reward
equity, organizational commitment and affective wellbeing as well as a higher degree of
educational attainment. Kamanda (2006) suggests that employee performance, absenteeism, innovation, turnover and satisfaction may be gauged by the degree of
workers’ commitment to the company. Corporate loyalty, as affected by corporate
restructuring, cultural differences and labor-management relations, is analyzed. Nutt,
(2005) points out that subtle changes taking place in the attitudes of employees towards
working, their employers, and their lives are requiring companies to change their
personnel management techniques accordingly to motivate their employees and instill
them with commitment.

2.2.3 Strategic Evaluation and Control
The purpose of the strategic evaluation is to evaluate the effectiveness of a strategy in
achieving organizational objectives. Performance measurement methods/techniques
developed over a span of time, as a means of maintaining and monitoring organizational
control, which is the process of ensuring that a firm pursues strategies that lead to the
attainment of overall goals and objectives set earlier. Evaluation and control is a
systematic determination of performance measurement against a set of standards.
Evaluation and control is often used to identify and apprise subjects of interest in a wide
range of human enterprises, including organizations and companies. Evaluation and
control practices involve the collection of regular data that measures progress towards
achieving strategy objectives.
One of the failings of strategy implementation is the failure to adequately monitor the changes of the staff, perceptions, direction change is moving, and provide feedback as part of the overall strategic plan. Failure to do so can result in failure of the objectives and alienation of the team. To combat this issue, a facilitator should be identified that can monitor progress, collect data from various sources related to change and perceptions, gather feedback, and propose additional actions or ideas to support the plan or alternatively suggest changes to the plan or organization as a whole (Anthell & Spinelli, 2011).

Another issue that arises is the fact that evaluation of the strategic process tends to only occur annually. This does not allow management to make necessary changes or respond quickly to a changing internal or external environment. Further, strategic plans tend to focus on specific departments within a company with some groups taking action while others not following the plan or circumventing the process by making unplanned or off-the-cuff decisions purely based on gut instinct versus the compilation of qualified data for analysis. These plans are also time consuming and require extensive effort to complete including significant use of company resources, sapping infrastructure (Patten, 2010).

2.3 Benefits of Strategic Planning

2.3.1 Market Growth

When considering possible growth strategies, research has long been dependent on Igor Ansoff’s (1957) conceptualization of the product-market growth matrix. According to Ansoff’s theory, a firm may choose one of four product market growth strategies: market penetration, market development, product development, and diversification. Ansoff suggests the safest growth option is to adopt a market penetration strategy, whereby a firm gains more usage from existing customers and also seeks to attract new customers in their existing market. A slightly riskier option may be to adopt the market development strategy of attracting new types of customers for the current products of the firm from either new channels of distribution or new geographic areas.

Alternately, a firm may engage in product development, by producing entirely new products, different versions of existing products, or different quality levels of existing products to be sold in its current markets. The riskiest strategy overall is suggested to be a diversified approach, developing new products for new markets. With the exception of Pleshko and Souiden (2003), whose research indicates that the chosen product-market
growth strategy does have a slight influence on some aspects of firm profit performance, few studies in recent years have addressed the issue of product-market growth strategies. On the other hand, a great deal of research in recent years has addressed the relationship between a firm’s Miles and Snow strategic classification and firm performance (Desarbo, Di Benedetto, Song, & Sinha 2005).

Harzing (2010), asserts that firms mainly seek to increase their market share to gain reputation since market leaders have an influence that they can use to their advantage. A firm may use its influence in an industry to increase its bargaining power. A larger player has an advantage in negotiations with suppliers and channel members than a smaller player in the industry has. This power enables a firm to be more competitive in the industry which ultimately results to increased performance (Harzing, 2010).

There are various drivers of market share which include share of preference, which can be increased through product, pricing, and promotional changes. Increasing advertising expenditures and lastly share of distribution can increase share of voice; this can be increased through more intensive distribution. According to Jones (2004), market share can be increased by changing the variables of the marketing mix. They include the product whose attributes can be changed to provide more value to the customer by improving product quality. Setting right market prices as part of the marketing mix also impacts on the market share since a decrease in price will increase sales revenue (Hitt & Ireland, 2005).

In this growth strategy the business seeks to sell its existing products into new markets. A market development strategy targets non-buying customers in currently targeted segments. It also targets new customers in new segments. Many possible ways of approaching this strategy, include new geographical markets; for instance exporting the product to a new country; new product dimensions or packaging: for example; new distribution channels and different pricing policies to attract different customers or create new market segments (Dupuis & Prime, 2007).

A company follows a market development strategy for a current brand when it expands the potential market through new users or new uses (Harzing, 2010). New users can be found in new geographic segments, new demographic segments, new institutional segments or new psychographic segments. Another way is to expand sales through new uses for the product. The key difference between this growth strategy and market
penetration is that the definition of the target market must change. In other words, the market potential must increase through this strategy, whereas the market size is "fixed" with a market penetration strategy (Hung, et al, 2007).

2.3.2 Performance of the Organization

One of the most important issues facing the applied behavioral sciences is that of human productivity, the quality and quantity of work. Profitability concerns both effectiveness and efficiency. Efficiency is concerned with doing things right and effectiveness is doing the right things. In discussing effectiveness, we must once again distinguish between management and leadership.

In the management of organizations, the difference between successful and effective often explain why many supervisors can get a satisfactory level of output only when they are right there looking over a worker’s shoulder. In summary, managers could be successful but ineffective having only a short-lived influence over the behavior of others. It should be pointed out that this successful; versus effective framework is a way of evaluating the response to a specific behavioral event and not of evaluating performance over time. And so what comes in mind is what determines organizational effectiveness.

Aosa (2011) found the need to improve financial performance as the main reason for using strategic planning. Focused planning and strategic thinking uncovers the customer segments, market conditions, and product and service offerings that are in the best interest of the firm. A targeted approach to markets and opportunities guides sales and marketing efforts, distribution and other business decisions which ultimately mean more profit to the bottom line and a stronger market position.

Strategic planning clarifies the purpose of the organization and establishes realistic goals and objectives consistent with the mission. It also communicates those goals and objectives to the organization’s constituents, develops a sense of ownership of the plan, and ensures that the most effective use is made of the organization’s resources by focusing the resources on the key priorities. Strategic planning also provides a base from which progress can be measured and establishes a mechanism for informed change when needed (David, 2011).

Wang, Walker and Redmond (2007) note that the benefits include the provision of clearer focus of the organization, thus producing more efficiency and effectiveness, bridging the
gap between staff and board of directors, producing great satisfaction among planners around a common vision, and solving of major problems. Also, benefits such as identification and elimination of poor performing areas in a firm, gaining control of operational problems, developing better communications with those both inside and outside the company, and developing better internal coordination of activities can be achieved by practicing strategic planning.

Glaister et al. (2008) conducted a study in Turkey with 135 usable questionnaires received from largest manufacturing companies and reported the findings that there is a good deal of support for the study’s hypotheses. A strong and positive relationship was formed between formal strategic planning and firm performance, which tends to confirm the arguments of the prescriptive strategic management literature. The test results also verify the moderating roles of environmental turbulence, organization structure and firm size on the strategic planning-performance link.

Elbanna (2010) conducted a study in UAE and concluded in his findings that a high percentage of organizations in the sample have moved beyond daily managing and were strategically planning for the future. Surprisingly, the findings indicated that there were relatively few significant differences among the four groups included in the study, public versus private organizations and small versus large organizations. The study also showed that the resources required for adopting a strategic planning approach do not form a significant obstacle and the higher the position the more likely is participation in the strategic planning process.

Karabulut and Efendioglu (2010) in their study with 71 returned responses in Turkey purported that while observing the impact of different components/activities in a strategic process and their impact on company performance, the only two that were correlated (positively influenced) and statistically significant were “involvement of top management in the process” and “having a mission statement”. Both of these strategic process components identify and define the importance of the process in the organization and had significant impacts on the profitability of the firms in their study.

In Nigeria Alaka et al. (2011) conducted a study with eighty (80) respondents including heads of departments and executive management staff of selected insurance companies and revealed that strategic planning has positive impact on insurance companies’ profitability. Aldehayyat, Al-Khattab and Anchor (2011) conducted a study with
questionnaire survey in Jordanian hotels in two cities; namely Petra and Aqaba. They reported in the findings of their research that the Jordanian hotels engage in the strategic planning process by using a number of techniques. The use of strategic planning tools and techniques were related more to the size of hotel and less to age and ownership type. They reported positive relationship between the use of strategic planning techniques and size of hotel. The managers of these hotels were having generally positive attitudes towards the strategic planning process and managers who believed in the benefits of strategic planning where those who engaged more in the practice of it.

The study of Owolabi and Makinde (2012) in Nigeria conducted on employees of Babcock University revealed that there was a significant positive correlation between strategic planning and corporate performance. Their study therefore, concluded that strategic planning is beneficial to organizations in achieving the set goals and recommended that universities and other corporate organizations should engage in strategic planning in order to enhance corporate performance. Wijesinghe, Ten and Foreman (2012) conducted a study in Sri Lanka with 150 selected SMEs and eight case studies and concluded that less than 25% (32) of the respondents were using formal strategic plans. As a result they reported that there was a high likelihood of those organizations stagnating or failing.

Maryan (2012) with 138 questionnaires conducted a study on 14 banks listed in the Amman Stock Exchange in Jordan and revealed a statistically significant relation between research and development processes and the “Central Bank Monitoring” with regard to competitive advantages of the bank. The study also recommends to provide financial allocations for the strategic planning purposes with the need to attract the human competences specialized and to provide modern technologies necessary for the success of strategic planning processes.

2.3.3 Employee Engagement

If employees are not addressed in an appropriate manner they may fail to engage themselves in their job in response to such kind of mismanagement. It is conceptualized as positive attachment and willingness to exert energy for success of the organization, feeling proud of being a member of that organization and identifying oneself with it by proactively seeking opportunities to contribute one’s best and going extra mile beyond the employment contract (Markos & Sridevi, 2010).
Markos and Sridevi (2010) pointed out the precursor of employee engagement as alignment of efforts with strategy; empowerment; promoting and encouraging teamwork; assisting people to grow and develop and where appropriate, provision of support and recognition. It is worth noting that most of them are non-financial in nature and therefore any organization with committed leaders can strive for the highest level of engagement.

A review of empirical evidence on antecedent to employee engagement in relation to organization strategy by Ouakouak and Ouedraogo (2013) identified the key elements such as: communication of objectives to employees, understanding of the strategy, employee commitment and integration of middle level managers in the strategy process. An inspirational leader is willing to communicate strategy to employees and integrate the entire management while a supportive organizational culture coupled with interpersonal trust can allow for participation of employees in the strategy process thereby enhancing knowledge and commitment (Petter et al., 2002). An organizational culture is a system of shared attitudes, values and beliefs. As mentioned above it shapes the decision making in an organization by prescribing the appropriate behavior. Therefore for planning to succeed management should prioritize improvement by linking performance to rewards (Fard et al., 2011).

Parnell (2008) also emphasized the need to include other levels of management apart from top management in testing the moderating effect in the strategy-performance linkage as they are major players during the execution. This assists in integrating strategy content and execution at a deeper level in the organization allowing for strategy diffusion.

Gill (2012) summarized eight drivers of employee engagement from effectiveness of communication from management, nature of their job, with an understanding of how their job performance contributes to the organizational performance, prospect of career progression, employee development programs, pride about organization, fellow employees, and relationship with one’s manager. This factors can be summarized as pertaining to power, information, knowledge and skills, and rewards. They influence how employees discharge their roles in the organization with their existence allowing them to either engage or disengage.

There are several reasons advanced for engaging employees in the strategic management process. To begin with Kithinji (2012) cited involvement of employees in strategy formulation stage as a motivator since it aids in the understanding of the productivity-
reward linkage and role clarification on what is expected of them thereby reducing any resistance to change. It is believed that through participation there is free flow of information that leads to better decisions and therefore greater commitment. Similarly, it allowed for greater authority during planning and implementation, while concurrently enhancing employees” accountability for their results (Suklev & Debarliev, 2012).

Other secondary benefits are innovation, greater effectiveness and better performance (Petter et al., 2002). Tergaden et al. (2005) found out that employee contribution is a critical in high performing organizations and concluded that participation of employees in strategy formulation mediated achievement of organizational strategic goals. This study anticipated that a broader definition of employee engagement that incorporated not only participation but also understanding and commitment ought to have advanced more evidence This is because it is not only a matter of participating in the strategy process but also central is the understanding of the strategy and individual role in its achievement thereby reducing the probability of resistance.

Employee contribution to organizational strategic goals is a critical driver of high performing organizations, which can be fostered through strategic alignment of their organization. Employee engagement can enhance strategy diffusion by ensuring every employee in the organization knows their role, performance benchmarks and how their performance is linked to organizational strategy. Therefore in a well-aligned organization all efforts should be traceable to the strategic organizational. Strategic alignment encompasses a strategic plan that outlines the purpose of the organization, a strategy execution plan, performance measures that cascade strategy into objectives to sections within the organization allowing employees to know what they need to do and how it impacts the overall strategy (Stringer, 2007).

2.4 Barriers to strategic Planning

2.4.1 Internal barriers

Internal sources of barriers has been ranked the highest and take place when staffs are complacent where they are and will resist any strategic changes being introduced by the organization. For any strategy to be fully implemented, it requires well trained and competent manpower. But the cost of training the staff, lack of qualified people to train and limitation in time may act as a barrier to strategy implementation. Resistance to change normally leads to delays, additional costs and destabilizes organization change
process. People working in an organization sometimes resist change proposals and make strategy difficult to implement (Lynch, 2000).

Behavioural barriers may be exhibited at an individual or group level in an organization. Mistrust, Narrow-minded individuals self-interest, misunderstanding, intolerance and formed opinions give rise to the behavioral barriers. Lacks of direction from manager’s leads to employees not knowing what the organization is expecting from them. Also a part of the employees could have built their own goals aligned to the organizational goals. However, the organization goals might be different from how the employee has understood them and set the goals.

According to (Lynch, 2000), motivation problems can also make some employees to put their own interest over the organization at the organization’s expense. A motivational problem arises also when an organization favors other departments thus the departments not favored may boycott any strategic direction by the organization. Employees also compare what and how other organization are doing and expect at least the same level in their own organization. Culture also can be a barrier to strategy implementation. Inappropriate systems utilized during the process of operationalization, institutionalization and control of the strategy are often sources of challenges during strategy implementation. Lack of leadership from top executives arises when the top managers and leaders do not commit themselves to the process of strategy implementation in an organization.

Bulumaet al., (2013) indicated that the planning of strategies dictates the direction of an organization for a year or more. Therefore, for an organization to be able to achieve its targeted strategic objectives the entire organization should be involved. Strategic plans may fail to produce the desired results as noted by (Noble, 1999) who said that “organizations may have formulated the best strategies but the strategies may fail to produce the desired results if they are not implemented in the right way”.

Herbriniak and Snow (1982) findings which indicated that, the participation and the interventions among the highest level of management in an organization promotes greater commitment levels in the implementation of a firms vision and strategies which in turn promotes success in the implementation of a firms selected strategy. Smith and Kofron (1996) believed that the senior management played a major role not only in the formulation, but in the implementation of the strategy while Nutt (1986) suggested that
the tactics used in leadership styles may play important roles in overcoming obstructions from the lower levels that sometimes my appear in the implementation strategies.

According to Alexander (1985) findings, communication was among the most frequently mentioned item which was behind the promotion of successful implementation of a strategy. Therefore effective communication should explain clearly the new responsibilities, duties and tasks which are to be done by the targeted employees. Chimanzi and Morgan’s (2005) study indicated that firms which focus their attention to marketing and involvement of all employees significantly realize higher percentages of strategy implementation. Therefore, Chimanzi and Morgan’s (2005) proposed that managers in charge of marketing should focus on improving relationships with the their counterparts (human resource) by advocating for communication which is written and reward systems which are joint hence putting more emphasize on a two way process based dimension.

Heide, Gronhaug and Johannessen (2002) other hand observed that there existed various communication related challenges. The communication related issues could have been brought about by the structure of the organization which intern leads to the creation of a barrier to the implementation of the strategic activities which had been planned.

2.4.2 External barriers
The political-legal climate refers to legal and governmental systems within which an organization functions. Trends in legislation, court decisions, political, and governmental regulations are important aspects of this climate (Bartol et al., 2001). It was noted within the literature that political stability and political influences are important factors that may influence the strategic planning within public sector organisations. Government can play an important role in encouraging or discouraging strategic planning by creating barriers in specific industries, establishing quality regulations and securing state ownership. In addition, strategic quality planning can also be influenced by import and export restrictions between countries, differences in quality standards and regulations across countries, and the amount of political stability and the stability of government (Metta¨nen, 2005).

Public organisations are faced with various political activities that are ultimately designed to achieve outcomes in favour of organizations economic survival. These political activities also provide the organisation with a sustainable advantage. However, some
political influences could not be dealt with using organizations political activities and they therefore inhibit the planning process or prevent access to resources needed for planning (Kemp, 1990)

The economic climate involves systems of wealth production, distribution and consumption. Within any economic system, organisations are influenced by economic factors over which they have little control, such as inflation and recession (Bartol et al. 2001). The macro-economy is defined as a branch of economics dealing with the performance, structure, behaviour and decision-making of the entire economy. Macroeconomics is a broad field of study with two main areas of research: the attempt to understand the causes and consequences of short-term fluctuations in national income, and the attempt to understand the determinants of long-term economic growth.

The macro economy influences strategic planning in public sector organisations in two ways. First, with economic growth, people’s expectations of public services increase which requires public organizations to strategically plan ahead to satisfy public demands for better services. Second, fluctuations in the macro-economy, such as the recent economic crises, might reduce public organizations ability to plan ahead because funding is reduced on one side and the availability of reliable economic information (growth forecasting information) is unpredictable/unavailable on the other side (Prasad & Tata, 2003). It was also found in the literature that the degree of international economic involvement could also influence leadership and strategic planning. Firms that experienced greater international competition were more likely to implement strategic initiatives (Das, Handfield, Calantone, & Ghosh, 2000). As international competition increases, cost, quality and competitiveness become much more interdependent. Intense global competition can cause firms to re-examine their strategies and practices (Yong & Wilkinson, 2001). Similarly, the opening of new markets can increase economic pressures toward affordable quality, resulting in a greater focus on quality in the strategic planning process (Wisniewski & Stewart, 2004).

Organizations need to be aware of these differences as well as changing trends in order to remain effective in delivering their services and products. In Dubai, the population has grown by 77% between 2000 and 2007 to reach 1,530,000. The gender distribution is 76% male and 24% female, largely due to the influx of male expatriate workers. Sixty-four per cent of the population is between 20–40 years old. In relation to the employment
rate, 98% of the active population was reported as employed (Dubai Statistical Center, Statistical Yearbook 2007).

In the public sector, the two main problems relating to the nature of public organisations and their relation to external stakeholders are the lack of clarity of the goals needed to satisfy external stakeholders and the multitude of stakeholders, resulting in many conflicting objectives and measures (Rantanen et. al., 2007). Two potential barriers to the strategic planning formation process have been noted in relation to the above: the variety of external stakeholders, and the ambiguity of stakeholders’ expectations regarding public sector services.

In the public sector there are many stakeholders that have different and conflicting requirements (Lawton et al., 2000; Wisniewski and Stewart, 2004). This creates at least two problems for public organisations while planning. First, the variety of stakeholders may produce a variety of objectives with a multitude of performance measures that satisfy no one (Wisniewski and Stewart, 2004). Second, it may be difficult to set targets or to make decisions based on the measurement results because some of the stakeholders have conflicting objectives and the conflicting needs of different stakeholders must somehow be reconciled (Lawton et al., 2000; Metta¨nen, 2005).

Another potential barrier is the ambiguity of stakeholders’ expectations, which emphasises the clarity of stakeholders’ requirements. For many public sector organisations the planning process is faced with constraints relating to understanding external stakeholders’ requirements (Lawton et al., 2000).

The entrance of important new competitors into the industry may throw an organization in tantrums. Anticipated new substitute or competing products may render the organization’s products uncompetitive (Pearce and Robbinson, 2003). Operating environment changes, such as in the Customer profiles, need to be anticipated and strategies adjusted to match customer expectations (Pearce, and Robbinson, 2003). The challenge of advances in innovation technology means an organization has to ensure that its staffs are up to date.

The resources required in order to implement the strategy can be beyond the organizations capability thus leading to the strategy not being implemented. According to Canhada (2011), the barriers to strategy implementation include lack of consensus,
understanding and transparency regarding the meaning of the enterprise mission and vision, lack of relation between strategic content and strategic process, lack of coherence between strategic planning and resource allocation, lack of strategic feedback, a relatively inflexible formal structure due to IT, lack of involvement of the organization’s management and using models that are ill-suited to organizational reality.

2.4.3 Mitigating Barriers to strategic planning
Open and cooperative dialog also enables the strategic management process to foster strategic thinking among key operating managers. Leadership has been identified as critical to the planning process because knowledgeable and committed leadership is important for balancing the internal and external forces that affect the organization (Pearce & Robinson, 2003).

Opportunistic planning allows organizations to be flexible and open to making changes to the strategic planning process, if it becomes necessary in the face of unexpected events and changes in the initial assumptions. Organizations need a good combination of formal and opportunistic planning. Organizations that rely exclusively on formal planning could trap themselves in unbearable rigidities. Those whose decision-making capability is entirely opportunistic will be constantly reacting to external forces, without a clear sense of direction (Hax & Majluf, 1996). Planners should not only plan, but also serve as facilitators, catalysts, inquirers, educators, and synthesizers to guide the planning process effectively.

Organizations should encourage active participation of as many people as possible, including the faculty, administration, students, and alumni), engaging them in the on-going dialogue, and involving them in the strategic planning process, to generate a feeling of ownership of the process and the outcomes throughout the organization. Using a series of incremental steps that build strategies and integrating them into the entire organization will help to adjusting the course of action of strategic planning with overall organizational vision and strategic issues, while allowing for creativity and flexibility for change (Hax & Majluf, 1996).

While all types of communication are useful in implementing strategies, oral communication is especially important to implementing enterprise-wise strategies and carrying out the planning effort (Senge, 1990). Oral communication used in conjunction with other forms of communication affects strategic plans implementation directly
through its impact on the individuals involved in implementation. It encourages participation in strategy formation, refinement and implementation as well as enables direct communication of corporate strategies once formulated. Open and collaborative dialog helps the strategic management effort in many ways.

In addition to reaffirming the personal involvement of top management, it provides a mechanism for clarifying concepts during plan development, adapting overall organization plans to operational needs on a timely and detailed basis, helping those operating managers unfamiliar with strategic planning techniques to acquire strategic planning skills and coordinating and controlling the planning effort. This way greater integration of the overall organization and operating plans can be enhanced through greater reliance on oral communications (Povejsil, 1989). Open and cooperative dialog also enables the strategic management process to foster strategic thinking among key operating managers.

Leadership has been identified as critical to the planning process because knowledgeable and committed leadership is important for balancing the internal and external forces that affect the organization (Pearce & Robinson, 2003). Additionally, an active and supportive leader builds managerial support for the planning process which results in greater support for implementation of the plan (Carter, 1999). Peter (1974) clearly identifies the critical importance of leadership to the planning process by writing that leadership is important, and there is a need for leaders, within an organization to make strategic planning something more than muddling through or an incremental process. It seems conclusive then, that people play an important part in the planning process –both as leaders (or champions) and as participants.

Past studies have agreed that strong leadership that is committed to strategic planning is important for successful implementation of the plan. If the leader makes strategic planning a priority, it follows then that the organization is more likely to make strategic planning a priority. The challenge, however, comes from the idea that the people in the organization are more likely to be accountable for the plan if they are involved in the development of the plan. In practice, however, it is more difficult because the leader responsible for championing the planning process may also be the one who does not like to relinquish control of the process. Despite this challenge, the people play an important
role in the planning process and for strategic planning to be effective, organizations must have the participation and support of leaders and employees who will implement the plan.

2.5 Chapter Summary

This chapter reviewed literature on the strategic planning practices in the engineering consultancy firms in Nairobi. This was based on the specific research questions which sought to establish how is strategic planning in engineering consultancy firm are practiced, the benefits of applying strategic planning in engineering consultancy firm in and the challenges in applying strategic planning in engineering consultancy firms in Nairobi. Articles from various authors were critically reviewed and comparisons made. Past studies on specific research questions were exhausted. The next chapter presents research methodology that was applied for this study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of the research methodology used in the study. Research methodology help us understand the research design used in the study. It explains the methods of collecting data and instrument, type of data collected, and mode of analyzing, interpreting and presenting the data.

3.2 Research Design

Cooper and Schindler (2014) define research design as an outline, plan or scheme that is used to generate answers to research study. The descriptive research design was adopted in the study. According to Cooper and Schindler (2003) a descriptive study is designed to find out the what, where and how of a phenomenon. This survey design is adopted in preliminary and exploratory studies to enable researchers gather information, summarize, present and interpret for clarification purposes.

The choice to use descriptive survey research design was advised by the fact the research was interested on the state of affairs in the field already in existence. This research was thus able to generalize the findings to a large population. The main focus of this study was quantitative although there was some qualitative approach used in order to gain a clear picture and probably enable a better and more insightful interpretation of the results from the quantitative study.

3.3 Population and Sampling Design

3.3.1 Population

Target population is defined as a complete set of cases or elements with some common observable characteristics of a particular nature distinct from other population. Mugendaand Mugenda (2003) notes that a population is a well-defined set of people, services, elements, events, group of things or households that are being investigated. It is the entire group of individuals, objects or things that the researcher is interested in.

In this study, the population is finite and consists of all registered consulting engineering firms in Nairobi. This consists of both Limited liability companies as well as partnerships. It was easier to ascertain the entire population from the database maintained by the Engineering Board of Kenya. According to the Board, there are 358 non registered consulting engineers and 73 registered firms in Kenya.
3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling design is the process by which you determine your sample. The objective of sampling is to save on cost, increase the speed of data collection, avoid the physical impossibility of studying all items in the population and achieve greater accuracy of results. Firms are required to offer specialist services whether in civil, mechanical, electrical, structural or architectural area. The target respondents will be those in management positions, due to the nature of the study.

3.3.2.2 Sampling Technique

Asampling technique is the name or other identification of the specific process by which the entities of the sample have been selected(Hoyle, Harris & Jude, 2002). The study used simple random sampling method. Firms were grouped according to their specific area specified above. As earlier stated, the information is readily available from the Engineering Board of Kenya which has classified consulting engineers and firms according to their area of specialization.

Respondents from the registered engineering consultancy firms were selected via purposive sampling. Purposive sampling assumes that with good judgment and right strategy, elements can be handpicked and developed as representative of a population (Hoyle, Harris & Jude, 2002).

3.3.2.3 Sample Size

Gray (2009) defines a sample as a part or section of a population to be studied while sampling is the process of selecting a sample from of the population. In this study, 73 registered engineering consultancy firms was the target population for this study the sample was thus arrived at as follows

\[ n = \frac{N}{1 + Ne^2} = \]

\[ 73/(1+73*0.05^2) = 62. \]

The sample is thus large and this is due to the various sub- groups of consultancy engineering firms. According to Gay and Airasen (2003) a sample size of between 30% and 50% of the total population is representative.
3.4 Data Collection
Data collection is the process of gathering and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes (Cooper and Schindler, 2001).
Primary and secondary data was used by the researcher. The researcher used secondary data to collect data on the registration details of the firm, past financial performance and holders of management positions. On the other hand, primary data will gather from individual managers and firms.
Primary data was gathered by interview and questionnaires methods. The questionnaires had both structured closed ended question seeking specific information from the respondents and open-ended questions that sought in-depth information. The question forms will be hand delivered to firms.

3.5 Research Procedure
The questionnaire was pre-tested before the final distribution. Cooper and Schindler (2001) note that this is usually done to detect any weaknesses in the research design. The pre-testing (pilot testing) was done with the aim of refining and fine tuning the questionnaire so as to ensure that it was valid and reliable. The pilot was done on five respondents from the study population who will be then excluded from the final study to eliminate bias. The pilot was done to check possible errors in the instrument. The questionnaire was then be self-administered in hard copy form to each of the respondents and picked up later after a day to increase the response rate.

3.6 Data Analysis
The data collected was reviewed and edited to ensure accuracy, consistency and completeness. Raw data was processed using worksheet in Microsoft Excel and Statistical Package for Social Sciences (SPSS) which are the tools of analysis. Raw data was analyzed quantitatively and statistically. Data analysis was done by using descriptive statistics (Frequency distribution and measures of the central tendency) and the results interpreted, inferences made and presented on pie charts, tables and percentages.
3.7 Chapter Summary
This chapter provided a description of the procedures followed in conducting the study on assessing strategic planning practices in engineering consultancy firm in Nairobi. It also covered the design and the resources that were used to obtain the required information in order to make the correct conclusions. Data collection and data analysis has also been shown. The following chapter covered the findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the findings based on data that was collected from employees who work in the management level consulting engineering firms in Nairobi. It has also discuss results on background information such as; gender, age, level of education, work experience, management level, awareness of strategic planning process and number of times employees have taken in strategic planning. Results were also presented based on research objectives.

4.2 Response Rate
The research issued 62 questionnaires and 40 were filled and returned giving a response rate of 65% as shown in table 4.1 below.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>40</td>
<td>65</td>
</tr>
<tr>
<td>Non-response</td>
<td>22</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 General Information
This section discusses results on general information of respondents who participated in this study.

4.3.1 Gender
To investigate gender of the respondent’s majority of the respondents were male accounting for 80% of the population whereas female had 20% as shown in Figure 4.1 below. Results indicate that the engineering industry is a male dominated sector.
4.3.2 Age

To investigate age of the respondent’s majority of the respondents were over 35 years accounting for 52% of the population, 25% of the respondents were between 31-35 years, 15% of respondents were between 26-30 years and 8% of respondents were 20-25 years as shown in Figure 4.2. Mature employees are the majority and this implies that there is high job security in the organization.

4.3.3 Level of Education

To investigate respondent’s level of education it was revealed that 32 respondents have bachelor’s degree this represents 79% of the total population, 6 respondents have a diploma/certificate this represents 15% of the total population, 1 respondent have a post
graduate this represents 3% of the total population as shown in Figure 4.3. This shows that the organization has well educated employees who are able to make relevant decisions that will benefit the organization.

![Figure 4.3: Level of Education](image)

4.3.4 Work Experience

To investigate respondent’s work experience findings revealed that 48% of respondents have worked in the organization for 0-3 years, 35% have worked in the organization for 4-8 years and 17% have worked in the organization for over 8 years as shown in Figure 4.4.

![Figure 4.4: Work Experience](image)
4.3.5 Management Level

To investigate management level of respondent’s findings revealed that 19 respondents are in the middle level management this represents 47% of the respondents, 11 respondents are in the high level management this represents 28% of the population, 9 respondents are in the low level management this represents 22% of the population and 1% never responded representing 3% of the population as shown in Figure 4.5.

![Bar chart showing management level](image)

**Figure 4.5: Management Level**

4.4 Strategic Planning

4.4.1 Awareness of Strategic Planning Process

This study sought to investigate the level of respondents awareness of strategic planning process and the findings revealed that 16 respondents had medium aware of strategic planning process this represents 40% of the total population, 9 respondents are highly aware of strategic planning process this represents 23% of the total population, 9 respondents are not very much aware of strategic planning process this represents 23% of the total population and 4 respondents are very highly aware of strategic planning process this represents 10%as shown in Figure 4.6.
Figure 4.6: Aware of Strategic Planning Process

4.4.2 Participation in Strategic Planning

This study also sought to establish the number of times respondents have participated in strategic planning. It was revealed that 47% of respondents have participated in strategic planning for more than 2 times, 28% one or twice, 25% have never participated in strategic planning as shown in Figure 4.7.

Figure 4.7: Participation in Strategic Planning

4.5 Practices of Strategic Planning

The first objective of the study sought to determine how engineering consultancy firms in Nairobi undertook strategic planning. The study used a five point Likert scale. Respondents were asked to respond to a set of questions that they were rating with the least being not at all (1), little extent (2), moderate extent (3), great extent (4), very great
extent (5). Factor analysis was also done to reduce the 28 factors into fewer composite factors.

### 4.5.1 Descriptive Statistics of Strategy Formulation Practices

The study sought to determine how strategic formulation in engineering consultancy firm was practiced in Nairobi. Findings revealed that setting organization's objectives is undertaken with the vision in mind (M=4.33, SD=0.694). Defining organization's competitive strategy is undertaken with the mission in mind (M=4.23, SD=0.698). At the corporate level strategies are formulated by the top level management (M=4.33, SD=0.694). The management analyzes the environment using tools such as SWOT analysis (M=4.23, SD=0.891). It was also established that the essence of strategy formulation is coping with competition (M=3.82, SD=0.79).

The management analyzes the environment using tools such as PESTEL analysis (M=3.90, SD=0.632). Standard deviation was less that 1.0 hence, implying that there was consensus among respondents. There was however uncertainty on organization's goals are set in collaboration with all levels of management from functional to corporate levels of management (M=3.45, SD=1.501) and the standard deviation showed that there was a wider variability in responses as indicated in Table 4.2

### Table 4.2: Descriptive Statistics on Strategy Formulation in Engineering Firms

<table>
<thead>
<tr>
<th>Strategy Formulation</th>
<th>N</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting organization's objectives is undertaken with the vision in mind</td>
<td>40</td>
<td>4.33</td>
<td>0.694</td>
</tr>
<tr>
<td>The essence of strategy formulation is coping with competition</td>
<td>39</td>
<td>3.82</td>
<td>0.79</td>
</tr>
<tr>
<td>Defining organization's competitive strategy is undertaken with the mission in mind</td>
<td>40</td>
<td>4.23</td>
<td>0.698</td>
</tr>
<tr>
<td>At corporate level strategies are formulated by the top level management</td>
<td>40</td>
<td>4.33</td>
<td>0.694</td>
</tr>
<tr>
<td>Organization's goals are set in collaboration with all levels of management from functional to corporate levels of management</td>
<td>40</td>
<td>3.45</td>
<td>1.501</td>
</tr>
<tr>
<td>The management analyzes the environment using tools such as SWOT analysis.</td>
<td>40</td>
<td>4.23</td>
<td>0.891</td>
</tr>
<tr>
<td>The management analyzes the environment using tools such as PESTEL analysis.</td>
<td>40</td>
<td>3.90</td>
<td>0.632</td>
</tr>
</tbody>
</table>
4.5.2 Strategy Implementation

The study sought to determine how strategy implementation in engineering consultancy firm was practiced in Nairobi. The findings indicated that the organization has formulated policies for execution of its new strategies (M=3.98, SD=0.920). Quality leadership leads to a high level of commitment of the employees (M=4.35, SD=0.580). It was also revealed that middle managers play a vital role in strategic communication (M=4.38, SD=0.490). At the same time top managers have demonstrated their willingness to towards the implementation process (M=4.35, SD=0.622) and employees are satisfied with the allocation of resources (M=3.98, SD=0.920). The study also established that the organization has allocated enough financial resources for strategy implementation (M=4.2, SD=0.791). Organization's staff are motivated (M=4.13, SD=0.757). Standard deviation was less than 1.0 hence, implying that there was consensus among respondents. It was however revealed that majority disagreed that the organization processes are not aligned to strategy (M=2.58, SD=1.152).

Table 4.3: Descriptive Statistics of Strategy Implementation in Engineering Firms

<table>
<thead>
<tr>
<th>Strategy Implementation</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has formulated policies for execution of its new strategies</td>
<td>3.98</td>
<td>0.920</td>
</tr>
<tr>
<td>Quality leadership leads to a high level of commitment of the employees</td>
<td>4.35</td>
<td>0.580</td>
</tr>
<tr>
<td>Middle managers play a vital role in strategic communication</td>
<td>4.38</td>
<td>0.490</td>
</tr>
<tr>
<td>Top managers have demonstrate their willingness to towards the implementation process</td>
<td>4.35</td>
<td>0.622</td>
</tr>
<tr>
<td>Employees are satisfied with the allocation of resources</td>
<td>3.98</td>
<td>0.92</td>
</tr>
<tr>
<td>The organization has allocated enough financial resources for strategy implementation</td>
<td>4.2</td>
<td>0.791</td>
</tr>
<tr>
<td>Organization's staff are motivated</td>
<td>4.13</td>
<td>0.757</td>
</tr>
<tr>
<td>Organization processes are not aligned to strategy</td>
<td>2.58</td>
<td>1.152</td>
</tr>
</tbody>
</table>

4.5.3 Strategy Evaluation

An analysis of strategy evaluation in engineering consultancy firm practiced in Nairobi revealed that evaluation is measured against a set of standards (M=3.90, SD=0.744). It was also revealed that they undertake ongoing assessment of strategic initiative (M=3.95, SD=0.677). It was also established that engineering firms develop a set of key
performance indicators to track the success of strategic initiatives (M=3.85, SD=0.893) and they were able to identify corrective action when strategic initiatives are failing (M=4.05, SD=0.504). There is adequate response time, after acknowledging that a strategic initiative is failing (M=4.03, SD=0.668). Standard deviation was less that 1.0 hence, implying that there was consensus among respondents.

**Table 4.4: Descriptive of Strategy Evaluation**

<table>
<thead>
<tr>
<th>Evaluation</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation is measured against a set of standards.</td>
<td>40</td>
<td>3.90</td>
</tr>
<tr>
<td>We undertake ongoing assessment of strategic initiatives</td>
<td>40</td>
<td>3.95</td>
</tr>
<tr>
<td>We develop a set of key performance indicators to track the success of strategic initiatives</td>
<td>40</td>
<td>3.85</td>
</tr>
<tr>
<td>We identify corrective action when strategic initiatives are failing.</td>
<td>40</td>
<td>4.05</td>
</tr>
<tr>
<td>There is adequate response time, after acknowledging that a strategic initiative is failing</td>
<td>39</td>
<td>4.03</td>
</tr>
</tbody>
</table>

**4.5.4 Strategy Control**

An analysis of the strategy control revealed that control is measured against a set of standards (M=3.68, SD=0.764). There is analysis of the feasibility of long-term corporate goals (M=3.75, SD=0.927). There was uncertainty on the tests for the correctness of the division of tasks into phases (M=3.65, SD=0.975). Evaluation is measured against a set of standards (M=3.73, SD=0.933). There was however uncertainty on developing a set of key performance indicators to track the success of strategic initiatives (M=3.68, SD=1.185).

It was however revealed that the organizations undertaking ongoing assessment of strategic initiatives (M=3.95, SD=0.826). It was also established that employee job descriptions have been clearly established and effectively communicated to employees (M=4.43, SD=0.501). Members of the governing board or audit committee regularly receive the information they need to monitor management’s objectives and strategies (M=4.23, SD=0.577). Standard deviation was less that 1.0 hence, implying that there was consensus among respondents.
Table 4.5: Descriptive of Strategy Control

<table>
<thead>
<tr>
<th>Control</th>
<th>N</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control is measured against a set of standards</td>
<td>40</td>
<td>3.68</td>
<td>0.764</td>
</tr>
<tr>
<td>There is analysis of the feasibility of long-term corporate goals</td>
<td>40</td>
<td>3.75</td>
<td>0.927</td>
</tr>
<tr>
<td>We tests for the correctness of the division of tasks into phases</td>
<td>40</td>
<td>3.65</td>
<td>0.975</td>
</tr>
<tr>
<td>Employee job descriptions have been clearly established and effectively communicated to employees.</td>
<td>40</td>
<td>4.43</td>
<td>0.501</td>
</tr>
<tr>
<td>Members of the governing board or audit committee regularly receive the information they need to monitor management’s objectives and strategies</td>
<td>40</td>
<td>4.23</td>
<td>0.577</td>
</tr>
<tr>
<td>Evaluation is measured against a set of standards</td>
<td>40</td>
<td>3.73</td>
<td>0.933</td>
</tr>
<tr>
<td>We undertake ongoing assessment of strategic initiatives</td>
<td>39</td>
<td>3.95</td>
<td>0.826</td>
</tr>
<tr>
<td>We develop a set of key performance indicators to track the success of strategic initiatives</td>
<td>40</td>
<td>3.68</td>
<td>1.185</td>
</tr>
</tbody>
</table>

4.5.5 Factor Analysis of Strategic Planning Practices

Factor analysis was used to extract composite factors of how strategic planning in engineering consultancy firm was practiced in Nairobi.

4.5.5.1 Principal Component Analysis (KMO and Bartlett's Test)

The study tested the adequacy of the sampling and Sphericity of the sample through Barlett's test. Findings revealed that KMO value was 0.38 hence, considered acceptable according to Kaiser (1974). This shows that the sample size was adequate enough to permit factor analysis to be conducted. The Bartlett’s test showed a chi-square value of 978.347(p<0.05). This shows that the variables are skewed they are not normally distributed. It also shows that there was a strong relationship between variables and can be used to form components.

Table 4.6: KMO and Bartlett's Test

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>0.38</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square 978.347 df 378 Sig. 0.000</td>
</tr>
</tbody>
</table>

4.5.5.2 Total factor variance of Strategic Planning Practices

The study conducted a total factor variance on how strategic planning in engineering consultancy firm was practiced in Nairobi. Findings revealed that only Eigenvalues for
factor 1 to 8 were selected because they have Eigenvalue greater than or equal to 1. Factor 1 explains 37.5% of the variance, factor 2 explains 10.9% of the variance, factor 3 explains 9.4% of the variance, factor 4 explains 6.7% of the variance, factor 5 explains 5.2% of the variance, factor 6 explains 4.6% of the variance, factor 7 explains 4.6% of the variance and factor 8 explains 3.6% of the variance as shown in Table 4.7.

Table 4.7: Total factor variance of Strategic Planning Practices

<table>
<thead>
<tr>
<th>Component</th>
<th>Total Variance Explained</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>10.521</td>
<td>37.577</td>
<td>37.577</td>
</tr>
<tr>
<td>2</td>
<td>3.052</td>
<td>10.901</td>
<td>48.478</td>
</tr>
<tr>
<td>3</td>
<td>2.635</td>
<td>9.41</td>
<td>57.888</td>
</tr>
<tr>
<td>4</td>
<td>1.895</td>
<td>6.767</td>
<td>64.655</td>
</tr>
<tr>
<td>5</td>
<td>1.458</td>
<td>5.209</td>
<td>69.864</td>
</tr>
<tr>
<td>6</td>
<td>1.304</td>
<td>4.658</td>
<td>74.521</td>
</tr>
<tr>
<td>7</td>
<td>1.193</td>
<td>4.261</td>
<td>78.782</td>
</tr>
<tr>
<td>8</td>
<td>1.016</td>
<td>3.629</td>
<td>82.412</td>
</tr>
<tr>
<td>9</td>
<td>0.792</td>
<td>2.829</td>
<td>85.24</td>
</tr>
<tr>
<td>10</td>
<td>0.677</td>
<td>2.417</td>
<td>87.658</td>
</tr>
<tr>
<td>11</td>
<td>0.61</td>
<td>2.177</td>
<td>89.835</td>
</tr>
<tr>
<td>12</td>
<td>0.577</td>
<td>2.061</td>
<td>91.896</td>
</tr>
<tr>
<td>13</td>
<td>0.471</td>
<td>1.681</td>
<td>93.576</td>
</tr>
<tr>
<td>14</td>
<td>0.33</td>
<td>1.177</td>
<td>94.753</td>
</tr>
<tr>
<td>15</td>
<td>0.287</td>
<td>1.025</td>
<td>95.778</td>
</tr>
<tr>
<td>16</td>
<td>0.255</td>
<td>0.91</td>
<td>96.689</td>
</tr>
<tr>
<td>17</td>
<td>0.209</td>
<td>0.746</td>
<td>97.435</td>
</tr>
<tr>
<td>18</td>
<td>0.172</td>
<td>0.613</td>
<td>98.048</td>
</tr>
<tr>
<td>19</td>
<td>0.155</td>
<td>0.554</td>
<td>98.602</td>
</tr>
<tr>
<td>20</td>
<td>0.106</td>
<td>0.379</td>
<td>98.98</td>
</tr>
<tr>
<td>21</td>
<td>0.091</td>
<td>0.325</td>
<td>99.305</td>
</tr>
<tr>
<td>22</td>
<td>0.067</td>
<td>0.238</td>
<td>99.543</td>
</tr>
<tr>
<td>23</td>
<td>0.036</td>
<td>0.13</td>
<td>99.674</td>
</tr>
<tr>
<td>24</td>
<td>0.032</td>
<td>0.113</td>
<td>99.787</td>
</tr>
<tr>
<td>25</td>
<td>0.027</td>
<td>0.098</td>
<td>99.885</td>
</tr>
<tr>
<td>26</td>
<td>0.021</td>
<td>0.075</td>
<td>99.96</td>
</tr>
<tr>
<td>27</td>
<td>0.009</td>
<td>0.033</td>
<td>99.993</td>
</tr>
<tr>
<td>28</td>
<td>0.002</td>
<td>0.007</td>
<td>100</td>
</tr>
</tbody>
</table>
4.5.5.3 Screen Plot of How Strategic Planning in Engineering Consultancy Firm Was Practiced in Nairobi

Figure 4.8 shows a screen plot graphs for the eigenvalue against the factor number. The screen plot shows strategy formulation had an Eigenvalue of 10.5, the strategy implementation had an Eigenvalue 3, the strategy formulation had an Eigenvalue 2.6 and so forth. This shows that only 8 factors could be extracted from 28 factors hence, 9 factors affect how strategic planning in engineering consultancy firm was practiced in Nairobi.

![Scree Plot](image)

**Figure 4.8: Screen Plot of Strategic Planning in Engineering Consultancy**

4.6. Benefits of Applying Strategic Planning

The second objective of the study sought to determine how strategic planning in engineering consultancy firm practiced in Nairobi. The study used a five point Likert scale. Respondents were asked to respond to a set of questions that they were rating with the least being not at all (1), little extent (2), moderate extent (3), great extent (4), very great extent (5). Factor analysis was also done to reduce the 18 factors into fewer composite factors.
The study sought to determine market growth benefits achieved from applying strategic planning in engineering consultancy firm in Nairobi. Findings revealed that construction firms mainly seek to increase their market share to gain reputation (M=3.90, SD=0.982). Market share can be increased by changing the 4Ps (Product, price, place, promotion) variables (M=3.88, SD=1.09). The firm has used market penetration to increase market share (M=3.78, SD=0.862). The firm has used diversification to increase service delivery (M=3.80, SD=0.992). Evaluation require extensive effort to complete (M=4.10, SD=0.744). There was however uncertainty on the firm has using diversification to increase service delivery (M=3.55, SD=0.714) or using product development to enter new market (M=3.13, SD=1.418).

An analysis of performance benefits achieved from applying strategic planning in engineering consultancy firm in Nairobi. It was established that strategic planning as aided in the identification of poor performing areas in a firm (M=3.88, SD=0.757). Through strategic planning we have uncovered the product offerings that are in the best interest of the firm (M=3.78, SD=0.66). Improved financial performance as the main reason for using strategic planning (M=3.60, SD=1.008). The firm has attained clearer focus of the organization, thus producing more efficiency and effectiveness (M=3.65, SD=1.099). There was however a lack of certainty on strategic planning also provides a mechanism for informed change when needed (M=3.48, SD=0.816). Neither was there a clear agreement on strategic planning aiding uncover service offerings that are in the best interest of the firm (M=3.15, SD=1.075). Respondents were also not sure of strategic planning providing a base from which progress can be measured (M=3.55, SD=1.108).

The results from employee engagement performance benefits achieved from applying strategic planning in engineering consultancy firm in Nairobi. The study established that involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage (M=3.95, SD=0.724). Employee engagement has resulted into better performance (M=4.46, SD=0.505). Employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion (M=3.82, SD=0.721). Employee engagement has assisted in integrating strategy content (M=3.95, SD=0.686).
Table 4.8: Descriptive Statistics of Benefits of Applying Strategic Planning

<table>
<thead>
<tr>
<th>Market Growth</th>
<th>N</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  The firm has used diversification to increase service delivery</td>
<td>40</td>
<td>3.55</td>
<td>0.714</td>
</tr>
<tr>
<td>B  Construction firms mainly seek to increase their market share to gain reputation</td>
<td>39</td>
<td>3.90</td>
<td>0.982</td>
</tr>
<tr>
<td>C  Market share can be increased by changing the 4Ps (Product, price, place, promotion) variables</td>
<td>40</td>
<td>3.88</td>
<td>1.09</td>
</tr>
<tr>
<td>D  Evaluation require extensive effort to complete</td>
<td>40</td>
<td>4.10</td>
<td>0.744</td>
</tr>
<tr>
<td>E  The firm has used market penetration to increase market share</td>
<td>40</td>
<td>3.78</td>
<td>0.862</td>
</tr>
<tr>
<td>F  The firm has used diversification to increase service delivery</td>
<td>40</td>
<td>3.80</td>
<td>0.992</td>
</tr>
<tr>
<td>G  The firm has used product development to enter new market</td>
<td>40</td>
<td>3.13</td>
<td>1.418</td>
</tr>
<tr>
<td>Performance of the Organization</td>
<td>N</td>
<td>MEAN</td>
<td>SD</td>
</tr>
<tr>
<td>H  Strategic planning as aided in the identification of poor performing areas in a firm</td>
<td>40</td>
<td>3.88</td>
<td>0.757</td>
</tr>
<tr>
<td>I  Through strategic planning we have uncovered the product offerings that are in the best interest of the firm.</td>
<td>40</td>
<td>3.78</td>
<td>0.66</td>
</tr>
<tr>
<td>J  Strategic planning also provides a mechanism for informed change when needed</td>
<td>40</td>
<td>3.48</td>
<td>0.816</td>
</tr>
<tr>
<td>K  Improve financial performance as the main reason for using strategic planning</td>
<td>40</td>
<td>3.60</td>
<td>1.008</td>
</tr>
<tr>
<td>L  Through strategic planning we have uncovered service offerings that are in the best interest of the firm.</td>
<td>40</td>
<td>3.15</td>
<td>1.075</td>
</tr>
<tr>
<td>M  Strategic planning also provides a base from which progress can be measured</td>
<td>40</td>
<td>3.55</td>
<td>1.108</td>
</tr>
<tr>
<td>N  The firm has attained clearer focus of the organization, thus producing more efficiency and effectiveness.</td>
<td>40</td>
<td>3.65</td>
<td>1.099</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>N</td>
<td>MEAN</td>
<td>SD</td>
</tr>
<tr>
<td>O  Involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage</td>
<td>40</td>
<td>3.95</td>
<td>0.724</td>
</tr>
<tr>
<td>P  Employee engagement has resulted into better performance</td>
<td>39</td>
<td>4.46</td>
<td>0.505</td>
</tr>
<tr>
<td>Q  Employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion</td>
<td>40</td>
<td>3.82</td>
<td>0.721</td>
</tr>
<tr>
<td>R  Employee engagement has assisted in integrating strategy content</td>
<td>40</td>
<td>3.95</td>
<td>0.686</td>
</tr>
</tbody>
</table>
Figure 4.9: Descriptive Statistics of Benefits of Applying Strategic Planning
KEY:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The firm has used diversification to increase service delivery</td>
</tr>
<tr>
<td>B</td>
<td>Construction firms mainly seek to increase their market share to gain reputation</td>
</tr>
<tr>
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<td>Market share can be increased by changing the 4Ps (Product, price, place, promotion) variables</td>
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<tr>
<td>F</td>
<td>The firm has used diversification to increase service delivery</td>
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</tr>
<tr>
<td>J</td>
<td>Strategic planning also provides a mechanism for informed change when needed</td>
</tr>
<tr>
<td>K</td>
<td>Improve financial performance as the main reason for using strategic planning</td>
</tr>
<tr>
<td>L</td>
<td>Through strategic planning we have uncovered service offerings that are in the best interest of the firm.</td>
</tr>
<tr>
<td>M</td>
<td>Strategic planning also provides a base from which progress can be measured</td>
</tr>
<tr>
<td>N</td>
<td>The firm has attained clearer focus of the organization, thus producing more efficiency and effectiveness.</td>
</tr>
<tr>
<td>O</td>
<td>Involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage</td>
</tr>
<tr>
<td>P</td>
<td>Employee engagement has resulted into better performance</td>
</tr>
<tr>
<td>Q</td>
<td>Employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion</td>
</tr>
<tr>
<td>R</td>
<td>Employee engagement has assisted in integrating strategy content</td>
</tr>
</tbody>
</table>

4.6.1 Analysis of Benefits of Applying Strategic Planning

As shown in Figure 4.9, the results established that 52.5% agreed that the firm has used diversification to increase service delivery, only 5% disagreed. It was also revealed that 80% agreed that construction firms mainly seek to increase their market share to gain reputation 12.5% disagreed. In addition, 75% agreed that market share can be increased by changing the 4Ps (Product, price, place, promotion) variables while 12.5% disagreed. On the other hand, 82.5% agreed that evaluation require extensive effort to complete 2.5% were in a disagreement. To establish if the firm has used market penetration to increase
market share. 70% agreed while 10% disagreed with the statement. It was also revealed that 65% agreed that the firm has used diversification to increase service delivery only 12.5% were in a disagreement. There was however uncertainty about the firm has using product development to enter new market as those who either agreed or disagreed were 42.5% respectively.

The study also revealed that 75% agreed that strategic planning as aided in the identification of poor performing areas in a firm, 5% disagreed although, 65% acknowledged that through strategic planning we have uncovered the product offerings that are in the best interest of the firm. The results also show that 55% agreed that strategic planning also provides a mechanism for informed change when needed although 10% disagreed. The study also established that 72.5% agreed that improved financial performance was the main reason for using strategic planning and only 17.5% disagreed. There was uncertainty on whether through strategic planning respondents have uncovered service offerings that are in the best interest of the firm as only 35% agreed with 27.5% disagreeing.

On the other hand 65% agreed that strategic planning also provides a base from which progress can be measured, those who disagreed accounted for 17.5%. The findings also indicated that 52.5% agreed that the firm has attained clearer focus of the organization, thus producing more efficiency and effectiveness and only 10% disagreed. The study also revealed that 85% agreed that the involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage, while 7.5% disagreed. A total of 97.5% agreed that the engagement has resulted into better performance, on that note 67.5% also admitted that employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion, only 2.5% disagreed. The findings also show that 77.5% agreed that employee engagement has assisted in integrating strategy content, with only 2.5% in a disagreement.

4.7. Challenges in Applying Strategic Planning

The last objective of the study sought to determine challenges in applying strategic planning in engineering consultancy firms in Nairobi. The study used a five point Likert scale. Respondents were asked to respond to a set of questions that they were rating with the least being not at all (1), little extent (2), moderate extent (3), great extent (4), very
great extent (5). Factor analysis was also done to reduce the 17 factors into fewer composite factors.

4.7.1 Descriptive Statistics on Challenges in Applying Strategic Planning in Engineering Consultancy Firms in Nairobi

The study sought to determine challenges in applying strategic planning in engineering consultancy firms in Nairobi. It was revealed that respondents could not reach an agreement on the organizational environment has a rapid technology development M=3.25, SD=1.354. Standard deviation showed that there was a wider variability in response. This means that organizational environment does not have a rapid technology development.

Findings also revealed that respondents disagreed that the organization environment is turbulent M=2.78, SD=1.209, resistance to change from the organization’s staff M=2.78, SD=1.143, communication in the organization is poor M=2.75, SD=1.193, the organization has insufficient funds M=2.75, SD=1.149, there is lack of skills and enough staff in the organization M=2.55, SD=1.319, top management commitment is low M=2.53, SD=1.414, there is a dynamic organizational culture M=2.48, SD=1.010 and there is ambiguity of external stakeholder’s expectations M=2.45, SD=0.904. However, it was revealed that there was a wide variability in response hence lack of consensus among respondents.

It was also revealed that respondents disagreed on there is leakage in country’s strategic plan M=2.67, SD=0.898, there is ambiguity of external stakeholder’s expectations M=2.45, SD=0.904, there is a variety of stakeholders in the organization M=2.58, the organization has a variety of stakeholders M=2.40, SD=0.871 and the organizational industrial culture is dynamic M=2.18, SD=0.747. Standard deviation was less than 1.0 hence, implying that there was consensus among respondents as shown in Table 4.9.
Table 4.9: Descriptive Statistics on Challenges in Applying Strategic Planning

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>MEAN</th>
<th>SD</th>
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<tbody>
<tr>
<td><strong>Internal challenges of strategic planning</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Top management commitment is low</td>
<td>40</td>
<td>2.53</td>
<td>1.414</td>
</tr>
<tr>
<td>B Resistance to change from the organization’s staff</td>
<td>40</td>
<td>2.78</td>
<td>1.143</td>
</tr>
<tr>
<td>C There is a dynamic organizational culture</td>
<td>40</td>
<td>2.43</td>
<td>1.01</td>
</tr>
<tr>
<td>D The organization has a variety of stakeholders</td>
<td>40</td>
<td>2.40</td>
<td>0.871</td>
</tr>
<tr>
<td>E The communication in the organization is poor</td>
<td>40</td>
<td>2.75</td>
<td>1.193</td>
</tr>
<tr>
<td>F The organization has insufficient funds</td>
<td>40</td>
<td>2.75</td>
<td>1.149</td>
</tr>
<tr>
<td>G There is lack of skills and enough staff in the organization</td>
<td>40</td>
<td>2.55</td>
<td>1.319</td>
</tr>
<tr>
<td>H There is ambiguity of external stakeholders’ expectations</td>
<td>40</td>
<td>2.30</td>
<td>0.939</td>
</tr>
<tr>
<td><strong>External factors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I The organization environment is turbulent</td>
<td>40</td>
<td>2.78</td>
<td>1.209</td>
</tr>
<tr>
<td>J Unavailability of macro information in the organization</td>
<td>40</td>
<td>2.35</td>
<td>0.864</td>
</tr>
<tr>
<td>K The organizational industrial culture is dynamic</td>
<td>40</td>
<td>2.18</td>
<td>0.747</td>
</tr>
<tr>
<td>L There is lack of skills in the organizational environment</td>
<td>40</td>
<td>1.78</td>
<td>0.862</td>
</tr>
<tr>
<td>M There is ambiguity of external stakeholder’s expectations</td>
<td>40</td>
<td>2.45</td>
<td>0.904</td>
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<tr>
<td>N There is a variety of stakeholders in the organization</td>
<td>40</td>
<td>2.58</td>
<td>0.931</td>
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<tr>
<td>O The communication in the organization is poor</td>
<td>40</td>
<td>2.60</td>
<td>1.336</td>
</tr>
<tr>
<td>P The organizational environment has a rapid technology development</td>
<td>39</td>
<td>3.25</td>
<td>1.354</td>
</tr>
<tr>
<td>Q There is leakage in country’s strategic plan</td>
<td>39</td>
<td>2.67</td>
<td>0.898</td>
</tr>
</tbody>
</table>
Figure 4.10: Descriptive Statistics on Challenges in Applying Strategic Planning
4.7.1 Analysis on Challenges in Applying Strategic Planning

From the analysis 22.5% agreed that top management commitment is low and a majority accounting for 60% were in a disagreement. On the other hand, 35% agreed that there is resistance to change from the organization’s staff 52.5% disagreed. Only, 15% there is a dynamic organizational culture, a majority disagreement 50%. The study also revealed that 52.5% agreed that the organization has a variety of stake holders while 47.5% disagreement. It was agreed that revealed that 25% agreed that the communication in the organization is poor, 52.5% disagreed. The findings also show that 30% agreed that the organization has insufficient funds and 45% disagreed. The study also established that 32.5 agreed that there is lack of skills and enough staff in the organization although 60% disagreed.

The findings also revealed that there was uncertainty on ambiguity of external stakeholders’ expectations as 50% either agreed or disagreed. On the other hand, 35% agreed that the organization environment is turbulent while 37.5% disagreed. The study also established that only 7.5% agreed that there is unavailability of macro information in the organization, a majority accounting for 55% disagreed. It was also established that
only 2.5% agreed that the organizational industrial culture is dynamic, 67.5% disagreed. On the other hand 82.5% disagreed that there is lack of skills in the organizational environment, while 5% agreed. The study also revealed that 10% agreed that there is ambiguity of external stakeholder’s expectations, 47.5% disagreed. It was also established that 15 % agreed that there is a variety of stakeholders in the organization, 42.5% disagreed. In the meantime, 30% agreed that communication in the organization is poor, 62.5% disagreed. On the other hand, 52.5% agreed that organizational environment has a rapid technology development, 35% disagreed. The study, also revealed that 17.5% agreed that there is leakage in country’s strategic plan 47.5% disagreed.

4.8 Chapter Summary
This chapter has highlighted results and findings. The first section provided an analysis of demographic data of the respondents, the second section dealt with data on strategic planning, the third section looked at the data on practices of strategic planning, and the fourth section covered benefits gained from strategic planning. In the fifth section the Challenges are discussed. In chapter five this results will be discussed and relevant conclusions and recommendations made with regard to strategic planning practices in engineering consultancy firms in Nairobi.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presented findings in a summary. In addition, findings are also discussed based on research objectives. Literature review was also used to discuss results. The chapter also presents discussion, conclusion, recommendation and further studies that should be carried out.

5.2 Summary of the Findings
The purpose of the study was to assess the strategic planning practices in the engineering consultancy firms in Nairobi. The study was guided by the following research questions:
How is strategic planning in engineering consultancy firm practiced in Nairobi?
What are the benefits of applying strategic planning in engineering consultancy firm in Nairobi?
What are the challenges in applying strategic planning in engineering consultancy firms in Nairobi?

The study uses descriptive research design. Target population was 358 non registered consulting engineers and 73 registered firms in Kenya. Simple Random Sampling method was used. Purposive sampling was used to select registered engineering consultancy firms. In this study, 40 registered engineering consultancy firms were selected for study which is 54% of the target population. Structured Questionnaires were used to collect primary data. Raw data was analyzed using SPSS software. Data analysis was done by using descriptive statistics (Frequency distribution and measures of the central tendency) and the results interpreted, inferences made and presented on pie charts, tables and percentages.

The findings on how strategic planning in engineering consultancy firm practiced in Nairobi revealed that respondents agreed that middle managers play a vital role in strategic communication, quality leadership drive the organization into successful strategy implementation and top managers have demonstrate their willingness to towards the implementation process. Findings also revealed that respondents reached a disagreement on the organization has implemented its new strategies, the management analyzes the environment using tools such as PESTEL analysis, employees have cooperated towards successful strategy implementation, employees undertake ongoing assessment of strategic
initiatives, evaluation is measured against a set of standards and organization develops a set of key performance indicators to track the success of strategic initiatives. However, respondents disagreed that organization processes are not aligned to strategy.

The findings on benefits of applying strategic planning in engineering consultancy firm in Nairobi indicated that most respondents agreed that employee engagement has resulted into better performance and evaluation require extensive effort to complete. However, respondents disagreed on involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage, employee engagement has assisted in integrating strategy content, construction firms mainly seek to increase their market share to gain reputation, market share can be increased by changing the 4Ps (Product, price, place, promotion) variables, strategic planning as aided in the identification of poor performing areas in a firm, employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion, the firm has used diversification to increase service delivery, the firm has used market penetration to increase market share and through strategic planning we have uncovered the product offerings that are in the best interest of the firm.

The findings on challenges in applying strategic planning in engineering consultancy firms in Nairobi showed that respondents could not reach an agreement on the organizational environment has a rapid technology development. However, respondents disagreed that the organization environment is turbulent, resistance to change from the organization’s staff, the communication in the organization is poor, the organization has insufficient funds, and the communication in the organization is poor, there is lack of skills and enough staff in the organization, top management commitment is low, there is a dynamic organizational culture and there is ambiguity of external stakeholder’s expectations, there is leakage in country’s strategic plan, there is ambiguity of external stakeholder’s expectations, there is a variety of stakeholders in the organization, the organization has a variety of stake holders and the organizational industrial culture is dynamic. Respondents also strongly disagreed on there was lack of skills in the organizational environment.
5.3 Discussion
5.3.1 How Strategic Planning in Engineering Consultancy Firm Practiced in Nairobi

The findings revealed that the top managers have demonstrated their willingness towards the implementation process and middle managers play a vital role in strategic communication. This is in line with Yabs, (2010) who states that at corporate level strategies are formulated by the top level management or the board of directors (Yabs, 2010). At business level strategies are formulated by middle level managers for example; marketing manager, production manager, human resource manager, among others (Yabs, 2010). Aaltonen and Ikåvalko (2002) recognize the role of middle managers, arguing they are the “key actors” “who have a pivotal role in strategic communication.

Findings showed that setting organization's objectives is undertaken with the vision in mind and defining organization's competitive strategy is undertaken with the mission in mind. This is similar to McFarlane (2013) asserts that the process of formulating strategy must be undertaken with the vision and mission in mind. Formulation phase consists of mission, goals and business policy determination while implementation consists of activities, budgeting and procedures. Between these steps emerge much confusion like who carry out the strategic plan, what must be done and how to work (Lee, Kim & Park, 2011).

It was revealed that management analyzes the environment using tools such as SWOT analysis. According to Grace (2013) the primary activity in strategy formulation is SWOT (Strength, Weakness, Opportunity, Threat) analysis or identification of opportunity and threat of the organization and assign risk value to each option and also analyses strength and weakness of the organization before making a choice.

Findings also revealed that majority of the respondents could not reach an agreement on the management analyzes the environment using tools such as PESTEL. In contrast, according to Franken et al., (2009) before going for strategy formulation, the management must analyze the environment using tools such as SWOT analysis, PESTEL analysis, Porters five forces model, competitor analysis, customer analysis and gap analysis and many others planning tools and technics.

It was established that respondents could not reach an agreement on the organization has implemented its new strategies. Similar according to Franken et al., (2009); Miller, (2002)
states that remarkably, organizations fail to implement about 70 per cent of their new strategies. Similarly, it was found that 40-60 per cent of the potential value of the strategic plan is never realized and captured due to insufficiencies in planning and implementation.

According to Johnson (2004), 66% of corporate strategy is never executed. It is believed that strategy formulation is difficult while executing or implementing it throughout the organization is even more difficult. Without effective implementation, no business strategy can succeed. Unfortunately, most managers know far more about developing strategy than they do about executing it (Hrebiniak, 2013).

Findings showed that employees do not cooperate towards successful strategy implementation and employees do not undertake ongoing assessment of strategic initiatives. According to Kaplan and Norton (2005) believed that 95% of a company’s employees are unaware of or do not understand their company’s strategy. If managers are not committed to performing their roles the lower ranks of employees will not be provided support and guidance through encouragement of entrepreneurial attributes (David, 2013).

5.3.2 Benefits of Applying Strategic Planning in Engineering Consultancy Firm in Nairobi

Findings showed that employee engagement has resulted into better performance. According to Markos and Sridevi (2010), if employees are not addressed in an appropriate manner they may fail to engage themselves in their job in response to such kind of mismanagement. It is conceptualized as positive attachment and willingness to exert energy for success of the organization, feeling proud of being a member of that organization and identifying oneself with it by proactively seeking opportunities to contribute one’s best and going extra mile beyond the employment contract.

It was established that evaluation require extensive effort to complete. Parnell (2008) emphasized the need to include other levels of management apart from top management in testing the moderating effect in the strategy-performance linkage as they are major players during the execution. This assists in integrating strategy content and execution at a deeper level in the organization allowing for strategy diffusion.
Findings established that respondents could not reach an agreement on involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage. According to Kithinji (2012) cited that involvement of employees in strategy formulation stage as a motivator since it aids in the understanding of the productivity-reward linkage and role clarification on what is expected of them thereby reducing any resistance to change. It is believed that through participation there is free flow of information that leads to better decisions and therefore greater commitment. Similarly, it allowed for greater authority during planning and implementation, while concurrently enhancing employee’s accountability for their results (Suklev & Debarliev, 2012).

It was established that respondents could not reach an agreement on firm has used market penetration to increase market share. In contrast, according to Harzing (2010), asserts that firms mainly seek to increase their market share to gain reputation since market leaders have an influence that they can use to their advantage. A firm may use its influence in an industry to increase its bargaining power. A larger player has an advantage in negotiations with suppliers and channel members than a smaller player in the industry has. This power enables a firm to be more competitive in the industry which ultimately results to increased performance (Harzing, 2010).

It was established that respondents could not reach an agreement on market share can be increased by changing the 4Ps (Product, price, place, promotion) variables and the firm has used market penetration to increase market share. In contrast according to Jones (2004), market share can be increased by changing the variables of the marketing mix. They include the product whose attributes can be changed to provide more value to the customer by improving product quality. Setting right market prices as part of the marketing mix also impacts on the market share since a decrease in price will increase sales revenue (Hitt & Ireland, 2005). Ansoff suggests the safest growth option is to adopt a market penetration strategy, whereby a firm gains more usage from existing customers and also seeks to attract new customers in their existing market.

Findings showed that respondents could not reach an agreement on strategic planning as aided in the identification of poor performing areas in a firm. In contrast according to study done by Glaister et al. (2008), Alaka et al. (2011), Karabulut and Efendioglu (2010) and Owolabi and Makinde (2012) findings established that there was a positive correlation between strategic planning and corporate performance.
Findings established that respondents could not reach an agreement on employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion.

Findings showed that respondents could not reach an agreement on through strategic planning we have uncovered the product offerings that are in the best interest of the firm. According to Aosa (2011) found the need to improve financial performance as the main reason for using strategic planning. Focused planning and strategic thinking uncovers the customer segments, market conditions, and product and service offerings that are in the best interest of the firm. A targeted approach to markets and opportunities guides sales and marketing efforts, distribution and other business decisions which ultimately mean more profit to the bottom line and a stronger market position.

5.3.3 Challenges in Applying Strategic Planning in Engineering Consultancy Firms in Nairobi

Findings established that respondents could not reach an agreement on the organizational environment has a rapid technology development.

Findings also established that respondents disagreed that the organization environment is turbulent. According to Pearce and Robbinson (2003), the entrance of important new competitors into the industry may throw an organization in tantrums. Anticipated new substitute or competing products may render the organization’s products uncompetitive. Operating environment changes, such as in the Customer profiles, need to be anticipated and strategies adjusted to match customer expectations (Pearce, and Robbinson, 2003). The challenge of advances in innovation technology means an organization has to ensure that its staffs are up to date.

Findings indicated that respondents disagreed that resistance to change from the organization’s staff. Internal sources of barriers has been ranked the highest and take place when staffs are complacent where they are and will resist any strategic changes being introduced by the organization. Resistance to change normally leads to delays, additional costs and destabilizes organization change process. People working in an organization sometimes resist change proposals and make strategy difficult to implement (Lynch, 2000).
Findings indicated that respondents disagreed that the communication in the organization is poor. According to Alexander (1985) findings, communication was among the most frequently mentioned item which was behind the promotion of successful implementation of a strategy. Therefore effective communication should explain clearly the new responsibilities, duties and tasks which are to be done by the targeted employees. Heide, Gronhaug and Johannessen (2002) on the other hand observed that there existed various communication related challenges. The communication related issues could have been brought about by the structure of the organization which intern leads to the creation of a barrier to the implementation of the strategic activities which had been planned.

Findings showed that respondents disagreed that top management commitment is low. In contrast according toHerbiniak and Snow (1982) findings which indicated that, the participation and the interventions among the highest level of management in an organization promotes greater commitment levels in the implementation of a firms vision and strategies which in turn promotes success in the implementation of a firms selected strategy. Smith and Kofron (1996) believed that the senior management played a major role not only in the formulation, but in the implementation of the strategy while Nutt (1986) suggested that the tactics used in leadership styles may play important roles in overcoming obstructions from the lower levels that sometimes my appear in the implementation strategies.

Findings established that respondents disagreed that there is a dynamic organizational culture. Lynch (2000), culture also can be a barrier to strategy implementation. Inappropriate systems utilized during the process of operationalization, institutionalization and control of the strategy are often sources of challenges during strategy implementation. Lack of leadership from top executives arises when the top managers and leaders do not commit themselves to the process of strategy implementation in an organization.

It was established that respondents disagreed on unavailability of macro information in the organization and the organization has insufficient funds. Prasad and Tata (2003) states that the macro economy influences strategic planning in public sector organisations in two ways. First, with economic growth, people’s expectations of public services increase which requires public organizations to strategically plan ahead to satisfy public demands for better services. Second, fluctuations in the macro-economy, such as the recent
economic crises, might reduce public organizations ability to plan ahead because funding is reduced on one side and the availability of reliable economic information (growth forecasting information) is unpredictable/unavailable on the other side (Prasad & Tata, 2003).

It was established that respondents disagreed on there is ambiguity of external stakeholders expectations. Lawton et al., (2000) asserts that another potential barrier is the ambiguity of stakeholders expectations, which emphasises the clarity of stakeholders requirements. For many public sector organisations the planning process is faced with constraints relating to understanding external stakeholders requirements.

5.4 Conclusions

5.4.1 How Strategic Planning in Engineering Consultancy Firm Practiced in Nairobi

The study concludes that middle managers influences strategic communication, successful strategy implementation is influenced by quality leadership, implementation process was due to manager’s willingness, and organization’s competitive strategy is undertaken with the mission in mind. Strategy is not effectively implemented in the organization due to lack of Manages using PESTEL analysis to analyze the environment, employees participating in strategy implementation and lack of aligning organizational process to strategy.

5.4.2 Benefits of Applying Strategic Planning in Engineering Consultancy Firm in Nairobi

Employees are able to increase their performance due to their engagement. However, through employee engagement the organization is not able to integrate strategy content and has not helped in execution at a deeper level in the organization allowing for strategy diffusion. Strategy formulation stage does not act as a motivator of productivity-reward linkage. Strategic planning has not helped the organization identify poor performing areas.
5.4.3 Challenges in Applying Strategic Planning in Engineering Consultancy Firms in Nairobi

The organization environment is turbulent, communication in the organization is not poor; organization has employees who have the required skills, commitment from management is not low and staffs do not resist change. However, major challenge construction company’s face during strategic planning is lack of rapid technology development, lack dynamic organizational culture, lack of variety of stakeholders and ambiguity of external stakeholder’s expectations.

5.5 Recommendations

5.5.1 Recommendation for Improvement

5.5.1.1 How Strategic Planning in Engineering Consultancy Firm Practiced in Nairobi

The study recommends that to successfully implement a strategic plan construction companies should scan the business environment and identify threats, opportunities, use key performance indicators to track success of the strategy. Through the construction companies will be able to achieve a competitive advantage.

5.5.1.2 Benefits of Applying Strategic Planning in Engineering Consultancy Firm in Nairobi

Construction companies should ensure that employees are involved in strategic planning process hence increase empowerment, teamwork and help employees grow and develop their skills and knowledge. Through this, employees will be able to know what is required from. The organization can also increase its market share through diversification and market penetration strategies hence, increase productivity and profit in the organization.

5.5.1.3 Challenges in Applying Strategic Planning in Engineering Consultancy Firms in Nairobi

It is recommended that construction companies should develop a culture that has managers who are committed and will motivate and encourage employees to participate in strategic planning process, develop policies and strategies that will prevent leakage of
strategic plan. Construction companies should also adopt the use of advance technology hence save cost.

5.5.2 Recommendations for Further Studies

The purpose of the study was assessment of strategic planning practices in engineering consultancy firms in Nairobi. The study only focused on construction companies. Therefore there is a need to undertake further studies in other counties and other organizations to determine other assessment of strategic planning practices.
REFERENCES


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APPENDICES

Appendix A: Introduction Letter

Alain Marcel Gatunange

United States International University - Africa,

P.O. Box 14634, 00800,

January 29, 2018

To whom it may concern,

RE: Assessment of Strategic Planning Practices in Engineering Consultancy Firms in Nairobi

I am a graduate student at United States International University – Africa (USIU-A), undertaking a research to examine assess strategic planning practices in engineering consultancy firms in Nairobi. This is in partial fulfillment of the degree program requirement of the Master of Business Administration at USIU-Africa.

You have been randomly selected to participate in this study kindly respond as objectively and candid as possible. Your participation will be highly appreciated and is essential for the accomplishment of this study.

I guarantee that the information provided shall be handled with utmost confidentiality and will be used only for academic purposes where confidentiality is strictly emphasized. Kindly spare some time to complete the questionnaire attached.

Thank you.

Yours faithfully,

Alain Marcel Gatunange

0729-732280
Appendix B: Questionnaire

Please answer all questions

SECTION A: Background Information

1. Your gender: Male [ ] Female [ ]

2. You age bracket (Tick whichever appropriate)
   - Below 20 [ ]
   - 20 – 25 years [ ]
   - 26 – 30 years [ ]
   - 31 - 35 Years [ ]
   - Over- 35 years [ ]

3. What is your highest level of education? (Tick as applicable)
   - Primary Certificate [ ]
   - Secondary Certificate [ ]
   - Diploma/Certificate [ ]
   - Bachelors’ degree [ ]
   - Postgraduate degree [ ]
   - If others, specify …………………………………………………………………………………

4. Working experience in the Organization
   - 0 – 3 years [ ]
   - 4– 8 years [ ]
   - Over 8 years [ ]

5. Management Level in the Firm
   - High [ ]
   - Middle [ ]
   - Low [ ]

6. What is you level of aware of the strategic planning processes in your organization?
   - Very High [ ]
   - High [ ]
   - Medium [ ]
   - Low [ ]
   - Very low [ ]

7. How many times have you taken part in strategic planning in the firm
   - Never [ ]
   - 1-2 times [ ]
   - Over 2 times [ ]
SECTION B: Strategic Planning In Engineering Consultancy Firm

State by ticking the appropriate box, your level of agreement with the following statements on a scale of 1 to 5, Where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree)

<table>
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<tr>
<td>8. The process of formulating strategy is undertaken with the vision in mind.</td>
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<td>9. The essence of strategy formulation is coping with competition</td>
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<td>10. The process of formulating strategy is undertaken with the mission in mind.</td>
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<td>11. At corporate level strategies are formulated by the top level management</td>
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<td>12. Strategy formulation is done in all levels of management from functional to corporate level management</td>
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<td>13. The management analyzes the environment using tools such as SWOT analysis.</td>
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<td>14. The management analyzes the environment using tools such as PESTEL analysis.</td>
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**Strategy Implementation**

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<td>15. The organization has implemented its new strategies</td>
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<td>16. Quality leadership drive the organization into successful strategy implementation</td>
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<tr>
<td>17. Middle managers play a vital role in strategic communication</td>
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<td>18. Top managers have demonstrate their willingness to towards the implementation process</td>
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<td>19. Employees have cooperated towards successful strategy implementation</td>
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</table>

**Evaluation**

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<tbody>
<tr>
<td>20. Evaluation is measured against a set of standards.</td>
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<td>21. We undertake ongoing assessment of strategic initiatives</td>
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<td>22. We develop a set of key performance indicators to track the success of strategic initiatives</td>
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<td>23. We identify corrective action when strategic initiatives are</td>
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</table>
24. There is adequate response time, after acknowledging that a strategic initiative is failing

Control

25. Control is measured against a set of standards

26. There is analysis of the feasibility of long-term corporate goals

27. We tests for the correctness of the division of tasks into phases

28. Employee job descriptions have been clearly established and effectively communicated to employees.

29. Members of the governing board or audit committee regularly receive the information they need to monitor management’s objectives and strategies?

SECTION C: Benefits of applying strategic planning in engineering consultancy firms

State by ticking the appropriate box, your level of agreement with the following statements on a scale of 1 to 5, Where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree)

<table>
<thead>
<tr>
<th>Market growth</th>
<th>1</th>
<th>2</th>
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</thead>
<tbody>
<tr>
<td>30.. The firm has used market penetration to increase market share</td>
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<td>31.. The firm has used market development to reach the target audience</td>
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<td>32.. The firm has used product development to enter new market</td>
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<td>33. The firm has used diversification to increase service delivery</td>
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<td>34.. Construction firms mainly seek to increase their market share to gain reputation</td>
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<tr>
<td>35. Market share can be increased by changing the 4Ps (Product, price, place, promotion) variables</td>
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### Evaluation

Require extensive effort to complete

#### Profitability

37. Through strategic planning we have uncovered the product offerings that are in the best interest of the firm.

38. Strategic planning also provides a base from which progress can be measured.

39. The firm has attained clearer focus of the organization, thus producing more efficiency and effectiveness.

40. Strategic planning as aided in the identification of poor performing areas in a firm.

41. Through strategic planning we have uncovered service offerings that are in the best interest of the firm.

42. Strategic planning also provides a mechanism for informed change when needed.

43. Improve financial performance as the main reason for using strategic planning.

### Employee engagement

44. Involvement of employees in strategy formulation stage acts as a motivator of productivity-reward linkage.

45. Employee engagement has resulted into better performance.

42. Employee engagement has assisted in execution at a deeper level in the organization allowing for strategy diffusion.

43. Employee engagement has assisted in integrating strategy content.

---

### SECTION D: challenges in applying strategic planning in engineering consultancy

State by ticking the appropriate box, your level of agreement with the following statements on a scale of 1 to 5, Where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree)

<table>
<thead>
<tr>
<th>Internal challenges of strategic planning</th>
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<tr>
<td>46. Lack of top management commitment</td>
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<td>47. Staff resistance to change</td>
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<td>48. dynamic organizational culture</td>
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<td>49. Variety of stake holders</td>
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<td>50. Poor communication</td>
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<td>51. Lack of funding</td>
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<td>52. Lack of skills and enough staff</td>
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<tr>
<td>53. Ambiguity of external stakeholders’ expectations</td>
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**External factors**

| 54. Turbulent environment                                         |
| 55. Unavailability of macro information                           |
| 56. Culture                                                      |
| 57. Lack of skills and enough staff                               |
| 58. Ambiguity of external stakeholders’ expectations              |
| 59. Variety of stake holders                                      |
| 60. Poor communication                                            |
| 61. Rapid technology development                                  |
| 62. Linkage to country’s strategic plan                           |

b) Any other challenge not mentioned above.