INFLUENCE OF STRATEGIC PLANNING ON PERFORMANCE OF WOMEN-OWNED BUSINESSES IN NAIROBI: A CASE OF KENYA WOMEN HOLDING COMPANY LIMITED.

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ABSTRACT

Due to increasing complexity and volatility of the environment, organizations need to engage in strategic thinking and planning in order to perform and survive. It is estimated that 15-30% of women-owned businesses register poor performance. Investigations on the same have pointed to inadequate financing and management skills when infact, the problem could be routed in strategic planning. However, studies in strategic planning have focused on the direct relationship between it and organizational performance. Individual steps of strategic planning have not had attention. There is lack of knowledge on how key steps in strategic planning influences organizational performance. The purpose of this study was to investigate influence of strategic planning on performance of women-owned businesses in Nairobi focusing on Kenya Women Holding Company Limited. The specific objectives were to examine influence of environmental scanning, influence of strategy formulation, and influence of strategy monitoring and evaluation on performance. The study was guided by a conceptual framework in which strategic planning is an independent variable and organization performance is the dependent variable. The study adopted a correlational research design. The study population comprised the 310 management employees at the Nairobi head office. Stratified random sampling was used to pick 62 respondents. Questionnaires were used to collect the primary data which was used. Reliability of the data collection instrument was established through pilot test and found to stand at Cronbach's alpha of 0.89. Validity was established through exposing the instrument to experts in the subject. Findings for β_1 β_1 and β_1 were 0.162(p=.044), 0.215(p=.014) and 0.363(p=.000). This means that environmental scanning, strategy formulation and strategy monitoring and evaluation positively and significantly predicted performance at KWH. Multiple regression resulted in $R^2 = 0.398$ at 5% significance level. This means that the model is stable at 39.8% and can be relied on to estimate at that level. The conclusions are that higher levels of environmental scanning, strategy formulation and strategy monitoring and evaluation results in higher performance and vice versa. The study recommends that the strategic planning should be emphasized by KWH. It is expected that KWH, other women owned businesses and the government would benefit from the study through increased understanding of contribution of strategic planning while researchers may benefit by basing their future studies on this.

CHAPTER ONE
INTRODUCTION

This chapter provides an overview of the background of the study, statement of the problem, objectives of the study, research hypotheses, scope of the study, justification of the study and the conceptual framework. The chapter introduces the main concepts strategic planning and performance. It also highlights the context of the study which is women owned businesses in Kenya.

1.1Background of the Study

The business environment is changing rapidly. This change has been characterized by globalization, changing customer needs, aggressive competition, and multiplicity of products. To survive in such volatile and unpredictable environment requires organizations to improve their performance. Today, organizational performance in terms of market share, profitability, turnover, competitiveness, and total business worth is only exhibited by organizations that have high level of strategic thinking and planning (Muogbo, 2013).

Strategic planning is the process of defining its strategy, or direction, and making decisions on allocating its resources to pursue a specific strategy (Thompson and Strickland, 2004).Strategic planning provides overall direction for specific units such as financial, projects, human resources, and marketing (Akinyele and Fosogbon 2007). Boyne and Walker (2012) affirms that the way and manner firms face strategic issues can affect the performance of the organization. Greenley (2006) referred strategic planning as a vehicle that facilitates improved firm performance.

There is an increasing need for firms, especially small and micro finance institutions to think strategically about business environment in response to increasing complexity and change. Strategic planning in small businesses is a move intended not only to help them negotiate their environment more effectively, but also to improve their performance (Jaeger, 2004). However, there is need to establish whether the process used for planning and the extent of focus on individual steps in strategic planning has an influence on organization performance. Thompson and Strickland (2004) define organizational performance in terms of organizational effectiveness and efficiency characterized by increasing market share, profitability, and turnover.

The effectiveness of strategic planning can be measured in terms of the extent to which it influences organizational growth (Akinyele and Fosogbon, 2007).The effectiveness of

strategic planning is associated with achieving formulated objectives, producing better results, or improving the organizational performance as the result of the use of strategic planning process in the companies (Suklev, 2012). Results from past researches show that the extent to which firms engage in the strategic planning process has a direct positive effect on the firm's growth (Philips and Montinho, 2000). Results also show a reciprocal relationship between strategic planning and organizational performance. Phillips and Moutinho (2000) stress that despite the improvement in planning scales used by researchers; the tendency is still to treat planning in terms of a one-dimensional perspective. They added that some studies have measured strategic planning solely in terms of formality, comprehensiveness, sophistication, and length of planning horizon. Therefore, there is little focus on the process of planning which is fundamental for the success of strategic planning (Suklev, 2012).Studies in strategic planning have focused on the direct relationship between strategic planning and firm performance. They did not give attention to the individual steps that make up the strategic planning process. Despite the importance of growth objectives in literature, attention has not been given to the process of strategic planning and its impact on growth in empirical research.

Akinyele and Fosogbon (2007) assert that more important than the strategic plan document is the strategic planning itself. The relative emphasis placed on each component of the strategic planning process determines the extent to which the planning objectives are achieved.It is perceived that the manner and extent to which each of the strategic planning steps is addressed could have implications on the realization of the expected corporate goals. The extent to which management engages in strategic planning process largely depends on managerial strategic planning expertise; understanding and appreciation of the business environment; change and organizational competence; and managerial acumen (Porter, 1996). These ingredients are lacking in many organizations managed or owned by women (Olabisi et al., 2012).

Falshaw and Gleister (2006) postulate that studies in strategic planning have ignored the influence of cultural and social contexts on performance. Inter-industry differences on the planning and performance relationship has produced conflicting results. This assertion gives credence to the need to study the impact of strategic planning in diverse business contexts such as women run firms. Women-owned businesses are widely considered to be vital to a country's competitiveness. Across the globe, women-owned businesses account for 25 to33

per cent of all businesses. This percentage is higher in Africa at between 40 and 50 percent and in some countries up to 60 percent (Marcucci, 2001).However, many businesswomen are operating in more difficult conditions characterized primarily by non-conducive business environment, globalization, changing patterns of trade, and evolving technologies which call for effective strategic planning (Kiraka et al., 2013).

Strategic planning can be considered from a process dimension (O'Regana and Ghobadian, 2002). Process relates to the mechanisms for thedevelopment of the strategic plan and its subsequent deployment.There is general agreement among strategic planning researchers that the strategicplanning process consists of the following major components (Hopkins and Hopkins, 1997): Formulation (which includes developing a mission, setting major objectives,assessing the external and internal environments, and evaluating and selectingstrategy alternatives); implementation; and monitoring and evaluation.

A strategic plan is a set of processes undertaken in order to develop a range of strategies that will contribute to achieving the organizational direction (Tapinos et al., 2006). This therefore calls for formulation of a coherent document which will guide the efforts of all the stakeholders, outline what the organization is trying to achieve and how it intends to achieve it. Strategies can be formulated in three levels that is; corporate, business and functional level. 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; human resource manager, marketing manager, production manager among others (Yabs, 2010). Strategy formulation at functional level is done by first line managers or supervisors (Sababu, 2007).

Ansoff (2007) conceptualizes strategic planning as the process of seeking a better match between a firm's products or technology and its increasingly turbulent markets. He looks at it in terms of change from a familiar environment to an unfamiliar world of strange technologies, strange competitors, new consumer attitudes, new dimensions of social control, and above all, a questioning of the firm's role in society. Sharing this view, Henderson(1978) define strategic planning as an evolution of managerial response to environmental change in a focus moving from internal structure and production efficiency, to the integration of strategy and structure and production innovation, multinational expansion and diversification.

Ansoff (2007) explained strategic planning as the process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities. Wendy further argues that strategic planning aims at defining and document an approach to doing business that will leads to satisfactory profits and growth. Jaeger (2004) defines strategic planning as the systematic and more or less formalized effort of a company to establish basic company purposes, objectives, policies, and strategies. It involves the development of detailed plans to implement policies and strategies to achieve objectives and basic company purposes. From these diverse views, strategic planning in its general and basic understanding can be said to be a process of selecting organizational goals and strategies, determining the necessary programs to achieve specific objectives, and establishing the methods necessary to ensure that the policies and programs are implemented (Thomson & Strictland, 2004). Ansoff (2007) explains that strategic planning comprises of three main elements which helps turn an organizations vision or mission into concrete achievable. These are the strategic analysis, strategic choice, and strategic implementation.

The strategic analysis encompasses setting the organization's direction in terms of vision, mission, and goals. Therefore, this entails articulating the company's strategic intent and directing efforts towards understanding the business environment. Strategic choice stage involves generating, evaluating and selecting the most appropriate strategy. Strategy implementation stage consists of putting in place the relevant policies and formulating frameworks that will aid in translating chosen strategies into actionable forms. For purposes of this study, three main steps (Thomson & Strictland, 2004) that complete the strategic planning include environmental scanning; strategy formulation and strategy monitoring and evaluation.

In Kenya, women-owned businesses have the potential for growth. Recognizing the critical role these businesses play in the Kenya economy, the Government through Kenya Vision 2030 envisages the strengthening of these firms through improving their management, productivity and innovation (Ministry of Planning, National Development & Vision 2030, 2007). Even though the general indicators reflect positive growth among women owned businesses in terms of total business worth, turnover, gross profit, and number of employees, they obscure incidences of stagnation and/or poor performance.

Kiraka et al.(2013) argues that women-owned businesses account for between 40 and 50 percent of all businesses in Kenya. 75 per cent of these businesses have adopted strategic

planning. However, 15 to 30 percent of the firms that have adopted strategic planning continue to register incidences of poor performance (Kiraka et al, 2013). Although the lack of access to finance is almost universally identified as a key challenge for women-owned firms (Wanjohi and Mugure, 2008), the contention in this study is that the poor performance of these firms could be attributable to failure in strategic planning. However, most of the studies have not addressed this area. This situation is supported by arguments of Kiraka et al. (2013) and Falshaw and Gleister (2006). Literature has not addressed influence of environmental scanning, strategy formulation, monitoring and evaluation on firm performance, particularly how these three elements collectively influence performance. Particularly, it is not known how environmental scanning influences performance of women owned enterprises, particularly Kenya Women Holding (KWH) Company. There is also no literature on influence of strategy formulation on performance of women owned enterprises especially KWH. Influence of monitoring and evaluation on performance of women owned enterprises, especially KWH is also not known as literature is lacking.

Kenya Women Holding (KWH) company like other companies is expected to gain from strategic planning. It is a membership based non-profit organization limited by guarantee that pursues a number of income generating activities to remain sustainable. Kenya Women Holdings traces its roots to KWFT a microfinance institution established in 1981. KWFT was established to provide access to financial services to women entrepreneurs to enable them to improve their economic status and livelihoods. According to KBA(2014), Since its inception over 25 years ago, KWFT has risen to be one of the most successful microfinance institutions in the country, with the largest network of any MFI providing deep penetration into rural and urban areas of Kenya. KWFT enjoys a unique status in financial services as the only financial institution to focus solely on women clients. It has created a portfolio of products and services focused on meeting the needs of women entrepreneurs. KWFTs success is based on the recognition that women are a key niche market that has significantly lower levels of access to financial services than the rest of the general population. KWH is one of the few financial institutions that is owned and run by women. According to Omuto et al. (2015) the performance of KWH has been gone down over the years. There is need to investigate possible contribution to this.

1.2 Statement of the Problem

Women-owned businesses account for between 40 and 50 percent of all businesses in Kenya. KWH is one such business 75 percent of these businesses has adopted strategic planning. KWH faces challenges (Omuto et al., 2015). The problem of poor performance among these businesses KWH inclusive could be attributed to failure to pay attention to strategic planning, particularly environment scanning; strategy formulation; and strategy monitoring and evaluation. Moreover, there is no literature on influence of environmental scanning, strategy formulation, monitoring and evaluation on firm performance, particularly how these three elements collectively influence performance. Particularly, it is not known how environmental scanning influences performance of women owned enterprises, particularly Kenya Women Holding (KWH) Company. There is also no literature on influence of strategy formulation on performance of women owned enterprises especially KWH. Influence of monitoring and evaluation on performance of women owned enterprises, especially KWH is also not known as literature is lacking.

1.3 Objectives of the Study

The overall objective of the study was to investigate the influence of strategic planning on performance of women-owned businesses in Nairobi, Kenya.

1.3.1 Specific Objectives

The specific objectives of the study were to:

i) Examine influence of environmental scanning on performance of Kenya Women Holding Company Limited.

ii) Determine influence of strategy formulation on performance of Kenya Women Holding Company Limited.

iii) Determine influence of strategy monitoring and evaluation on performance of Kenya Women Holding Company Limited.

1.4 Research Questions

The study sought to answer the following questions:-

i. What is the influence of environmental scanning on performance of Kenya Women Holding Company Limited?

ii. What is the influence of strategy formulation on performance of Kenya Women Holding Company Limited?

iii. What is the influence of monitoring and evaluation on performance of Kenya Women Holding Company Limited?

1.5 Scope of the Study

The study sought to investigate the influence of strategic planning on performance of Kenya Women Holding Company Limited (KWH).The study investigated the influence of environmental scanning, strategy formulation, as well as monitoring and control on performance of Kenya Women Holding Limited(KWH).The research covered a point in time.

1.6 Significance of the Study

The study is significant to the management of women-owned organizations. It addresses the challenges faced in realigning the strategic planning process to organizational performance. The study provides information that may be useful for future effective planning and decision making at Kenya Women Holding Limited and in all women-owned businesses to improve competence and achieve their performance objectives, especially competitiveness.To this end, the study is helpful to women enterprises in Kenya as they seek to survive the volatile business environment and experience improved performance in market share, turnover and profitability. This will position women as key drivers of the economy as envisioned by the multiplicity of women businesses. In addition, the study makes a scholarly contribution to research in strategic planning process.

1.7 Conceptual Frame Work

A conceptual framework is a hypothesized model identifying the concepts under study and their relationships. It provides an outline of the preferred approach in the research and outlines the relationships and the desired effects, forming independent and dependent variables respectively (Mugenda & Mugenda, 2003). In this study, the independent variables are environmental scanning, strategy formulation, and strategy monitoring and evaluation while the dependent variable was performance whose indicators are profitability, market share and number of employees as shown in the Figure 1.1

Environmental scanning is a process that systematically surveys and interprets relevant data to identify external opportunities and threats. An organization gathers information about the external world, its competitors and itself. The company should then respond to the information gathered by changing its strategies and plans when the need arises (Narayanan, 2006). Strategy Formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weakness. It includes defining the corporate mission, specifying achievable objectives, developing strategy and setting policy guidelines (Lynch, 2000). Monitoring and Evaluation

involves the measurement of current performance against previously set expectations, and consider any changes or events that may have affected the desired course of actions (Morrison, 2004). Performance refers to the process of adaptation and development in terms of organizational effectiveness and efficiency characterized by increasing market share, profitability, and number of employees (Thomson& Strickland, 2004).

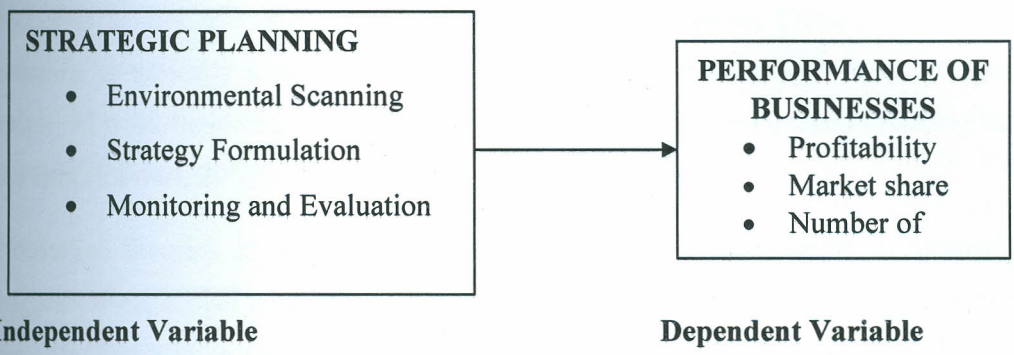

Figure: 1.1 Relationship between Strategic Planning and Performance of Businesses
Source: Adapted from Muogbo (2013)

1.8 Limitations of the Study

The study was limited to women-owned businesses which limited the generalization of results to other sub-sectors of economy which adopts strategic planning process. In addition the study focused on Kenya women holding company limited which further limits the generalization of results.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theory of the Study

A literature review leads to the classification of strategic planning into normative and descriptive. Normative theory, which is prescriptive, is derived from the principles and processes school and from the field of management science. Descriptive theory, on the contrary, is typically a more data driven approach that has evolved from a larger body of empirical work including human problem solving behavior and decision making behavior in the firm (Stewart, 2003).

Normative theories in general depended on information economics of strategic fit that suggests firms should adopt policies internally and externally on the basis of potential growth benefits. Descriptive theories, on the contrary, are often referred to as human information processing approach which employs deductive and empirical methods of information production and use (Ansoff , 2004).Progress has been made by recent studies in combining descriptive and normative theories. During the 1960's and early 1970's significant developments in management theory resulted in the establishment of a distinct body of theory concerning strategic planning (Ansoff and McDonnel, 2009).

It should be noted that theories that underpin strategic planning have been criticized in a number of ways. A number of concerns have been raised consistently by scholarly researchers regarding the theoretical foundation of strategic planning. They include, lack of formally established, empirically-based descriptive theory of strategic planning behavior in the business environment (Boyne and Walker, 2012); dearth of empirical studies about strategic planning practices of the small business; lack of an established theory on the actual differences regarding growth between firms with formalized versus non-formalized planning practices (Stewart, 2003) and; low level of integration or synthesis among the various approaches such as management science, behavioral science, and principles/processes schools of thought to strategic planning (Chandler, 2007). The current study is grounded on both the descriptive and normative theories. The two approaches explain the concept of strategic planning advancing its components and expected benefits arising from it.

2.2 The Concept of Strategic Planning

The major role of managers is to ensure continued survival of their organizations (Aosa, 1992). The key concept that has been developed to support management is strategy. Various leading management scholars and practitioners have underscored the importance of this concept. Such scholars include Porter (1985) and Mintzberg and Quinn (1996). Strategic planning can be defined as the process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities (James, 2004).

Strategies viewed as building defenses against the competitive forces and finding positions in the industry where the forces are weakest (Porter, 1980). Knowledge of the company's capabilities and of the causes of the competitive forces will highlight the areas where the company should confront competition and where it should avoid. Strategies need to be considered not only in terms of the extent to which the existing resource capability of the organization is suited to opportunities but also in terms of the extent to which resources can be obtained and controlled to develop a strategy for the future (Porter,1985).

Mintzberg and Quinn (1996) proposed five definitions of strategy. To him strategy could be seen as plan, a ploy, a pattern, a position and a perspective. As a plan, strategy specifies a consciously intended course of action of an organization. The strategy is designed in advance of actions and is developed purposefully. As a ploy, strategy is seen as a maneuver to outwit competitors. As a pattern, strategy is seen as a pattern emerging in a stream of actions. Here strategy is seen as a consistency in behavior and the strategy develops in the absence of intentions. As a position, strategy is a means of locating an organization in its environment. Lastly, as a perspective, strategy consists of a position and of an ingrained way of perceiving the world. It gives an organization identity or a personality.

There are basically three levels of strategy. These are corporate, business and functional (Chandler, 2007). Corporate strategy is primarily concerned with identifying the set of different business a company is to be in i.e. the various businesses in which the company will compete. These may be businesses within the same industry or in a different industry. Strategy at this level also specifies how total corporate resources will be allocated among the various businesses that the company is involved in. Business level strategy focuses on how each business unit will compete in a particular industry, market, or market segment. It addresses issues on how to develop and maintain a competitive edge in the market. The business unit management has to ensure the different functional activities are integrated in

such a way as to achieve and maintain the desired competitive competence in the market (Thomson and Strickland, 2004). Finally, functional level strategy primarily focuses on achieving maximum use of resources to attain maximum resource productivity. It addresses issues regarding to the coordination and integration of activities within a single function.

Strategy is a significant tool which helps to cope with environmental turbulence that often face organizations. Grant (1998) points out that strategy is an essential framework through which an organization can simultaneously assert its presence and adapt to the changing environment. It is one of the top management tools for coping with both external and internal changes. It is the match between organizations resources, skills, environmental opportunities and risks, and the purposes it wishes to accomplish (Akinyele et al, 2007).Grant(1988) assert that a good strategy is one that has simple, consistent and long-term objectives. This involves the single mindedness of goals, unity of purpose and long term focus. This provides a perspective for the various diverse activities overtime, which enables organizations perform current activities at the same time viewing them in terms of their long term implications for the probable success of the organization. Similarly strategy helps companies to cope with change (Coates, 2006). Due to the constant changes in an organizations operating environment, companies needs strategy in order to respond to these changes at all time. Strategy can help to guide the pattern of responses of companies to changes taking place in their environment.

Strategy enables companies to focus their resources and effort (Chandler, 2007). The development of strategy helps managers identify critical tasks that need to be performed and hence helping in defining an organizational strategic thrust. Strategy also helps an organization develop a competitive advantage in the market. This in turn enables the organization to outperform and outwit the competition successfully. Porter (1980) underscores the role of strategy by arguing that the goal of strategy is to help secure enduring competitive advantage over rivals. Strategy also guides organizations to superior performance through establishing competitive advantage and acting as a vehicle for communicating.

2.2.1Environmental Scanning

Once the vision and mission are clearly identified, the organization must analyze its external and internal environment (Lynch, 2000). The environmental scan, performed within the frameworks of the Five Forces Model and SWOT, analyzes information about organization's

external environment (economic, social, demographic, political, legal, technological, and international factors), the industry, and internal organizational factors, (El-Mobayed, 2006).

Environmental scanning is a process that systematically surveys and interprets relevant data to identify external opportunities and threats. An organization gathers information about the external world, its competitors and itself. The company should then respond to the information gathered by changing its strategies and plans when the need arises. The environmental scanning process encompasses several steps. The first step is for an employer to gather information about the world in which it operates, including information about the economy, government, laws and demographic factors such as population size and distribution .Next, the organization should focus on its competitors. The company should examine the research for trends, opportunities and threats that might impact its business (Fahey, et al.,2006).

Strategic planning requires that, in thinking about the future, managers must have information about both the external economic environment in which the farm business operates and the internal characteristics of the farm business. This information provides data for the development and evaluation of alternatives. One method of collecting needed information is by conducting an environmental scan. More specifically, Coates (2006) identified the following objectives of an environmental scanning system: detecting scientific, technical, economic, social, and political trends and events important to the institution, defining the potential threats, opportunities, or changes for the institution implied by those trends and events, promoting a future orientation in the thinking of management and staff, and alerting management and staff to trends that are converging, diverging, speeding up, slowing down, or interacting.

Fahey et al. (2006) suggest that an effective environmental scanning program should enable decision makers to understand current and potential changes taking place in their institutions' external environments. Scanning provides strategic intelligence useful in determining organizational strategies. The consequences of this activity include fostering an understanding of the effects of change on organizations, aiding in forecasting, and bringing expectations of change to bear on decision making. The goal of environmental scanning is to alert decision makers to potentially significant external changes before they crystallize so that decision makers have sufficient lead time to react to the change.

2.2.2 Strategy Formulation

Strategy Formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths & weakness. It includes defining the corporate mission, specifying achievable objectives, developing strategy and setting policy guidelines. Taking the decision to grow a business means embracing the risks that come with growth. Spending time on identifying exactly where you want to take business and how business will get there, should help the organization reduce and manage those risks. As business becomes larger and more complex, strategy formulation will need to become more sophisticated. To do this, business owner will also need to start collecting and analyzing a wider range of information about the business both about how it operates and about how conditions are developing in your current and potential markets, (Lynch, 2000).

Strategy formulation can be defined as the process by which an organization chooses the most appropriate courses of action to achieve its defined goals. This process is essential to an organization's success, because it provides a framework for the actions that will lead to the anticipated results. Strategic plans should be communicated to all employees so that they are aware of the organization's objectives, mission, and purpose. Strategy formulation forces an organization to carefully look at the changing environment and to be prepared for the possible changes that may occur. A strategic plan also enables an organization to evaluate its resources, allocate budgets, and determine the most effective plan for maximizing return on investment (David, 2009).

In strategic formulation, the organization begins by identifying its vision and mission.The organization's vision sets out the reasons for its existence and the "ideal" state that the organization aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the organization's philosophy, and are used as a context for development and evaluation of intended and emergent strategies. One cannot overemphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed, (Mintzberg, 1996).

2.2.3 Strategy Monitoring and Evaluation

During implementation of a strategic plan, it is critical to monitor the success and challenges of planning assumptions and initiatives. When evaluating the successes of a plan, you must

look objectively at the measurement criteria defined in our goals and objectives. It may be necessary to retool the plan and its assumptions if elements of the plan are off track. According to Morrison (2004),after the strategy is implemented it is vital to continually measure and evaluates progress so that changes can be made if needed to keep the overall plan on track. This is known as the control phase of the strategic planning process. While it may be necessary to develop systems to allow for monitoring progress, it is well worth the effort. This is also where performance standards should be set so that performance may be measured and leadership can make adjustments as needed to ensure success (Morrison, 2004).

Periodic evaluations of strategies, tactics, and action programs are essential to assessing success of the strategic planning process. It is important to measure performance at least annually (but preferably more often), to evaluate the effect of specific actions on long-term results and on the organization's vision and mission (Rowley, Lujan, & Dolence, 1997). The organization should measure current performance against previously set expectations, and consider any changes or events that may have affected the desired course of actions.

2.3 Strategic Planning and Organization Performance

Studies have been done to establish the relationship between strategic planning and performance of the firm with varied results, sometimes contradicting conclusions. A study by Kaplan and Norton(2008), advances that in order to manage both strategy and operations, organizations must take five steps: Develop strategy, based on a company's mission, values and its strengths, weakness and competitive environment;Translate the strategy into the objectives and initiates linked to performance metrics; Create an operational plan to accomplish the objectives and initiatives; Put the plan into action, monitoring its effectiveness; Test the strategy by analyzing cost, profitability and correlations between strategy and performance.

Powell (2014) found that the correlation between strategic planning and performance was greater among large firms than small firms and not-for-profit firms. Falshaw et al., (2006) argue that this is so because small and not-for-profit firms do not adopt complex and sustained strategic planning process since they operate in relatively less growth intensive industrial environment.

Studies done by Thune and House (2007) of 36 companies showed that formal planners outperformed the informal planners on all the performance measures that were used. Herold (2012) surveyed 10 companies, comparing performance of formal and informal planners over a 7-year period. Based on the survey results, the study concluded that formal planners outperform informal planners and hence supporting the results of Thune and House (2007).

Gershefski (2007) in his survey compared the growth of sales in companies over a 5-year period before strategic planning was introduced, and over a period of 5 years after planning was introduced. The results of the comparison led Gershefski to conclude that companies with formal strategic planning outperformed companies with little planning. Ansoff (2007) studied 93 firms using various variables of financial performance. The findings revealed that companies, which do extensive strategic planning, outperformed the other companies.

Karger and Malik (2006), taking a similar approach to that taken by Ansoff, compared the values of a range of variables of planners to those of the non-planners and based on the results concluded that the planners outperformed the non-planners. Greenley (2006) examining empirical data from nine surveys (8 in USA and UK within the manufacturing business) on the relationship between strategic planning and company overall performance noted mixed conclusions with five studies concluding the existence of the relationship while the rest conclude that higher levels of performance did not necessarily relate to the utilization of strategic planning. Miller and Cardinal (2004) employed a meta-analytic approach using data from 26 previously published studies and concluded that strategic planning positively influences firm performance. Caeldries and VanDierdonck (1988) surveyed 82 Belgian Business firms and reported a link between strategy and performance. They noted that strategy enables a firm to strengthen its competitive position, and facilitates integration and coordination of members' behavior.

It has been argued that although there is a general perception and belief that strategic planning improves organization effectiveness, if wrongly pursued the anticipated value may not be tapped.Fubara (2006) did a survey in Nigeria and observed that companies that engage in formal planning experienced improved performance

Jaeger (2004) points out that a wrong strategy or a wrongly formulated strategy may not translate into the anticipated value for the organization. Johnson et al., (2008), note that

strategic drift occurs when the organization's strategy gradually moves away from relevance to the forces at work in its environment. Inter-industry differences on the planning and growth relationship has produced conflicting results (Falshaw &Geister, 2006). However Anderson et al (2011) notes that strategic planning is associated with higher growth in all the industrial settings studied and where there are differences the variance is not significant.

In their survey to see how successful companies translates their strategies into growth, Mankins and Steele (2006) observed that companies typically realize only about 60 percent of their strategies potential value because of defects and breakdowns in planning and execution. Henderson (1978) argues that strategy is important and therefore its formulation should be managed and not left to chance. Therefore, each of the stages in the strategic planning process cannot be taken for granted.

Owolabi and Olubisi (2012) studied effects of strategic planning on corporate performance in university education. The study examined the effects of Strategic Planning on Corporate Performance using Babcock University as the case study. It further probed into how this has impacted on the management efficiency and effectiveness as strategic planning is essential in corporate organizations. Primary and secondary data were used for the study. The study made use of questionnaire to elicit information from employees of Babcock University. Data collected were analyzed using descriptive and inferential statistics. The hypotheses were tested using the using the Pearson's Product Moment Correlation Coefficient to establish the significance of relationship between the various variables used in measuring performance. The results of the hypotheses revealed that there is a significant positive correlation between strategic planning and corporate performance. The study therefore, concluded that strategic planning is beneficial to organizations in achieving set goals and recommends that universities and other corporate organizations alike, should engage in strategic planning in order to enhance corporate performance.

Olusanya, Awotungase and Ohadebere. (2015) investigated the effect of strategic planning on organization productivity. The focus was The Nigeria Bottling Company PLC. The study attempted an up-to-date review of existing literature on strategic planning process, and has also analyzed the extent to which this could be used to enhance organizational productivity excerpts from previous work done in this area, questionnaires, interview and personal observations formed the primary sources of data. While periodical from this Nigerian

Bottling Company Plc newspapers, journals constituted other sources. Two hypotheses were formulated and put to test using chi-square distribution for analysis one, while analysis two was put to test using product moment co-efficient of correlation and the T-test distribution to prove that the internal and external environment factors surrounding the company have significant influence on its strategic planning and the corporate performance of the company too. The study revealed that in real life situations strategic planning and its application have the potential of reviewing that in real life situations strategic planning and its application have the potentials of reviewing and sustaining corporate entities through increased productivity.

Akinyele and Fasogbon (2007) examined Impact of Strategic Planning on Organizational Performance and Survival. The study examined the impact of strategic planning on organizational performance and survival. The effectiveness of strategic planning can be measured in terms of the extent to which it influences organizational performance, which affects its survival rate. The main objective of this study is to re-evaluate the planning-performance relationship in organization and determine the extent to which strategic planning affects performance in an organization, of which First Bank of Nigeria, Plc (FBN) will be used as case study. Based on the above objective, relevant literatures were thoroughly reviewed and three hypotheses were formulated and tested in this study. A survey technique was used with the administration of questionnaires to 100 respondents (of which 80 was retrieved) comprising of both the senior and junior staff in various First bank branches in Lagos metropolis. The data collected were analyzed using the Statistical Package for Social Sciences (SPSS). Also, T-Test and Chi-square statistical methods were used in testing the hypotheses using the SPSS. The three hypotheses were confirmed. For the purpose of testing for reliability of the instrument, 'The Split-Half Technique' from SPSS was used. The implication of this study is that Strategic planning enhances better organizational performance, which in the long run has impact on its survival and that strategic planning intensity is determined by managerial, environmental and organizational factors

From the literature presented it is observed that the studies covered different areas of strategic planning and different contexts. Akinyele and Fasogbon (2007) examined Impact of Strategic Planning on Organizational Performance and Survival, focusing on banks. They found better organizational performance is associated with strategic planning quite consistent with findings of Fubara(2006), Anderson(2009), Miller and Cardinal (2004) and; Caeldries and VanDierdonck (1988). Owolabi and Olobisi (2012) also found similar results from a study

ineducation sector. However, Olusanya, Awotungase and Ohadebere. (2015) looked at strategic planning on organization productivity. Karger and Malik (2006) added a different voice by investigating variables of strategic planning associated with planners and non planners. He found inconsistency. Greenley (2006) created controversy by finding mixed results in surveying nine cases of manufacturing firms strategic planning and overall performance Gershefski (2007) and Ansoff (2007) concur in revealing firms that engage in strategic planning outperform those which do not though the latter looked at financial performance. On the other hand Powell (2014) found correlation between strategic planning and performance was greater among large firms than small firms and not-for-profit firms. Studies done by Thune and House (2007) and Herold (2012) concur that formal planners outperform informal planners.

The literature analysis and synthesis above reveal that the previous authors covered formality of strategic planning, strategic planning among planners and non planners. Others focused on strategic planning over a period of time albeit with different ways of construction of strategic planning. They focused on manufacturing firms, universities, banks, not for profit organizations and small and large businesses. They failed to focus on the influence environmental scanning, strategy formulation and strategy monitoring and evaluation on performance, particularly of women owned enterprises. Knowledge is lacking on influence of environmental scanning on performance of women owned enterprises. It is also not known what influence strategy formulation has on performance of women owned enterprises. Knowledge on influence of strategy monitoring and evaluation on performance of women owned enterprises is also lacking.

CHAPTER THREE
METHODOLOGY

This chapter provides the methodology the study adopted. It highlights the overall research design that guided the study. It describes area of study, population, sample and sampling design, data and data collection procedure and; data analysis and presentation.

3.1 Research Design

The study adopted a correlational research design, which according to Easterby-Smith et.al, (2008) is aimed at establishing relationships between variables and concepts, whether there are prior assumptions and hypotheses regarding the nature of these relationships. This research design enabled the study to determine the status of the population by assessing their attitudes and opinions with respect to the four variables under investigation. (Lee, (2007).

3.2 Study Area

The study focused on the headquarters Kenya Women Holding Company Limited in Nairobi. Nairobi is the capital city of Kenya and is within Nairobi County. It has an area of 684 km^2. The study elected to cover the head office of Kenya Women Holding Company in Nairobi because this is where strategic issues are handled. Map of the study area is shown in Appendix 3.

3.3 Target Population

The target population was 310 managers of Kenya Women Holding Company Limited in its head office in Nairobi distributed into top level, middle level, and low-level Management. This population was expected to be conversant with strategic issues, particularly strategic planning within the business. They have the conceptual view of the business (Elbana and Child, 2007) and shape the organization strategy by their perceptions and opinions.

3.4 Sample and Sampling Technique

3.4.1 Sample size determination

Gay (2005), holds that for a descriptive survey research the sample size should be 10% of population, but if the population is small (N<1000) then 20% may be required. Therefore 62 respondents were selected for this study which was 20% of the study population as recommended by Gay.

3.4.2 Sampling Technique

The study used stratified random sampling technique to select a sample of 62managers from the study population of 310 managers from the Nairobi head office of Kenya Women Holding Company Limited. The basis of strata was cadre of managers. It was expected that data would be rich in content if collected from different levels of management as each level concerns itself with different strategies that collectively shape the overall organization strategy.

Table 3.2: Sample Selection

Category	Population	Sample
Top management	9	2
Middle Level Management	60	12
Lower Level Management	241	48
Total	310	62

Source: KWH, 2014

3.5 Data Collection

3.5.1 Data Type and Source

Both primary and secondary data will be used for the study. Primary data will be collected from respondents and secondary data from reports, and other publications related to the study concepts and context.

3.5.2 Data Collection Procedure

The study collected both qualitative and quantitative data from primary and secondary sources. The researcher first, conducted a comprehensive desk study of information relating to KWH before proceeding to collect primary data. The primary data was obtained through personally administered questionnaires. Personally administered questionnaires usually have a higher response rate than self-administered questionnaires (Saunders et al., 2009).

3.5.3 Instrument for Data Collection

The main instrument of collecting primary data in this study was questionnaire. Secondary data was collected using reviews from both empirical and theoretical literatures existing to augment the primary data. The study reviewed planning documents such as strategic plans and other planning and governance manuals.

3.5.4 Reliability Test for Data Collection Instrument

The reliability of instruments is the degree to which a measure is free from random error and thus yields consistent results (Sekaran and Bougie, 2010).The study measured the reliability through the use of Cronbach's Alpha for internal consistency of the measurement device. Internal consistency is the extent to which items in a scale or measurement device are homogeneous and reflect the same underlying construct (Cooper and Schindler, 2003). Alpha coefficient ranges in value from 0 to 1.A high coefficient implies high correlation between the items which means there is high consistency among the items in the questionnaire. A Cronbach's alpha score of 0.7 was considered acceptable reliability coefficient (Sekaran and Bougie, 2010). An internal consistency reliability test was conducted on 28 items using the Cronbach's Alpha Coefficient. The results of this test are presented in table 3.2.

Table 3.2 Internal Reliability Analysis

Variables	Items	Cronbach's Alpha
Independent variables		
Environmental scanning	5	0.89
Strategy formulation	8	0.92
Strategy monitoring and evaluation	5	0.88
Dependent variable		
Performance	10	0.91

Source: Survey Data (2014)

All the items had a Cronbach's alpha of above 0.8 which is considered to be very high (Hair et al, 2007). This shows that the internal consistency of the research instrument was strong enough to provide reliable results.

3.5.5 Validity Test for Data Collection Instrument

Validity is the accuracy and meaningfulness of inferences, which is based on the research results (Zikmund et al., 2009). The validity of the instruments was determined in two ways: first, the researcher discussed the items in the instrument with the supervisors, lecturers from the department and other experts. Advice given by these people was helpful in reviewing the instrument to enhance validity. Secondly, validity of the instrument was determined through piloting. The rule of thumb according to Cooper and Schindler (2006) is that 1% of the

sample should constitute the pilot test. A pilot test was conducted on 6managers of KWH who were randomly selected and were excluded from the main study. Their responses were checked against the research objectives to determine if there was any ambiguity of the questions and further reviews of the instrument were done.

3.6 Data Analysis

Descriptive statistics incorporated the use of measures of central tendency (means) and frequencies and measures of dispersion (standard deviations).Inferential data analysis was done using multiple regression analysis. Multiple regression analysis was used to examine how changes in the independent variables influence changes in the dependent variable. Specifically, the following linear regression model was applied.

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

Where:

β_0 =Y intercept in the equation

β_1 = effect of X_1, the independent variable (ENVIRONMENTAL SCANNING) on Y, the dependent variable (Performance).

β_2 = effect of X_2, the independent variable (STRATEGY FORMULATION) on Y, the dependent variable (Performance)

β_3 = effect of X_3, the independent variable (STRATEGY MONITORING AND EVALUATION) on Y, the dependent variable (Performance)

ε = Residual in the equation

This regression model was used because it was expected that the variables rather than work independently, work together in real life even as they influence the dependent variable,

Data was presented in the form of tables and graphs

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter gives the response rate, descriptive statistics and presents analyses of various responses on items of key variable constructs including environmental scanning, strategy formulation and strategy monitoring and evaluation. More significantly it analyses results based on the objectives of the study.

4.1 Response Rate

62 questionnaires were administered. 55 of those questionnaires were filled and collected giving a response rate of 89%. This response rate exceeds the 50% recommended for analysis according to Cooper and Schindler (2003).

4.2 General Information

The study sought to establish the gender distribution among respondents. The results revealed that the management comprised 53% female and 47% male as shown in table 4.1

Table 4.1: Gender Distribution

		Percent	Valid percent	Cumulative percent
Male	26	47	47	47
Female	29	53	53	100
Total	**55**	**100**	**100**	

Source: Survey Data (2014)

The study further sought to establish the age distribution of the management in the organization. The results revealed that 15% of the management was below 25 years; 35% was between 26 and 35 years; 38% was between 36 and 45 years ; and 12 % was 46 years and above as shown in table 4.2

Table 4.2:Age Distribution

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25 years	8	15	15	15
26 – 35 years	19	35	35	50
36 – 45 years	21	38	38	88

46 years and above	7	12	12	100
Total	**55**	**100**	**100**	

The study also sought to find out the level of education of the respondents. The results revealed that 18% had postgraduate qualification, 49% undergraduate, 22% diploma; and 11% certificate. These findings are presented in table 4.3

Table 4.3: Level of Education

	Frequency	Percent	Valid percent	Cumulative percent
Certificate	6	11	11	11
Diploma	12	22	22	33
Undergraduate	27	49	49	82
Post Graduate	10	18	18	100
Total	**55**	**100**	**100**	

Source: Survey Data (2014)

Length of service in years of the respondents was also established. Table 4.4 shows that 15% of respondents have served for less than one year, 31% for a period of 1 year to 5 years, 36% for 6 to 10 years; and 18% for over ten years.

Table 4.4: Length Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	8	15	15	15
1 – 5 years	17	31	31	46
6 – 10 years	20	36	36	82
Over 10 years	10	18	18	100
Total	**55**	**100**	**100**	

Source: Survey Data (2014)

4.2 Extent of Strategic planning

4.2.1: Environmental Scanning

The study sought to determine the extent to which environmental scanning is done in the strategic planning within the organization. Likert scale from 1 = "Very low" to 5 = "Very high" was used to measure the opinion of respondents. The findings are presented in table 4.5

Table 4.5 Environmental Scanning

Statement	N	Min	Max	Mean	Std. Dev.
The firm determines its strength and weaknesses	55	2	5	4.405	0.985
There is wide management participation in determining your firm strengths and weakness.	55	1	5	3.832	1.382
The long term impact of organizational strengths and weaknesses are evaluated	55	1	5	3.436	1.252
The long-range effects of external environmental threats and opportunities are considered	55	1	5	3.902	1.221
The firm has formal procedures for evaluating external environmental threats and opportunities	55	1	5	3.829	0.999

Likert scale (1-5): ≤ 2.99 = low; $\geq 3.00 \leq 3.99$ = moderate; ≥ 4.00 = high..

Source: Survey Data (2014)

The results in table 4.5 show that determining the organizational strengths and weakness was treated as fundamental in environmental scanning with a mean score of 4.405 (Std. dev. 0.985). The extent of environmental scanning is moderate with management participation scoring a mean of 3.832 (std. dev. 1.382); evaluation of long term impact of strengths and weaknesses 3.436 (std. dev. 1.252); formal procedures for scanning external environment has a mean score of 3.8297 (std. dev. 0.999).These results imply an appreciation of the need for environmental scanning, however, the extent to which it is done is not high enough to impact greatly on the organizational performance or setting up of effective strategies.

4.2.2: Strategy Formulation

The study sought to examine the extent to which strategy formulation is done in the organization. A Likert scale from 1 = Very low to 5 "Very High" was used. The findings are presented in table 4.6

Table 4.11: Strategy Formulation

Statement	N	Min	Max	Mean	S.D

The firm has developed a statement of mission	55	3	5	4.909	0.957
All employees understand the mission and are committed to it	55	21	5	4.325	1.251
Your firm has established both long-term and short-term goals and objectives	55	2	5	4.357	0.834
There is wide management participation in the developing strategic alternatives	55	2	5	4.133	0.946
Budgets for strategic plans are developed	55	1	5	3. 732	1.396
The results of your strategic planning process clearly spell out what will be come when and by whom	55	2	5	4.025	0.999
Your firm has procedures for strategy selection	55	1	5	3.987	1.105
Alternative are developed before a strategic plan is adopted	55	2	5	4.105	0.956
Strategy formulation impacts organizational performance	55	3	5	4.278	0.864

Likert scale (1-5) ≤ 2.99 = Low; $\geq 3.00 \leq 3.99$ = Moderate; ≥ 4.00 = High

Source: Survey Data (2014)

The results in table 4.6 show that strategy formulation step is highly emphasized and carried out extensively. This points appreciation of its significance in strategic planning. The firm has developed a mission statement and employees understand and omitted to it with mean scores of 4.909 (std. dev. 0.957) and 4.325 (std. dev. 1.251) respectively. The mean scores for long-term and short-term objectives, and management participation in strategy formulation is 4.357 (std.dev. 0.834) and 4.133 (std.dev. 0.946) respectively. There is moderate allocation of budget for strategic plans with a mean of 3.732 (std.dev. 1.396). There is consensus that strategy formulation impacts organizational performance with a mean score 4.278 (std. dev. 0.864).

4.2.3 Strategy Monitoring and Evaluation

The study sought to determine the extent to which strategy monitoring and evaluation is done in the strategic planning process. A Likert scale from 1 ="Strongly Disagree" to 5 = "Strongly Agree" was used to measure the opinion of respondent. The findings are presented in table 4.7

Table 4.7: Strategy Monitoring and Evaluation.

Statement	N	Min	Max	Mean	Std. dev
There is wide participation by management in the review of strategic plans	55	3	5	3.567	0.619
Review and evaluation are important in your strategic planning process	55	3	5	3.313	0.715
You monitor other companies providing products or services similar to yours	55	1	5	2.378	0.632
Your firm has formal procedures for reviewing and evaluation strategies	55	1	5	2.659	1.043
There is continuous review and evaluation of strategic plans	55	1	5	2.985	1.219

Likert scale (1-5):≤2.99 = low; ≥3.00 ≤3.99 = moderate ≥4.00 = high

Source: Survey Data (2014)

The results in table 4.7 shows that, although the management appreciates the importance of monitoring and evaluation of strategies, the extent to which this is done is minimal. The management participates in monitoring and evaluation moderately with a score of 3.567 (std. dev. 0.619) while acknowledging the significance of this in strategic planning with a mean score of 4.313 (std. dev.0.715). Monitoring competitors scores 2.378 (std. dev. 0.632); formal procedures for review and monitoring scores 2.659 (std. dev. 1.043), and continuous review and evaluation scores 2.985 (std dev. 1.219).This result implies a failure in monitoring and evaluation of strategies which may lead to failure in realizing the benefits of strategic planning in line with Thomson and Strictland (2003).

4.3 Organizational Performance

The study sought to determine the extent to which organizational performance has improved over the last one year. A Likert scale from 1 = "Very low extent" to 5 = "Very high extent" was used to measure the opinion of respondents. The findings are presented in table 4.8

Table 4.8: Performance

Statement	N	Min	Max	Mean	Std. dev.
The profit margin rate of your business has improved after implementing new strategies	55	2	5	3.284	1.114
Your firm has established new business units	55	2	5	3.647	0.686
The market share of your business has improved as a result of new strategies	55	2	5	3.178	0.998
The organizational efficiency and effectiveness has improved	55	2	5	3.600	0.833
The numbers of staff has increased in the firm.	55	2	5	3.045	0.986
The turnover of the firm has increased.	55	1	5	3.581	1.029

Likert scale (1-5): ≤ 2.99 = low; ≥ 3.00 ≤ 3.99 = moderate ≥ 4.00 = high.

Source: survey data (2014)

The results in table 4.8 show a moderate improvement in organizational performance. Performance indicators recorded moderate mean scores. Improvement of profit margin 3.284 (std dev. 1.114); establishment of new business units 3.647 (std dev. 0.686) increase in market share 3.178 (std dev. 0.998) improvement of organizational efficiency and effectiveness 3.600 (std dev. 0.833); increase in number of staff 3.045 (std dev. 0.986) and increase in turnover 3.581 (std dev. 1.029). These results suggest that the organizational may not be achieving performance objectives of the strategic planning.

4.4 Regression Analysis for Objectives 1 to 3

After testing assumptions of multiple regressions, the study went on to establish whether strategic planning had an influence on performance of women owned businesses. Results of the multiple regression analysis (Table 4.9) indicate that the three elements of strategic planning were significant positive predictors of performance of these businesses. In particular, environmental scanning (β = 0.162, p=0.044); strategy formulation (β= 0.215,

p=0.014); and strategy evaluation and monitoring (β = 0.363, p=0.000) were found to positively and significantly influence performance in KWH. The β coefficients imply that for a unit standard deviation of environmental scanning 0.162 standard deviations in performance of the women owned businesses occur. It means that as practice of environmental scanning is heightened, an improvement in performance of KWH occur. The same case applies to strategy formulation and strategy monitoring and evaluation. R^2 is 0.398. The adjusted R^2 is 0.386. The shrinkage in this case is 0.012 which is below the level of 0.5 suggested by Field (2005) and implies that the model is valid, has stability for prediction and predicts variance of performance at 39.8%. In addition, the variance inflation factors (VIF) were less than 2.0 which show that there was no multi-co linearity among these three predictor constructs.

Table 4.9: Influence of Strategic Planning on Performance of Women Owned Businesses.

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.864	.240		3.601	.000		
	Environmental Scanning	.146	.072	.162	2.031	.044	.602	1.662
	Strategy Formulation	.184	.074	.215	2.475	.014	.507	1.973
	Strategy Monitoring and Evaluation	.414	.090	.363	4.595	.000	.612	1.634
	R	0.631						
	R^2	0.398						
	Adj.R^2	0.386						
	Durbin-Watson	1.997						

Dependent Variable: Performance of KWH

Source: Survey Data (2014)

The estimated model is thus;

$$Y = 0.864 + 0.162\ X_1 + 0.215\ X_2 + 0.363X_3 + \varepsilon$$

These results are consistent with those of Gershefski (2007) and Ansoff (2007) who revealed that firms that engage in strategic planning outperform those which do not. They also agree with findings of Akinyele and Fasogbon (2007) who found better organizational performance is associated with strategic planning among banks and those of Fubara(2006),

Anderson(2009), Miller and Cardinal (2004) and; Caeldries and VanDierdonck (1988). Owolabi and Olobisi (2012) who also found similar results. From varied sectors. They are also consistent with findings from Olusanya, Awotungase and Ohadebere. (2015) looked at strategic planning on organization productivity, even though the latter only concentrated on organization productivity. The results concur and at the same time disagree with those of Greenley (2006) who found mixed results.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of the research findings presented in chapter four. Conclusions are drawn from the research findings based on the research objectives. The recommendations are made on strategic planning process and suggestions for further research given. The conclusions and recommendations are based on specific research objectives

5.1 Summary of the findings

The general objective of the study was to investigate the influence of strategic planning on performance of women owned business in Nairobi County. The findings revealed that there KWH practiced environmental scanning, strategy formulation and strategy monitoring and evaluation but to varying extents. Further, the study found that despite the fact strategic planning had positive significant influence on performance of women owned businesses, strategy monitoring and evaluation contributed to the highest variation in performance, followed by strategy formulation and lastly environmental scanning.

5.2 Conclusions

The findings clearly indicate that strategic planning has a positive and significant influence on performance of KWH. The study concludes that as environmental scanning is enhanced, performance rises. It also concludes that as strategy formulation is emphasized, performance of the business rises. Lastly it concludes that with increased participation on strategy monitoring and evaluation activities, performance of the business increases

5.3 Recommendations

The study recommends that women owned businesses particularly KWH should engage more in strategic planning, emphasizing environmental scanning, strategy formulation and strategy monitoring and evaluation as these interacting, influence performance.

5.4 Suggestions for Further Research

This study focused on strategic planning process; environmental scanning, strategy formulation; and monitoring and evaluation. The study was limited to women-owned business; therefore, another research can be done focusing on other sub-sectors of economy

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