The Impact Of Staff Participation In The Strategic Planning Process On Performance: A Case Study Of Car And General (K) Limited

by

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THE IMPACT OF STAFF PARTICIPATION IN THE STRATEGIC PLANNING PROCESS ON PERFORMANCE: A CASE STUDY OF CAR AND GENERAL (K) LIMITED

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I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

Signed: ___________________________ Date: ___________________________

Nancy Adongo Ong'any
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ABBREVIATIONS AND ACRONYMS

ROI  Return on Investment
HRIS  Human Resource Information System
BSC  Balanced Score Card
PPIAF  Public-Private Infrastructure Advisory Facility
CEO  Chief Executive Officer
CFO  Chief Finance Officer
COO  Chief Operations Officer
CFAR  Centre for Applied Research
ESOPs  Employee Share Ownership Plans
PDPs  Profit Distribution Plans
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ABSTRACT

Strategic planning is a term that has gained popularity in the recent past in both public and private sector organizations in Kenya. Historically, the practice had been linked to military operations and the plans they made to attack their opponents. Most organizations that practice strategic planning do it with an aim to achieve a sustainable competitive advantage, which will lead to profitability in the long run. The process of strategic planning as agreed by various authors can be summarized as follows: Environmental assessment, Strategy formulation, Strategy implementation and Strategy evaluation and control. This study aimed to establish if the staff at Car and General are involved in the strategic planning process and the impact on performance. A descriptive research design was used. Data collection was done using questionnaires and interviews. The data was then analyzed using Statistical Package for Social Sciences, and presented using graphs, tables and pie charts. The research findings indicated that majority of the staff at Car and General Limited were not involved in the strategic planning process. The process was a preserve for senior managers only. Various solutions were provided to the challenges facing staff involvement in strategic planning at Car and General. The key recommendations were that: The management at Car and General should adopt a participative approach to strategic planning that will ensure that all staff are involved in the process, the staff views should be welcomed and should be incorporated in the strategic plans and finally, the management of Car and General Limited should ensure that there is regular communication to all the stakeholders throughout the strategic planning process. The resulting information will aid the management of Car and General
Limited to improve on their strategic planning process and staff involvement in order to achieve optimal performance.
DEDICATION

I would like to dedicate this project to my late father, Mr Matthews Jack Ong’any for encouraging me to reach for the highest that I can. May God rest his soul in eternal peace.
CHAPTER ONE
INTRODUCTION AND BACKGROUND OF THE STUDY

Introduction

Strategic planning is a term that has gained popularity in the recent times especially among companies as they seek to achieve a competitive advantage in their operations, products and services. Dandira (2011) argues that previously, strategic planning was associated with the military and was designed to aid in the achievement of set targets. Al-Turki (2011) on the other hand, is of the view that, strategic planning outlines the long term vision of an organization as well as the path for achieving the intended vision. The strategic planning process involves scanning the environment, formulating strategies, implementing the strategies and then evaluating the strategies (Dandira, 2011).

David (2003) quoted in Dandira (2011) defines strategic planning as the art and science of formulating, implementing and evaluating decisions that come from different functions of the organization intended to achieve organizational strategic objectives. According to Gamble, Strickland and Thompson (2007), the strategic planning process involves action plans by management that aid in running the organization. The strategic planning process is very important in the achievement of an organization’s mission and vision and involves the following steps: developing a vision, setting strategic objectives, crafting strategies to achieve the objectives, implementing and executing the chosen strategies as well as evaluating the strategies (Gamble, Strickland & Thompson, 2007).

It is important to note that most researchers do agree in principle on the steps involved in the strategic planning process, as environmental scanning, strategy formulation, strategy implementation, evaluation and control (Hunger & Wheelen, 2008;
Evans, 2010; Gamble et al., 2007). Lei and Pitts (1996) however believe that people are imperative to the process, as they are the ones greatly involved in the implementation and execution of most organizational strategies. The authors argue that this is through their valuable skills and expertise which are important in the achievement of organizations objectives. Apostolou (2000) points out that the contribution of employees is normally in the form of creativity, productivity and commitment all these ultimately contributing to the firms overall performance.

Background of the study

According to Lei and Pitts (1996), historically strategic planning had strong military roots evident in the way the military used to institute plans on how to deal with their opponents. It was not until the 1960’s, however, that the need to have a long range view was born as a result of the demand for businesses to grow and the need to have a future outlook (Robson, 1997). The basis for strategic planning is the ability to match the strengths of an organization with its distinctive competence in such a way that the organization stands to benefit a competitive advantage over its rivals in the same industry (Lei & Pitts, 1996).

It is noteworthy that as organizations continue to expand their operations to become global, the need for a share of the global pie is not likely to slow down any sooner. This is because competing organizations are already feeling the pressure to continue to change their ways of operating by adopting appropriate strategic responses (Markides, Murray & Galavan, 2008). It is also argued that in addition to globalization, there is the scarcity of resources, a situation that has also necessitated the need for strategic planning (Fehnel,
2000). Hunger and Wheelen (2008) are of the view that strategic planning is gaining popularity due to increased risks caused by operating errors, costly errors and economic demands.

According to Hyman and Summers (2005), the rise of global institutions in the recent century is a contributor to the challenges facing employee participation in the strategic planning process. This is due to the fact that corporate decisions are becoming quite distant from the staffs that are expected to implement the strategies (Hyman & Summers, 2005). It is quite evident that, strategic planning will continue to be a determinant of the future of most organizations especially if they want to remain competitive and relevant in their operations (Evans, 2010).

Many authors in the area of strategic management have noted the importance of human resources in the organizations overall strategy (Hunger & Wheelen, 2008; Apostolou, 2000; Heyman & Summers, 2005; Hitt, Hoskisson & Ireland, 1997; Kramer, Strickland & Thompson, 1995; Walker, 2007). Apostolou (2000) on the other hand argues that, it is a fact that very few organizations have adopted staff participation in the strategic planning process. According to Fehnel (2000), strategic planning should be a highly participatory process that involves all stakeholders of an organization if it has to be successful. The author on the outcome of staff participation in the strategic planning process continues to state that, the results are definitely different if staffs are involved, than if they are not involved in the process.

According to Hunger and Wheelen (2008), employees need to be involved in the strategic planning process at all levels of the organization. Apostolou (2000), on the other hand views employees as a group of people that represent the organization’s most valued
asset, and that their involvement in strategic issues can direct the organization to profitability. Research has also revealed that there is a general relationship between staff involvement in the strategic planning process and an organization’s overall success (Harrington & Ogbeide, 2011). An organization's success is the ability of the organization to transform key management processes that facilitate strategy execution (Kaplan & Norton, 2005).

The trend of staff involvement in the strategic planning process in firms has changed globally over the last 10 years as a result of inward investors such as Japanese, Americans and Germans, as they seek investment opportunities in the areas of construction and other projects (Apostolou, 2000). A research by Edward Lawler of University of Southern California on the fortune 1000 firms revealed that companies that emphasized employees’ involvement in the strategic planning process had an average Return on Investment (ROI) of 19.1% compared to 15.2% for those that did not engage employees in the process (Apostolou, 2000).

Apostolou (2000), states that if an organization wants to be competitive, it must ensure that it involves in the planning process one of its most important assets and customers, who are the employees. The author adds that the returns to the organization for investing in the employees’ contribution are normally in the form of creativity, productivity, commitment and profitability in the long run. Dandira (2011, p. 30) notes that:

There is a syndrome in top management that strategic planning is supposed to be formulated by them alone, and for them it is a sign of power and an expression of the magnitude of the difference between them and their subordinates.
Woodworth (1986, cited in Kuye and Sulaimon, 2011) in agreeing with Dandira (2011) states that the belief that the best organizational results, attitudes and effective cultures come from the top, ignores the fact that powerful contributions can be found within the staff at the lower levels. Participatory strategic planning although important is not easy and has quite often received a negative response from those at the top (Kuye & Sulaimon, 2011).

According to Lawler and Mohrman (2003), they report that in a survey carried out on 150 companies in the United States, only 18% of companies with a Human Resource Information System [HRIS] had an input role in to strategy. It is therefore quite evident that organizations could be unaware of the opportunity cost of leaving out employees in the strategic planning process.

In looking at organizational performance, Hunger and Wheelen (2008) define performance as the outcome of the organizations strategic activities. Performance is also defined as the execution of strategy (Kramer, Strickland & Thompson, 1995). It is therefore evident that performance is an outcome of the strategic planning process, of which staff must be involved. Improved organizational performance as a result of staff involvement is brought about by factors such as: staff being aware of what goals they are expected to achieve, motivation caused by the fact that the procedures being carried out have been approved by management, and the fact that the lower level staff who are mostly client facing, are the ones responsible for implementing a majority of organizational strategies (Kramer et al., 1995). Staff involvement in the strategic planning process therefore needs to be evaluated as there is enough evidence that their involvement or lack of involvement can have an impact on a firms overall performance.
The best and most reliable indicators of a firm’s performance are its strategic outcomes (Gamble, Strickland & Thompson, 2007). According to the authors, the various performance measures include: a company’s financials, the balanced scorecard or a firm’s performance in the capital markets. Gamble et al. (2007) ascertain that a good indicator of a firm’s performance is to look at the level of the achievement of the firms strategic objectives.

Employees involved in the strategic planning process tend to feel personally responsible for the organizations performance (Apostolou, 2000). The author is of the view that some of the elements that would enhance employee participation in the strategic planning process include: financial- profit sharing with the employees, share ownership for employees as a reward for their performance and the confidence of job security. Hyman and summers (2005) contend that participation improves employee’s attitude towards work and management and consequently motivates them to achieve the organizations goals and objectives.

Strategic planning and employees’ involvement in Africa

Gbadamosi and Osei (2011) are of the view that Africa as a continent has been experiencing tremendous economic transformation. The author’s state that through involvement of universities, communities, and organizations in the strategic planning process Africa can be positioned competitively. It is worth noting however, that strategic planning in Africa is not just the preserve of big corporations in the private sector (Fehnel, 2000). The author observes that strategic planning has penetrated higher institutions of learning, for example in Nigeria. The institutions in the following countries
are also cited as involved in strategic planning: South Africa, Malawi, Zimbabwe and Ghana (Hayward, 2008; Farrant & Fielden, 1996). Kuye and Sulaimon (2011) have noted that although the manufacturing sector in Nigeria is a very key sector, little is known about the level of staff involvement in decision making and effect on performance of the firms in the sector.

In South Africa, in addition to the higher institutions of learning, the practice of strategic planning has been incorporated by many organizations (Dandira, 2011). Dandira (2011) observes that although the practice was gaining popularity in South Africa, not all staff were involved in the process. The author states that the process was mainly about the top management who sometimes involved the services of a consultant (Dandira, 2011). Hayward (2008) in looking at the South African situation notes that participation of the stakeholders at both institutional and national levels was critical to the success of the strategies employed.

Strategic planning and employees’ involvement in Kenya

In the Kenyan context, the practice of strategic planning is evident especially in the public sector. The interest in strategic planning started around the year 2000 and has continued to be adapted across the public sector in Kenya (Kenya Wildlife Services, 2008). As a result of the growing popularity of strategic planning, a number of state corporations have in the recent past, unveiled their strategic plans, in support of the countries’ 2030 vision. Some of the corporations that have adopted strategic planning include: Kenya Wildlife Service-2005, Ministry of Tourism-2008, The Kenya Police-2003, and the Ministry of Higher Education, Science and Technology-2008 among others (Kenya Wildlife Services strategic plan, 2005; Ministry of Tourism strategic plan, 2008;
The Kenya Police strategic plan, 2003; Ministry of higher education science and technology strategic plan, 2008).

Most private companies on the other hand, have numerous strategic management frameworks in place, with research revealing that at least 70% of those that had implemented strategic planning outperformed their peers (Willson, Hull & Forbes-Smith, 2008). The authors are of the view that the private sector is synonymous with strategic planning whether it is a local firm or a multinational. It should however be noted that no studies have been conducted on the difference in strategic planning and implementation among the private sector, public sector, local firms and multinationals, making it difficult to know the difference in strategic planning among the organizations (Eppler, Guohui & Li, 2008).

According to Hunger and Wheelen (2008), the strategic planning process is however applicable in both the public and private sector, large and small firms as well as profit and not for profit organizations. The ongoing strategic planning initiatives in the public sector in Kenya are aimed at ensuring that the public sector in Kenya is transformed (Ministry of Lands and Housing report, 7th March, 2005). Participating employees in the strategic planning process involves: communicating- to keep employees informed on what is taking place in the organization and to gather employees input, top management commitment-by providing adequate support, treating employees as internal customers, performance contracting done together with the subordinates, displaying the important components of the strategic plan publicly and reiterating the plan in meetings and workshops (Dandira, 2011).
Other companies involve employees by adopting innovative ideas suggested by the employees, training and educating employees about the Balanced Score Card (BSC), and providing programs that will support the understanding of the strategic planning process (Norton & Kaplan, 2005). Evans (2010) maintains that management has to determine what motivates staff and in addition communicate clearly and in a timely manner in order to ensure that organizational goals are translated into strategic plans. In communicating effectively, employees are empowered and energized to contribute to the successful execution of the organizations strategic goals (Evans, 2010).

Car and General Kenya Limited

This study was based on Car and General Kenya Limited. The company has its headquarters based in Nairobi’s industrial area, on Lusaka Road junction, having started its operations in Nakuru, Kenya, in 1936. Car and General Limited deals in a variety of products ranging from automotive, power generation to engine related products. The company has a presence in East Africa with a subsidiary in Dar-es-salaam, Tanzania, another subsidiary in Kampala, Uganda, and most recently in Rwanda.

Car and General has had a strong presence in East Africa since around the 1960’s. In Kenya alone, Car and General Limited has branches in the major towns such as: Nairobi, Mombasa, Kisumu and Nakuru. As part of the Tanzania operations, Car and General Limited operates Kibo Poultry Products Limited, one of the oldest broiler chicken farms in the continent situated in Moshi and Arusha. Car and General’s core business is in the automotive and power generation industries. In the automotive industry the company has a market share of 30% and 32% market share in the power generation industry. Car and General Limited can therefore be said to have diversified its business.
Angela (2011) notes that the automotive industry in Kenya is getting busier as manufacturers anticipate an economic boom as a result of the planned regional integration. Popat (2010) is of the view that the motor industry in Kenya has remained resilient in the face of major political and economic challenges faced in the recent past. This notwithstanding, the author mentions that the sector has been reeling under undue competition caused by the second hand dealers. This is despite the fact that the automotive industry has for a long time been dominated by players such as Toyota East Africa, Coopers Motors Corporation, General Motors and Simba Colt (Angela, 2011). It is a fact that although the industry has been dominated by big players, other small players are also coming up by either establishing assembly plants, or expanding their sales networks (Angela, 2011).

It is important to note that in all its subsidiaries combined, Car and General Limited employs about 400 staff. The staff count figure is inclusive of the senior management team, middle level managers, the general staff and subordinate staff of the company. Car and General Limited has got a strategic planning process in place, hence the reason as to why the researcher has chosen to carry out the research at the company (Sangoro, 2011).
Statement of the problem

It is important to note that although it is evident that strategic planning has gained popularity in the recent past, 80% of the strategies fail at implementation stage, due to lack of involvement of the implementers and therefore affecting the ultimate achievement of the organizations goals (Dandira, 2011). Evans (2010), citing a research by Kaplan and Norton indicates that about 90% of organizations fail to implement their strategies due to the following reasons: poor prioritization, poor communication and coordination, lack of accountability for the planned goals and lack of detailed planning to support the achievement of the organizations’ strategic goals. It is however noteworthy that various sources have reported implementation failure rates as ranging between 60%-90% (Kaplan & Norton, 2005).

According to Dandira (2011), if the implementers are not involved in the strategic planning process, then even communicating what needs to be done becomes very difficult. Apostolou adds:

Employee involvement is a long way from being the dominant way in which the fortune 1000 companies are managed….there’s definitely a chance for employee involvement to grow. It has not yet reached its saturation point (Apostolou, 2000, p. 8).

Bhatti and Qureshi (2007) on the other hand note that it is imperative that participatory management gets introduced in organizations such that everyone is given an equal opportunity to be part of plotting the organizations path in to the future. The authors point out that the attainment of the organizational goals will be dependent on an overall culture change by everybody including the management team. Of importance to note is that there is no difference in strategy implementation between big and small
organizations, as the fundamentals are the same (Harrington & Ogbeide, 2011). This therefore means that generally lack of staff involvement in the strategic planning process can have an impact on the employees’ satisfaction, their productivity as well as an organizations performance (Bhatti & Qureshi, 2007).

Kaplan and Norton (2005) in analyzing a typical organization noted that there was some lack of staff involvement in strategic planning. The authors report that 95% of employees were not aware of their organizations strategies and neither did they understand the strategies, 85% of executive leadership team spent less than an hour discussing their business units’ strategy in meetings, while 50% of the executives indicated that they spent zero time on strategy discussions. As a result of the high level of lack of involvement and coordination in the strategic planning process, it is no wonder that reports indicate such high rates of strategy failures (Kaplan & Norton, 2005). Apostolou (2000) is actually of the view that organizations that tap on the strengths of employees are stronger and more competitive than organizations that do not although, unfortunately, only a few organizations could truly be said to involve their employees in strategic planning.

From the statistics given, it is evident that organizations do not involve staff in the strategic planning process; hence impacting on performance. Dandira (2011) observes that in most cases where strategies fail, it is because the staffs were not involved in the strategic planning process, especially at the formulation stage, causing the staff not to own the strategic plans. The researcher was therefore interested in finding out if the same applied to Car and General Limited.
Purpose of the study

The purpose of this study was to establish the level of staff involvement in the strategic planning process at Car and General Limited and how that impacted on the organizations performance.

Objectives of the study

In order to achieve the study purpose, the following objectives were examined:

1. Determine whether the staff at Car and General Limited participated in the strategic planning process and at what level.
2. Identify any challenges to staff participation in the strategic planning process.
3. Determine whether staff participation in strategic planning had any impact on Car and General Limiteds performance.
4. Identify solutions to challenges facing staff participation in the strategic planning process.

Research questions

In order to achieve the study purpose, the following research questions guided the researcher:

1. Were staff at Car and General Limited involved in strategic planning and at what level?
2. What were the challenges to staff participation in the strategic planning process?
3. Did staff participation in the strategic planning process have an impact on Car and General Limiteds performance?
4. What are the solutions to challenges facing staff participation in the strategic planning process?

Justification of the study

The dawn of globalization has seen many organizations in Kenya strive to ensure that they place themselves strategically in their quest for new markets and strategic opportunities that will keep them relevant in the ever dynamic environment (Fehnel, 2000). Car and General Limited is one such company whose involvement in power generation, automotive and engineering related products position it strategically.

Popat (2010) notes that the automotive sector being a formal industry employs thousands of Kenyans. The author argues that with a population of more than 40 Million, Kenya has the capacity to provide employment and investment opportunities that will enable a thriving motor industry capable of serving Sub-Saharan Africa. Gathanju (2010) suggests that Kenya’s growing economy currently has an appetite for renewable energy. The current situation however is such that, the hydro energy being produced is not sufficient to meet the needs of the economy. Further, the author argues that, if this situation is not addressed, it may affect expansion plans in to the other East African States. The Public-Private Infrastructure Advisory Facility [PPIAF] (2010) highlights in particular that, power supply is vital in sparking economic growth, and that the level of energy use in a country depicts the degree of economic growth and development. The role played by the automotive and energy sectors in driving Kenya’s economy can therefore not be under estimated. Thus, the justification for this study carried out on Car and General Limited.
Significance of the study

The study was important as it enabled the following to be attained:

1. Added to the existing body of knowledge, by incorporating my findings based on the research carried out on Car and General Limited.
2. Aided my understanding of the contribution of staff to the overall performance of an organization.
3. Provided feedback to Car and General Limited on how the staffs view their involvement in the strategic planning process.

Assumptions of the study

During the course of the study, the following assumptions were made:

1. There was a problem of employees’ involvement in strategy implementation process.
2. Questions asked during the interviews would be understood by the respondents.
3. The respondents would provide objective answers to the questions asked on the questionnaires.

Scope of the study

Although Car and General Limited has branches in the East African region, this study focused on Car and General Limited’s operations in Kenya, and specifically the staff employed in Car and General Limited Nairobi Branch.
Limitations of the study

The following limitations were expected:

1. Bias: since the researcher had interacted with some of the employees of Car and General before, there was the likelihood of bias caused by information that the researcher had on the company under study. The researcher countered this limitation by using questionnaires and interviews, as well as involving a research assistant.

2. Sensitivity of the topic: management would not be honest in confirming that their staffs are involved in the strategic planning process, this was countered by capturing the staff views in the questionnaires as well as ensuring anonymity of the respondents.

Definition of terms

Balanced scorecard: Management system designed by organizations to manage their strategies, and looks at four perspectives of an organization: Financial, customer, process, innovation and learning (Caudle, 2008).

Competitive advantage: What helps a firm to have an advantage over its rivals (Lei & Pitts, 1996).

Directive leadership: A situation where leaders instruct subordinates what is to be done, how it is to be done and when it is to be done (Harrington & Ogbeide, 2011).

Distinctive competence: This are the special capabilities, skills, resources or even technologies that enable a firm to be easily distinguished from its rivals (Lei & Pitts, 1996).
Employee empowerment: Management recognizes employee’s ability and provides them with the tools and authority required for them to continuously improve their performance (Apostolou, 2000).

Employee involvement: The process of empowering employees to participate in decision making activities appropriate to their levels in the organization. It also involves a situation where each employee’s contribution is sought and valued by management (Apostolou, 2000).

Participative leadership: A situation where leaders invite subordinates to be part of the decision making (Harrington & Ogbeide, 2011).

Performance: Relates to a company or organization’s profits and return on investment (Hunger & Wheelen, 2008).

Strategy: Pattern of resource allocation decisions made throughout an organization that includes desired goals and beliefs about what is acceptable and what is not as well as the means of achieving the goals (Robson, 1997).

Strategy implementation: The sum total of all the activities and choices required for execution of the strategic plan (Wheelen & Hunger, 2008).

Strategic management: This is a set of managerial decisions and actions that determine the long run performance of an organization and includes scanning the environment (both internal and external), strategy formulation, strategy implementation, strategy evaluation and control (Hunger & Wheelen, 2008).
Strategic planning: This is a vision based long term plan that can be done at the functional, business or corporate level and it includes the actions, tasks and the resources required for the implementation of the strategies (Al-Turki, 2011).

Summary

Chapter one looked at the advent of strategic planning, the importance of staff involvement and the impact on performance, as well as the background of the study. Also captured in the chapter was a brief on the case study company (Car and General Kenya Limited). The problem statement, purpose of the study, objectives and research questions were also covered in the chapter. The justification and significance of the study were also addressed, with the chapter closing by looking at the limitations of the study as well as the definitions of the terms used. Chapter two will be a review of the relevant literature related to the study. In the chapter the researcher will address different issues surrounding staff involvement in strategic planning as well as the overall contribution to performance.
CHAPTER TWO
LITERATURE REVIEW

Introduction

The purpose of this chapter was to re-examine various literatures in line with the study topic, in order to bring out what various authors have to say about the study topic. The chapter also examines issues relating to the study topic so as to give a clear understanding of the study topic from a broader perspective. Various theories relating to the study topic have also been examined, and a conceptual framework drawn to summarise the researchers understanding of the study topic.

Strategy and strategic planning

Strategy is defined as an analysis of the relationship between a firm and its environment (Kay, 1997). Robson (1997) on the other hand defines strategy as a pattern that involves the allocation of resources, and also the decisions made throughout the organization. The author continues to state that strategy involves coming up with desired goals and the means to achieving the goals. Walker (2007) is of the opinion that strategy explains how a firm makes money, and that it refers broadly to the routines, decisions and policies that are made throughout the organization, that influence the organizations position in the market. Kramer, Strickland and Thompson (1995) define strategy as a vision.

A company’s strategy can also be viewed as the managements’ action plan for running both the business and its operations (Gamble, Strickland & Thompson, 2007). Hunger and Wheelen (2008) however view strategy as an organizations comprehensive master
plan that documents how the organization will achieve its mission and objectives. Strategy is also defined as the pattern of an organizations tactics, as well as the managerial approaches used to achieve the organizations objectives and to pursue its mission (Strickland & Thompson, 1990).

Strategic planning on the other hand is defined as the process through which organizations analyze their internal and external environments, establish long and short term goals and create strategies that are intended to help achieve the goals (Harrison & St. John, 1994). The strategic planning process it is argued, helps the organizations to determine what they intend to achieve and how they will achieve the intended plans (Hitt, Hoskisson & Ireland, 1997). Strategic planning is also defined by Hunger and Wheelen (2008) as a set of managerial decisions and actions that determine how an organization will perform in the long run. The process involves: scanning the environment (both internal and external), strategy implementation, evaluation and control. Strategic planning therefore is generally about defining an organizations future plan, and the desired outcomes (Evans, 2010).

Hitt, Hoskisson and Ireland (1997) concur that the process involves studying a firm’s internal and external environment in order to identify the market opportunities and threats and also to determine how a firms core competencies can be used to achieve the desired strategic outcomes. Strategic planning is also defined as the art and science of formulating, implementing and evaluating cross functional decisions that will enable an organization to achieve the objectives that it sets to achieve (David, 1999). David (1999) suggests that the models around strategic planning usually describe in detail the process
for developing a business strategy, and how the strategy links to operational performance, investments and the overall financial performance of an organization.

Fully thought-out strategic plans are very comprehensive in that they address all actions and resources required to implement an organization’s strategy such as: Timelines for the actions, required resources, and metrics tied to the goal accomplishments, governance structures, training, risk mitigation, industry trend analysis, core competence analysis, and core values analysis (Evans, 2010). Strategic planning assumes that the future of the organization is in the hands of the members of the organization (Dandira, 2011). Alkhafaji (2003) however notes that the organizations environment (both internal and external) also plays a key role in determining an organization’s strategy and what an organization may or may not do.

Hitt, Hoskisson and Ireland (2010) endorse strategic management as a process that firms use to achieve a competitive advantage. Strategic management is also viewed, as a process that involves scanning an organization’s internal and external environment, with the aim to determine the organization’s internal strengths and weaknesses, and external opportunities and threats that will aid in decision making (Alkhafaji, 2003). According to the author, strategic management also involves formulating, implementing and evaluating an organization’s strategy. This therefore means that strategic management and strategic planning may be used interchangeably to mean the same process.

*History of strategic planning*

Kay (1997) argues that businesses have had strategies since the advent of commerce. The author continues to argue that although this has been the case, it is only in the 1960’s
that the issue of strategic planning begun to receive great attention. The history of strategic planning can be linked to the changes in domestic and global business environments during the 20th century (Harrison & St. John, 1994). The authors continue to mention that the changes gave rise to the need for new management techniques as the dual task of managing a firm as well as guiding its course became difficult for one manager to handle.

Walker (2007) argues that there are six basic origins of strategy. The author lists them as including: (1) Industrial and evolutionary economics, whereby the industry forces although known to restrict what a firm can or cannot do, analyzed over time, helps to develop innovative practices. (2) Case study of exemplary companies, the cases provide important insights for example in the area of innovation, insights may include strategies that competitors cannot duplicate. (3) Business and Industry history, the scope and detail used in describing competitor behavior overtime shows how successful market positions have come about. (4) Economic and economic sociology, analyzing of industry trends, internal structures, processes, and trends in corporate governance, are seen to contribute to the strategic process. (5) Strategic planning tools, models used are known to capture the key challenges faced or likely to be faced and therefore can be useful in identifying strategic challenges. (6) Institutional economics, seen to focus on effective governance critical for strategy execution.

Strategic planning it is suggested, initially became prominent in corporate America and was used as a powerful tool to align business functions as well as assess company weakness and strengths in relationship to the competition (Evans, 2010). Strategic
planning carried with it a new wave driven by technological revolutions as well as globalization (Hitt, Hoskisson & Ireland, 1997).

Harrison and St. John (1994) do concur that the emergence of new organizations, and new managerial techniques created awareness that effective management in an ever changing environment required a more out word course of action, involving the external environment. The 21st century strategic planning is therefore geared towards helping organizations achieve a sustainable competitive advantage, by developing and nurturing organizational innovation so as to enable the organization to respond to the needs of the market more effectively (Evans, 2010).

The strategic planning process is imperative in helping a firm to respond to the challenges brought about by the new competitive landscapes (Hitt, Hoskisson & Ireland, 1997). Kramer, Strickland and Thompson (1995) believe that managing a business without a plan can direct an organization in to a disastrous situation. David (1999) observes that an increasing number of companies in the US are beginning to use strategic planning, to make effective decisions and this can be accounted for at least 75% of companies in 1999 compared to 25% in 1979 that utilized strategic planning techniques. It is therefore obvious that by the year 2011, the use of strategic planning process by firms could have gone up significantly.

The strategic planning process

Hunger and Wheelen (2008), Pearce and Robinson (2007) summarize the strategic planning process as involving the following steps: Environmental scan/business analysis, Strategy formulation, Strategy implementation, Strategy evaluation and control. Below is a summary diagram giving the details involved in each of the steps:
Although Figure 2.1 shows the main steps in strategic planning, there are authors who have given other steps such as: Environmental scanning, Strategy implementation, evaluation and control (Evans, 2010); selecting a corporate mission, external environmental analysis, internal analysis, strategy selection and strategy implementation (Hill & Jones, 2008); Clarifying desired ends, mapping steps to the ends, implementing strategies, tactfully dealing with competition and evaluating progress and performance (Martin & Thompson, 2010). Most authors however seem to agree with Hunger and Wheelen (2008) about the main steps as illustrated in Figure 2.1 above (Alkhafaji, 2003; Craig & Sadler, 2003; Hitt, Hoskisson & Ireland, 2010; Apostolou, 2000; Heyman & Summers, 2005). The next section therefore explains the strategic process as supported by modern literature and how this fits within the current study.

*Environmental scanning*
Craig and Sadler (2003) reveal that environmental scanning is a process that enables an organization to recognize strategic opportunities. The authors allude to the fact that the process requires insight and creativity in order to yield results. Environmental scanning also involves a detailed study of the environment that an organization is operating in (Hitt, Hoskisson & Ireland, 2010). Hill and Jones (2008) contend that environmental analysis aids a firm to identify opportunities and threats that an organization can capitalize on or avoid in order to achieve its objectives. Environmental scanning also provides an opportunity for firms to monitor forces that are not within their control in the external environment or in the industry, providing an opportunity to align to or adopt to whatever changes may be required (Alkhafaji, 2003).

*Strategy Formulation*

Strategy formulation guides top leadership in defining the business that the organization is in, the ends it seeks to attain as well as the means to accomplish the ends (Pearce and Robinson, 2007). The process involves gathering information about the organizations market and competitors (external) and its resources and capabilities (Internal) (Walker, 2007). The author suggests that formulating strategies is about coming up with decisions about strategies that will be pursued in order to achieve the objectives of the organization. Gamble, Jain, Strickland and Thompson (2006), note that strategy formulation entails the following processes: developing the company strategic vision; This is a statement about where the company intends to be in the future, setting objectives that will guide the achievement of the organizations strategies and crafting of the strategies that will enable the achievement of the set goals.
Strategy Implementation

Strategy implementation is defined by Eppler, Guohui and Li (2008) as the process that involves turning the strategic plans into actions and in line with the stated objectives. Strategy implementation is considered a difficult task (Dandira, 2011; Gamble, Jain, Strickland, & Thompson, 2006). The complexity of the implementation process is due to the numerous decisions and actions that have to be taken into consideration in order to turn the strategic plans into a reality (Eppler, Guohui and Li, 2008). According to various researchers most strategies fail at implementation stage (Kaplan & Norton, 2005; Eppler et al., 2008; Evans, 2010). Strategy implementation is considered a key challenge for many organizations with the reasons ranging from problems with the implementers, to the systems that aid in the coordination and control.

Some of the barriers to strategy implementation include: too many conflicting priorities, malfunctioning of the Top Management team, poor communication, inadequate staff training (Dandira, 2011). The author also adds that failure to involve the staff at the implementation stage is also a key challenge. The implementers of strategy are usually comprised of the following people: Top management-these are the senior leaders (Chief Executive Officer (CEO), Chief Finance Officer (CFO), Chief Operations Officer (COO), whose participation leads to greater commitment to the firms overall goals. Middle management-Their leadership style and relationship with the top management influences strategy implementation either positively or negatively. Lower management and non-management-This category of people, must be persuaded about the importance of strategy even before persuading the customers (Eppler, Guohui & Li, 2008). If these
people are not involved in the strategic planning process they may end up disinterested, may disown the plan and even shun it (Dandira, 2011).

Some of the challenges of strategy implementation with regard to human resources include: Insufficient capability to perform the job, inadequate training opportunities, and inadequate leadership and direction. According to the authors lack of shared knowledge with the above categories more often leads to difficulties in strategy implementation (Eppler, Guohui & Li, 2008).

Evaluation and control

Evaluation is seen as the point at which a company decides whether to continue with a strategy as it is, or make some changes to it (Gamble, Jain, Strickland & Thompson, 2006). Evans (2010), argues that evaluation is about governance and that the process provides a method to review the organizations strategic plan related initiatives and group them for easier reporting to management. For evaluation and control to be effective information from those who implement the strategies-lower in the hierarchy-is important, so that the progress can be tracked (Hunger & Wheelen, 2008).

Harrison and St John (1994) define strategic control as a process that sometimes leads to adjustments of the strategic plan if necessary, especially as a result of information collected by managers. The information according to the authors, more often than not determines if changes need to be effected on an organizations strategy, or whether the strategy remains as is.
Benefits and importance of strategic planning

The Center for Applied Research Report [CFAR] (2005) highlights the following as the benefits of strategic planning, that: strategic planning provides clarity and focus on the organizations goals, help managers know how to direct their resources, and aid in decision making. The report also cites best practices in strategic planning as reported by the top 45 companies in America as including: encouraging people to “think out of the box”, ensuring flexibility of the process, formal communication process in place, emphasis on action plans, documentation of the strategic ideas, prioritization of the plan and a window for review and feedback. Strategic planning can also improve company performance when better strategies are developed and implemented (Kramer, Strickland & Thompson, 1995). Gamble, Jain, Strickland and Thompson (2006) summarize the benefits of the process as enabling the firm to position itself in the market place as a leader, as well as the fact that the process provides a strong bottom-line for the organization in the long run.

Other benefits of strategic planning include the fact that strategic plans give a holistic picture of the whole organization, allowing the monitoring of progress and the removal of any obstacles that may hinder the achievement of the organizational goals (Evans, 2010). According to the author most organizations only realize 60% of their strategies potential due to the following reasons: poor prioritization, lack of detail planning to support goal attainment, poor communication and coordination, strategy and culture misalignment, planned goals lacking accountability, poor governance structures, ill-identified strategic goals, and lack of risk identification and mitigation actions. Evans (2010) however notes
that strategic planning if done well can have a powerful outcome in that it can position the organization at a better advantage than the competition.

Walker (2007) states that strategic planning enables control over an organization’s investment, has the potential to solve most of the organizational problems and also helps organizations to become innovative. A survey of 50 corporations in a variety of countries yielded the following results as the benefits associated with strategic planning, they include: the process provides a clear strategic vision for the firm, enables the focus to be on what is strategically important and increases the understanding of the organization’s internal and external environment (Hunger & Wheelen, 2008). Involving staff in strategic planning also helps the organization acquire diverse knowledge, enabling the availability of more information, a better understanding of the situation at hand and a pool of ideas to deal with the situation (Harrington & Ogbeide, 2011). The authors however point out that some of the downside’s of staff involvement include: the involvement of staff in the process can lead to delay in decision making due to inability to reach a consensus.

*Staff participation in strategic planning*

Staff participation is defined as the level of involvement of the member’s of an organization in planning, decision making and implementation of the action plans (Harrison and Ogbeide, 2011). Staff participation is also about shared decision making in the work situation (Kuye & Sulaimon, 2011). The authors suggest that a firm can have a high or a low degree of employee involvement.

A major theory that supports staff participation is the vroom’s expectancy theory which argues that individuals are motivated by activities that they understand, and which
are most likely to reward them (Pattanayak, 2005). The author postulates that rewards may be in the form of bonuses, promotions and performance measures among others. Anandarajan and Anandarajan (2010) however believe that a particular behavior is determined by the relationship between the action and its outcome.

Involvement of staff in strategic planning is important for the cultivation of ideas that can lead to improvement of an organizations products and services (Evans 2010). Kaplan and Norton (2005) state that if staffs are part of the process then there will be commitment to achievement of organizational goals as a result of full ownership. Staff involvement is about every employee being regarded as unique and valuable to the process, hence their input is solicited (Apostolou, 2000). Staff involvement is also viewed as the sharing in decisions made (Kramer, Strickland & Thompson, 2005). The authors are of the view that involving low level staff in the strategic planning process may lead to high quality decisions, high unlikelihood that the decisions will be contested and, better solutions to organizational problems. Staff participation also involves articulating the strategic goals to the staff while involving a task force that develops and proposes the implementation options (Eppler Guohui & Li, 2008).

There are a number of contributing factors however that may determine the level of staff participation in the organization such as the type of organizational structure, with cell based structures being more preferable than hierarchical structures (Harrington & Ogbeide, 2011). Apostolou in agreement also notes that structure has an impact on employee involvement with cell based structures and team based structures seen to support high productivity, better quality of output, greater sense of involvement and decision making responsibility (Apostolou, 2000). Having a diverse workforce is
believed to contribute to competitive organizational strategies (Hunger & Wheelen, 2008).

Harrington and Ogbeide (2011) appreciate that although staff involvement is an important element in the strategic planning process, the level of involvement varies in different organizations depending on the leadership style whether it is a directive leadership style or a participative leadership style. Northouse (2007) on the style of leadership mentions that a manager who employs a directive leadership style is less likely to encourage staff participation when compared to a manager who employs a participative leadership style as, the participative leadership style employing manager will most likely, encourage staff participation in the strategic planning process.

Bhatti and Qureshi (2007) are of the view that the importance of staff participation in an organizations strategic planning process cannot be disputed. Apostolou (2000) on the other hand highlights that among the successes of the Japanese around the world markets has got to do with the value that they place on people, through their involvement in the setting of strategic objectives, which include for example, coming up with better processes, products, services and equipment. The author argues that involvement is more than just the sharing of information, and that it goes way beyond, to the delegation of control, which is also the same as empowering those who are the implementers of the strategies. Apostolou states that:

The best way to obtain a genuine commitment from people is to involve them in the project from the beginning. Even if original ideas are not theirs, the process of designing, planning and assessing will automatically pull them in to the stream of things (Apostolou, 2000 p.4).
Some of the benefits of involving staff in the strategic planning process include: increased employee morale and job satisfaction, employees get the opportunity to table their brilliant ideas, allows flexibility, product and process quality, greater trust and a sense commitment on the part of the employees, reduced monitoring, and increased firm performance (Kuye & Sulaimon, 2011). Apostolou (2000) on the other hand associates strategic planning with the following benefits: enhanced responsibility, increased authority, makes jobs challenging to employees. Harrington and Ogbeide (2011) concur that involving employees has got numerous benefits to the organization and they include: utilization of knowledge across the organization, ensures that good ideas are not overlooked, and knowledge that is usually dispersed across the organization can be utilized properly when staff are engaged in the strategic planning process.

Apostolou (2000) highlights that the returns from investing in employee involvement include: higher levels of motivation, creativity, productivity and commitment. Hyman and Summers (2005) list the benefits of staff participation as including: Improved company performance, reduced costs and improved quality of work life. It is important to note that Eppler, Guohui and Li (2008), report that staff involvement although having a 75% success rate in aiding in the implementation of strategies, it only has 17% frequency of use for organizations that involve staff. Involvement has also been argued to have a relationship with the culture of an organization, with high power distance cultures associated with low staff involvement in decision making and low power distance cultures associated with high involvement of staff in decision making (Kuye & Sulaimon, 2011). The authors argue that in high power distance cultures decision making is viewed as a privilege of the management alone,
while in low power distance cultures everyone has a right to participate in the decision making process.

An important component of staff involvement is empowerment. Apostolou (2000) explains that empowerment enables the employees to know that they have the responsibility and authority to be involved in decision making especially concerning their areas of operation. According to the author, those who best understand a particular problem are best placed to deal with the problems as they are able to identify how their roles fit in to other roles in the achievement of the organizations goals. Although the advantage of participating employees in the strategic planning process is evident, the level of staff involvement varies from one organization to another (Harrington & Ogbeide, 2011). The authors suggest that the level of involvement can be looked at in two ways: breadth of involvement; which relates to the opportunity to gain knowledge from other business units, teams, or stakeholders in the organization and depth of involvement; this relates to involvement that is based on hierarchical relationships from the upper level management to the frontline staff (Harrington & Ogbeide, 2011). Successful companies therefore include a breadth of people in their strategic planning process allowing the companies to tap the expertise of the front line staff, also enabling them to have access to important competitor and client information from customers and suppliers (CFAR, 2005).
How organizations can involve employees

Various authors have outlined the ways in which employees can be involved in the strategic planning process. Communication is regarded as a very important tool in aiding the implementation of strategy by various authors (Eppler, Guohui & Li, 2008; Apostolou, 2000; Evans 2010; Hayward, 2008). The authors are of the opinion that communication aids in explaining tasks, duties, responsibilities and the reason for the choice of certain strategic directions. In addition, communication is also seen to play a vital role in training, knowledge dissemination and learning (Eppler, Guohui & Li, 2008). Communication also plays a vital role in giving feedback through a variety of ways: in meetings, newsletters, notice boards, performance reviews where dialogue sessions are held with the supervisors (Apostolou, 2000). Communicating the right thing, at the right time empowers and energizes employees to contribute to the successful implementation of corporate strategies (Evans, 2010).

Other ways of involving employees in strategic planning other than communication, include: providing them with the models of the plan and funding so that the strategies are implemented effectively (Hayward, 2008). Giving employees responsibility for example to achieve and improve performance quality, training employees in their new roles, and giving them opportunities to succeed are some of the ways Apostolou (2000) argues would foster employee involvement. The author also highlights techniques such as: recognizing the value of each individual, understanding what motivates them, assigning people to positions that they can be most successful, getting the employees input and listening to them, as key ways of involving and participating employees.
Apostolou (2000) notes that some of the ways of encouraging employee involvement in the strategic planning process include: Financial- this includes granting employee share ownership plans (ESOPs) or profit distribution plans (PDPs) to employees in order to foster interest in the company’s’ activities. Job security—this is important as it encourages a sense of belonging. Sashkin (1976), quoted in Kuye and Sulaimon (2011), mentions the expected outcomes of participating employees in strategic planning to include: Quality improvement in the products or services offered, increased commitment by employees to the organizations plans and objectives, and improved adaptability of the organization to the external environment, leading to a competitive advantage for the organization.

**Obstacles to staff involvement in strategic planning**

There are obstacles that organizations and employees may face that may hinder their participation in the strategic planning process as noted by various researchers. Some of the strategic approaches for example may be inappropriate if the choices are difficult for the employees to comprehend or define, and if the environmental change is rapid, hence hindering employee involvement (Kuye & Sulaimon, 2011).

Another obstacle to employee participation in strategic planning may be brought about if the strategic decisions are formulated by the senior level managers of a firm and then imposed on the lower level managers and non managers with little consideration for their knowledge, contribution or organizations results (Eppler, Guohui & Li, 2008). According to the authors over 38% of senior level managers do not communicate the company strategic direction, and business strategy to the subordinates.
Apostolou (2000) also notes the following obstacles to employee involvement: negativism in reviewing employees recommendations for improvement, employees’ involvement based on fear, and failure to respond to employee recommendations as problems that may hinder employee involvement in an organization’s strategic planning process.

Performance

Performance relates to a company’s profits and return on investment (Hunger & Wheelen, 2008). Walker (2007) however indicates that there are two common financial measures associated with an organization’s performance and they include: accounting data, derived from a firm’s financial statements, and a firm’s return in the capital markets. The author explains that accounting data is mainly used due to its availability and the availability of systems that can help to interpret the data. Gamble, Strickland and Thompson (2007) however argue against the use of a company’s financial data as the basis for analyzing performance due to the fact that the information is based on a company’s past decisions and activities and therefore cannot be used to determine its future performance.

The use of accounting information to measure a firm’s performance has also been criticized for the following reasons: Managements control over accounting information can create problems that may affect the information’s credibility, intangible assets such as skills, service and information technology although having an effect on the firm’s performance, are not likely to be captured by the accounting information (Walker, 2007). Gamble, Strickland and Thompson (2007) therefore suggest the use of the balanced score
card in determining a firm’s performance, since it tracks the achievement of both financial and strategic objectives. The author’s state:

Just tracking a company’s financial performance overlooks the fact that what ultimately enables a company to deliver better financial performance from its operations is the achievement of strategic objectives that improves its competitiveness and market strength (Gamble et al., 2007, p.32).

There are researchers who argue that strategic planning has no impact on performance, based on research carried out on small firms (Kargar & Parnell 1996). Kuye and Sulaimon (2011) are however of the view that there is growing evidence that a firm’s performance depends greatly on the level of its employees participation in the decision making process. The authors assert that workers who have a say in how to do their work are more satisfied and consequently contribute to the firm’s performance, and this performance can be evaluated by reviewing the following areas: profit growth, sales revenue, financial strength, operational efficiency, public image, employee morale, environmental adaptation and the firm’s social impact on the society.

Theoretical framework

Various theories apply to the strategic planning process and they include: Agency Theory, Organization Theory, Psychology Theory, Social- systems Theory and Expectancy Theory (Eppler, Guohui & Li, 2008).

The Agency theory, according to Hill and Jones (2009) emphasizes relationships between the managers and the stakeholders of an organization, who include the employees. The authors contend that the theory looks at the ethical issues that may arise within an organization. Agency theory also addresses issues of self interest among
organizational heads, who may act contrary to the expectations of the stakeholders (Pearce & Robson, 2007).

Organization theory on the other hand argues in support of actions that are performed in a determined and organized manner (Mahoney, 2005). According to the author, the theory acknowledges that decision making is a key activity in any organization and emphasizes the formation of coalitions in order to achieve organizational goals.

Green (1992), on expectancy theory of motivation, suggests that employees will be motivated to perform if the following conditions are met: The employees believe that their effort will lead to performance, performance will lead to outcomes, and outcomes will lead to satisfying rewards. Eppler, Guohui and Li (2008), however, point out that commitment to strategy and especially at the implementation stage is usually as a result of the expectancy theory of motivation.

Another theory that guides this study is the psychology theory. According to the theory, people have different innate preferences of how they gather information, make decisions or act on decisions (Smith, 2005). Smith (2005) argues that some people rely on reason and data to make decisions, while others rely on emotions or sentiment to make the same decisions. All these are ways of communication which the author considers important in strategic planning.

Finally, Bausch (2001) presents the social systems theory and explains that a social system is composed of temporary elements involved in events of limited duration.
The author further explains that social systems structures are created due to expectations, which direct decision making and are centres of collective activity.

The study at hand was however guided by three of the theories: expectancy theory of motivation, psychology theory and social systems theory. The choice of the three theories is based on the fact that they give a clear perspective of the goal of strategic planning which is to improve an organizations competitive advantage and performance. The theories emphasize how employee involvement motivates their performance and ultimately the organizations overall performance. Finally the theories also address the role that structure plays in the decision making hierarchy which is a key element in strategic planning.

Conceptual framework

The aim of the strategic planning process is to improve the company performance (Gamble, Jain, Strickland, Thompson, 2008; Parnell & Kargar, 2006; Walker, 2007).

Figure 2.2 shows the conceptual framework and the relationship among the various variables.
According to Figure 2.2 and for the purpose of this study, staff participation was the independent variable, and performance was the dependent variable. The organizations performance according to the framework depends on staff participation in the strategic planning process which involves the following processes: environmental scanning, strategy formulation, strategy implementation and strategy evaluation and Control.

A key element to the process is the staff and the level of staff involvement by way of communication, decision making, planning, evaluations, ratings and reviews is key to their achievement of the companies set targets and goals. These are therefore the intervening variables. Involvement in the form of soliciting for the staffs ideas, involving them in decision making, organizational planning and communicating to the staff regularly on the strategies to be pursued and, milestones achieved, enables them to give input in to the strategic planning process (Formulation, Implementation, Evaluation and Control).

**Figure 2.2: Conceptual framework, of staff involvement in strategic planning and impact on performance (source: own construction)**

- Staff participation
  - Environmental assessment
  - Strategy formulation
  - Strategy implementation
  - Strategy evaluation and control

- Intervening Variables
  - Decision making
  - Planning
  - Communication
  - Evaluations
  - Rating
  - Reviews and discussions

- Dependent variable
  - Overall Performance
    - Profitability
    - Balanced score card and staff motivation

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Staff participation

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<th>Environmental assessment</th>
<th>Strategy formulation</th>
<th>Strategy implementation</th>
<th>Strategy evaluation and control</th>
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Intervening Variables

- Decision making
- Planning
- Communication
- Evaluations
- Rating
- Reviews and discussions

Dependent variable

- Overall Performance
  - Profitability
  - Balanced score card and staff motivation
Harrison and St. John (1994), confirm that in some organizations the value of an employee’s involvement or suggestions is reflected in the organizations profitability and the staffs’ performance evaluation scores, which determine the ultimate incentive that the employees stand to benefit. It is important to note that factors such as employee motivation also contribute to the organizations overall performance, whereby if employees feel motivated they are likely to work towards the achievement of the organizations ultimate goals (Apostolou, 2000). Employee motivation, in the form of share ownership or profit sharing among other ways, ensures that employees become the ambassadors’ for change, ensure quality improvement and continue to give input in the way of ideas in to the strategic planning process (Apostolou, 2000).

Summary

Chapter two provided the definitions of strategy, definitions of strategic planning, the history of strategic planning and an insight of what the process involves. The chapter also addressed the benefits of strategic planning and how staff can be involved in the process. Also covered was an insight in to some of the challenges that hinder success of the process. Performance was also demystified in the chapter, and the chapter concluded by highlighting theories that guide the study and also the researcher’s detailed conceptual framework.
CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

The main purpose of this chapter is to discuss the research methodology that was used to carry out this study. The chapter covers the following areas: the research design, the population that was studied, the sample size that was selected, data collection methods and data analysis procedures. The chapter also discusses how the presentations of the findings were done, in order to establish the impact of staff involvement in the strategic planning process at Car and General Limited on performance.

Research methodology

Research is defined as an examination of a field of knowledge in order to establish facts and principles. It also enables the acquisition of new knowledge from a neutral perspective (Chandran, 2004). Babbie (2010) outlines some of the purposes of research as to: explore a topic under study, describe situations, describe events and explain things or events.

Kothari (2004) defines research methods as all the techniques that are used to conduct a research and includes: collection of data, statistical techniques used for determining the relationships between the data and the unknowns, and the methods used to evaluate accuracy of the data obtained. A research method is therefore all the procedures involved in carrying out a study (Mugenda & Mugenda, 2003).
Research methodology on the other hand involves the steps that a researcher intends to take in order to solve a research problem, including the logic behind the steps taken (Kothari, 2004). Research methodology also includes the proposed research design, population, sample, data collection procedures, data analysis procedures and measurement of the variables under study (Mugenda & Mugenda, 2003). Kothari (2004) explains that research methodology is not only about the methods but also about the logic behind the selection of the methods over others. According to Kothari (2004), a research methodology is important in providing the answers to the following questions:

- Why is a research study being undertaken?
- How is the research problem defined?
- What data is to be collected?
- What methods are to be adopted?
- Why have particular techniques been used in analysing the data?

The following section will therefore give in detail the research methodology and techniques that guided the study, in order to resolve the research problem.

Research Design

Kumar (2005) defines research design as a practical plan adopted by the researcher to answer the research questions objectively, accurately, and economically while ensuring validity. A research design is also defined as how situations are arranged for collection and analysis of data in a manner that aims to bring relevance to the research (Kothari, 2004). Research design is also believed to constitute the following procedures: collecting,
analyzing and interpreting data, in a way that combines their relationship with the purpose of the research (Kothari, 2004; Chandran, 2004).

There are different research designs highlighted by Kothari (2004), Chandran (2004), Mugenda and Mugenda (2003), Kumar (2005) and they include: exploratory research design; which focuses on the discovery of ideas and insights, descriptive research design; which concerns itself with describing characteristics of an individual or group, diagnostic research design; which determines the frequency of an occurrence, and finally, there is research design in case of hypothesis testing; this is used by a researcher to test the hypothesis of fundamental relationships between variables.

Chandran (2004) highlights the following research designs: observation design; a non-interactive research design that involves observing the subject under study, descriptive design; a research design that portrays the characteristics of a group, community or population, exploratory design; focuses on questions that require answers in order to explain people, events or situations, and experimental design; which involves studying of two or more concepts in order to determine their relationship. The various research designs are discussed in detail below:

**Descriptive research design**

Descriptive research is defined as a process of collecting data that enables the researcher to answer questions concerning the topic under study (Mugenda & Mugenda, 2003). Kothari (2004) is of the view that descriptive studies describe the characteristics of a group or individual and involves narrating facts or characteristics of the group, individual or situation under study. Descriptive studies therefore aim to provide complete
and accurate information by describing what is prevalent with regards to the topic under study (Kumar, 2005; Stead & Struwig, 2001). This type of research aims to describe behavior, attitudes, values or characteristics (Mugenda & Mugenda, 2003).

**Exploratory research design**

The main objective of exploratory research design is to discover ideas and insights (Kothari, 2004; Hestler, 1996). Kumar (2005) explains that an exploratory research aims to explore an area where little is known. Exploratory research design is helpful in initiating a research study as it enables the researcher to understand all the aspects of the topic or problem under study (Hestler, 1996). The major purpose of this research design is to develop and clarify ideas, through gathering information from a small sample (Stead & Struwig, 2001).

**Observation research design**

Mugenda and Mugenda (2003) observe that the observation research design determines the status of a situation by observing, and it mainly aims to collect objective information. There are two basic types of observation: structured and unstructured observation (Connaway & Powell, 2010). The authors suggest that in the unstructured observation, there are no predetermined objects to observe and therefore this research design is a flexible technique. The structured observation on the other hand involves predetermined objects that are to be observed.
Correlation research design

This method describes using numbers the degree to which variables are related, and involves collecting data to do this (Mugenda & Mugenda, 2003). Kumar (2005) however views this research design as aiming to discover interdependence, association or relationships between two or more aspects in a given situation. The design therefore aims to look for relationships between two or more variables that cannot be manipulated (Morra-Imas & Rist, 2009).

Experimental Research Design

In this research method, the researcher changes at least one variable (the independent variable) and measures the other variable (dependent variable) (Jackson, 2011). Jackson (2011) asserts that in the experimentation method, control is a key factor as such the elements in the study have to be controlled, in order to have a representation of the population under study.

A good research design is characterized by flexibility, appropriateness, efficiency and has to be economical (Kothari, 2004). For the purpose of the research at hand, the researcher used the descriptive research design in order to carry out the study. Kumar (2005) explains that descriptive research design attempts to describe a situation, a problem or to provide information. The main purpose of descriptive studies is to provide information on what has been established with respect to the topic under study (Kumar, 2005). This research design focuses on questions that require answers in order to understand people, events or situations; hence it was the most appropriate research design for this study (Kothari, 2004; Chandran, 2004; Kumar, 2005). The descriptive research
design was used to provide information regarding the topic under study which is the impact of staff participation in the strategic planning process on performance at Car and General Limited.

For the purpose of this study, quantitative analysis was also employed. Chandran (2004), explains that quantitative analysis involves numerical information or statistics, whereas qualitative data has non-numerical attributes that are related to qualities or values.

*Case study method*

The topic under study was based on a case study of Car and General Limited Kenya Limited. The case study method involves studying a phenomenon such as a person, group, community, society or an organization (Kumar, 2005). Kumar (2005) highlights that the approach assumes that the case under study is typical of cases of the same nature such that through an exhaustive analysis, generalizations can be made that will be applicable to other cases of the same nature.

Woodside (2010) describes the case study method as one that focuses on understanding, predicting, describing and or controlling an individual, organization, group, culture or industry. The case study method involves studying in depth rather than in breadth and is essentially an investigation of the unit under study in order to determine the factors that account for certain behavior patterns (Kothari, 2004). Case studies are therefore concerned with three main factors: common features of the group under study, uncommon features specific to certain groups under study and features that are unique to the case under study (Stead & Struwig, 2001). For the purpose of this research a case
approach was the most appropriate method as it enabled the researcher to study Car and General Limited in depth with the aim to understand factors that contribute to the problem under study as well as provide solutions based on the information gathered.

Population

Population is defined as an entire group of individuals, events or objects that have a common characteristic that is observable (Mugenda & Mugenda, 2003). The authors continue to affirm that a population is a collection of everything that conforms to a given specification. In this study, the entire population comprised of all Car and General Limited staff in all the branches in Kenya, totaling to 248. The target population was the population that was used to generalize the findings of the study (Mugenda & Mugenda, 2003). Kumar (2005) views the target population as the few units that are selected to provide the answers to the research questions. The target population for this study was therefore the staff of Car and General Limited based in the Head office in Nairobi who are 175 in number. This target population provided sufficient information regarding the topic under study.

Table 3.1 below provides a breakdown of the staff count for all Car and General Limited branches in Kenya. The table also gives a breakdown of the three main levels of staff that were targeted to provide information related to the topic under study as follows: Top management, Middle management and Non management, specifically for the category of staff at Car and General Limited Head office in Nairobi.
Table 3.1: Car and General Limited staff numbers per branch and level

<table>
<thead>
<tr>
<th>Branch</th>
<th>Total staff</th>
<th>Top-Management level</th>
<th>Middle-Management Level</th>
<th>Non-management level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nakuru</td>
<td>15</td>
<td>1</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Kisumu</td>
<td>20</td>
<td>2</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Mombasa</td>
<td>25</td>
<td>2</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Nairobi</td>
<td>175</td>
<td>8</td>
<td>23</td>
<td>144</td>
</tr>
<tr>
<td>Eldoret</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Kitengela</td>
<td>10</td>
<td>0</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Totals</td>
<td>248</td>
<td>13</td>
<td>37</td>
<td>198</td>
</tr>
</tbody>
</table>

Sample size and sampling techniques

Sampling is defined as the process of selecting a number of individuals for a study in such a way that they represent the larger group from which they were selected (Mugenda & Mugenda, 2003). The advantages of sampling include the fact that sampling saves time, financial resources and human resources (Kumar, 2005). Mugenda and Mugenda (2003) are of the view that sampling aims to secure a representative group that will enable the researcher to gain information about a population. Chandran (2004) on the other hand defines sampling as a method of selecting a portion of the population such that the population is adequately represented.

Kothari (2004) states that a sample size should be optimum but not too large or too small. An optimum sample size according to the author is one that has the following characteristics: Efficiency, Representativeness, Reliability and Flexibility. Kothari (2008) confirms that efficiency is determined by looking at the sample size that gives the least variance. McBurney and White (2009) on the other hand are of the view that representativeness is determined by the ability of a sample under study to produce similar results when the study is carried out on a different sample. The authors add that this is
mainly used for situations where the alternative population or sample is most accessible. Reliability is however determined by accessing the ability of a measure to give the same or consistent results on different trials (McBurney & White, 2009), whereas, flexibility is when a sample allows a researcher to pursue unanticipated areas of enquiry (Kumar, 2002).

Mugenda and Mugenda (2003) are of the view that a sample size depends on factors such as: the number of variables in the study, the type of research design, the method of data analysis and the size of the accessible population. Gay (1981) quoted in Mugenda and Mugenda (2003) suggests that for a correlation research, 30 or more cases should be considered. For experimental studies, at least 30 cases per group should be considered. Similarly, the author states that for descriptive studies at least 10% of the accessible population is good enough for consideration in carrying out the study. For a case study however, the greater the sample size, the more accurate the estimations (Eurepos, Mills, & Wiebe, 2010). The authors are of the view that the adequacy of sample size in a case study is relative and dependent on the research questions and assumptions of the study.

Some of the challenges associated with sampling however include: lack of technical expertise; this is because the implementation of random methods requires a certain degree of expertise, Absenteeism; by some respondents due to duty calls or other factors, non cooperation; respondents may be unwilling to participate in the survey, and low response rate; common with the questionnaire method of data collection (Chandran, 2004). For the purpose of this study the sample size that was used was the target population which was 175 staff from the Car and General Limited Head office in Nairobi.
Sampling techniques

Kumar (2005) cites the various sampling techniques as: Probability sampling; where each element in the population has an equal and independent chance of being selected from the sample, non-probability sampling; where some members of the population are given a greater but unknown chance of being selected over the others, and mixed sampling; this sampling method has the characteristics portrayed in both random and non random sampling.

According to Mugenda and Mugenda (2003), the probability sampling methods include: simple random sampling, systematic random sampling, stratified random sampling, and cluster sampling. Walliman (2011) in explaining the sampling techniques notes the following: Simple random sampling is where cases to be studied are selected randomly from a uniform population; stratified sampling on the other hand uses strata in a population, to determine the sample to be used. Kumar (2002) in explaining the stratified sampling clarifies that this method aims to produce sub groups where members of each sub group have similar major characteristics, from which random samples are drawn from a stratum. Cluster sampling however involves selection of cases in a population that share one or more characteristics for example employees in a certain department (Walliman, 2011). Kumar (2002) cites that cluster sampling is mainly used because of cost considerations and it involves dividing the population for example in to geographical areas such as countries or regions. Finally systematic sampling is used for large populations and it uses both random sampling and then incorporates a predetermined sample (Kumar, 2002).
The non-probability sampling methods on the other hand include: purposive sampling; that allows researcher to use cases that have information in line with the objectives of the researchers’ study, snow ball sampling; this uses purposeful sampling, where the subjects under study recommend others until the researcher has the number of cases required for the study, convenient sampling; which involves selecting cases of observation as they become available to the researcher. This method is also known as “Volunteer sampling” or “Accidental sampling” (Mugenda & Mugenda, 2003).

For the study at hand, a census approach was used to collect data from the staff at Car and General Limited Headquarters in Nairobi. A census approach involves collecting information from all the participants, in this case the target population (Kothari, 2008). According to the author, this approach ensures that there is a level of accuracy based on the fact that all the elements are considered in the research therefore eliminating generalizations.

*Types of Data*

Data refers to all the information that a researcher gathers in order to aid in his or her study (Mugenda & Mugenda, 2003). According to Chandran (2004) there are two types of data: quantitative data; composed of information that is in numerical form or statistics and qualitative data; composed of information that is in non-numeric form, and includes attributes that are related to qualities or even values.

Data collection on the other hand involves two types of data: primary data; which is data collected for the first time making it original data and secondary data; this is data already collected by someone else, and has passed through the statistical process (Kothari, 2005). Mugenda and Mugenda (2003) however define primary data as the
information a researcher obtains from the field, its source being the subjects in the sample, and secondary data is defined as information obtained from research articles, such as books, journals, reports and casual interviews. In summary, primary sources provide first hand information and secondary sources provide second hand- data (Kumar, 2005). This study employed both primary and secondary data.

Research Instruments

Research instruments are devices for obtaining information relevant to the research topic under study (Wilkinson & Birmingham, 2003). Research instruments enable the researcher to collect the necessary information in line with the study (Mugenda & Mugenda, 2003). The author’s outline the most commonly used instruments as including: questionnaires; this constitutes a written list of questions that respondents read, understand and record the answers, interviews; this is a person to person interaction between two or more people with a specific purpose in mind, observations; this involves a selective way of watching and listening to an interaction or event as it takes place and standardized tests; this includes consistent and uniform procedures for administering, scoring and interpreting behaviours of subjects (Kumar, 2005; Mugenda & Mugenda, 2003). The various instruments are discussed in detail below:

Questionnaires

A questionnaire is a structured goal oriented communication (Chandran, 2004). The respondents were expected to read and understand the questions and then provide answers to the questions asked. Kumar (2005) explains that in a questionnaire respondents are expected to read the questions, interpret what is expected and then write
down the answers, while Chandran (2004) is of the view that a questionnaire is intended to elicit the desired responses which is normally in the form of empirical data, that aids in the achievement of the research objectives.

Questionnaires comprise of both structured and unstructured questions (Chandran, 2004). Structured questions are those that have the response alternatives provided and are easy to administer, as the type of questions are reliable and easy to tabulate and interpret. Unstructured questions on the other hand do not provide response alternatives for the respondent to choose from but instead they provide the respondents with an opportunity to express their opinions, ideas and thoughts freely (Chandran, 2004). The merits of a questionnaire include the fact that: questionnaires are cheap, they are free from bias of the interviewer, and respondents have adequate time to give well thought out answers (Kothari, 2004).

Interviews

Interviews on the other hand involve presentation of oral verbal stimuli and replies done using oral verbal responses (Kothari, 2004). Chandran (2004) adds that in this method of data collection, data is collected directly and personally from the respondent. Interviews are flexible as they allow the interviewer the freedom to formulate questions as they come to mind, around the issue being investigated (Kumar, 2005). The merits of an interview are: interviews give in-depth information, there is greater flexibility allowing for information to be clarified, the language used during an interview can be adopted according to the education level of the person being interviewed and it also allows for the collection of additional information that may be valuable in interpreting the results (Kothari, 2004).
Observations

Kumar (2005) explains that the observation method of collecting primary data involves watching or listening to an occurrence as it takes place. According to the author there are two types of observation: Participant observation; where the researcher participates in the activities of the group being observed without their knowledge, and non-participant observation; where the researcher does not participate in the group’s activities but rather observes watches or records the activities. Some of the limitations of the observation method include: It is an expensive method, the information provided by this method is very limited, the task under observation can easily be interrupted or interfered with by unforeseen factors and, accessibility to the instruments to be observed can be a challenge.

The main instruments that were used for this study were interviews and questionnaires. The interviews were unstructured to allow explaining questions to respondents, as well as to allow for the raising of issues on the spur of the moment depending on what come about during the discussions, that was relevant to this study. The reason for using interviews was to capture feedback from senior management who were busy and did not have time to complete the physical questionnaires. The use of questionnaires was mainly to ensure that there is time to give well thought out answers from the targeted staff. For this study 4% (7 people) of the target population were interviewed while 60% (105 people) of the target population were administered with questionnaires.
Instrument Pre-testing

Pre-testing a questionnaire involves trying it out in the field, once it has been finalized (Mugenda & Mugenda, 2003). According to the authors the pre-test should be done on a selected sample similar to the actual sample the researcher intends to use to carry out the study. Mugenda and Mugenda (2003) highlight the importance of the process as including: revealing vague questions through their different interpretations from what was intended, aiding in improvement of the questionnaires through the respondents comments, revealing deficiencies such as the amount of space available to write answers, highlighting wrong numbering and identifying unclear instructions.

The researcher carried out a pre-test of the questionnaires, by administering 10 questionnaires to randomly selected staff at Slick Marketing Limited. This was done in order to ensure that any identified errors are corrected in advance and also to ensure that the responses are consistent. The responses were consistent, however, errors identified were mainly to do with editing and these were corrected before distribution of the final copies to the staff of Car and General Limited. Pretesting has been identified as the only way to evaluate in advance whether a questionnaire can create problems for the researcher or respondents (Presser, 2004). Babbie (2010) argues that pretesting of the questionnaire can help in dealing with errors such as ambiguous questions, or violation of some of the ethical considerations such as objectivity and anonymity.

Data collection procedure, analysis and presentation

The questionnaires that were used for this study were hand delivered to Car and General Limited’s Head office in Industrial Area, Nairobi. For the interviews, the
researcher used an interview guide for the senior management staff whom most had no time to complete the forms, and a researcher administered questionnaire interview especially for the subordinate staff category, due to their education level. Mugenda and Mugenda (2003), approve the use of a researcher administered questionnaire where subjects do not have the ability to easily interpret the questions, due to their education level. The number of staff in this category was about 15 staff, and the breakdown is as follows: Tea people (5), Drivers (4), Cleaners (6). A research assistant assisted in gathering data from Car and General Limited. Preparing the research assistant involved taking them through the questionnaire and what is expected for a properly completed questionnaire as well as the timelines for completion of the data collection.

After data had been collected the task that followed next was cleaning, coding and then analysis of the data. Data collected from the field is usually difficult to interpret without cleaning, coding, keying in to the computer and analysing (Mugenda & Mugenda, 2003). Collected data is usually analysed using various statistical measures (Kothari, 2004). According to the author, the measures include: Measures of central tendency; these include the mean, median and mode, measures of dispersion; such as range and standard deviation and measures of skewness.

Qualitative analysis however, involves analysing information in a systematic way in order to come up with some useful conclusions and recommendations. In qualitative studies, detailed information is obtained about the issue being studied, and then patterns, trends and relationships are obtained from the information gathered (Mugenda & Mugenda, 2003). The authors view qualitative analysis as involving descriptive analysis
that utilizes scores or measurements using a few indices or statistics (Mugenda & Mugenda, 2003).

The data collected was therefore edited and keyed in to computer software, Statistical Package for Social Sciences (SPSS) to enable analysis of the data. The quantitative analysis was done using the following methods: averages, frequencies, and percentages. The data collected under this research study was presented using pie charts, graphs and tables.


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Reliability and Validity

According to Kumar (2005), reliability refers to the quality of a measurement procedure that enables it to provide repeatability and accuracy. According to the author a research tool that is consistent and stable can be said to be reliable. Some of the factors that affect reliability in research according to Kumar (2005) include: the wording of questions, the physical setting where the study is taking place, the respondents mood, and the nature of interaction. Reliability can also be summarised as whether a “technique applied repeatedly to an object yields the same results each time” (Babbie, 2010, p.157).

Validity on the other hand is defined as the degree to which the researcher has measured what he had intended to measure (Kumar, 2005). Mugenda and Mugenda (2003) define validity as the degree to which the results obtained from the analysis of the data actually represent the problem under study, or are consistent with the expectations. Validity also refers to the extent to which an experimental measure reflects the real meaning of the idea under consideration (Babbie, 2010).
Ethical considerations

Babbie (2010) highlights that ethics is mostly concerned with morality and issues of right and wrong. Research has been considered an area that requires ethical considerations due to the fact that the research process is vulnerable to manipulation (Chandran, 2004). According to the author, in order to avoid such pitfalls the researcher needs to be guided by certain ethical principles that include: objectivity; this means the research process should be free from bias or prejudice, voluntary participation; respondents should not be coerced or forced to respond to questions asked, anonymity and confidentiality; this involves not disclosing personal and confidential information.

Babbie (2010) on the other hand summarises some of the most important ethical issues to consider as including: voluntary participation, no harm to the participants, anonymity and confidentiality and not deceiving the participants so as to get information from them. The author also points out that although ethical issues are important considerations to make, most ethical issues in social research are ambiguous.

Throughout the study, the researcher ensured that the following ethical considerations were taken in to account: anonymity of the respondents, confidentiality of the information given and by whom, and objectivity of the research findings.

Summary

Chapter three was a description of the research methodology that was used to carry out this study. The chapter also reviewed the research design, the population that was considered, the sample size and sampling technique used. Also analysed in the chapter were the instruments that were used for data collection, and how the analysis of the data and presentations were done. The chapter concluded by defining data reliability,
data validity and highlighting some of the ethical issues that the researcher considered in carrying out this study.
CHAPTER FOUR
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

Introduction

The aim of the study was to establish ‘The impact of staff participation in the strategic planning process on performance at Car and General Limited’. This chapter presents the results and findings from the data collected from among the employees based at the Head office of Car and General Limited. The feedback is based on questionnaires that were completed, received back and analyzed, as well as interviews carried out with some of the senior management team. The findings are presented in line with the research objectives which were:

1. Determine whether the staff at Car and General Limited are involved in the strategic planning process and at what level.
2. Identify any challenges to staff participation in the strategic planning process.
3. Determine whether staff participation in strategic planning has any impact on Car and General Limited’s performance.
4. Identify solutions to challenges facing staff participation in the strategic planning process.

Response rate

Response rate is defined as the percentage number of subjects who responded to the distributed questionnaires (Mugenda & Mugenda, 2003). The numbers of questionnaires distributed were 175, and these were distributed to all the employees at the Head office of Car and General Limited in Nairobi. Of the total questionnaires...
distributed, 105 were completed and returned back giving a 60% response rate. A response rate of 50% is believed to be adequate for analysis and reporting, whereas 60% response rate is considered to be good while 70% response rate is deemed to be very good (Babbie, 2010). Apart from the questionnaires, 4% (7) of the senior managers were interviewed, giving a total of 64% response rate, which was good enough for analysis and reporting. This consisted of 4% (7) interviews and 60% (105) questionnaires completed. All the returned questionnaires were found fit for analysis. They were therefore coded, and the raw data entered into SPSS which aided in generating the required statistics as discussed in this chapter.

General Information

*Gender of respondents*

The study sought to establish the gender of the respondents. This was mainly to establish if the responses would be influenced by the gender of the respondents. The targeted employees were required to state their gender and results that were received are as presented in Figure 4.1 below.

![Gender of respondents](image)

*Figure 1.1: Gender of respondents*
The results revealed that 71% (79) of the respondents were male while 29% (33) were female. This indicates a workforce that is not gender balanced, with the male employees being the majority compared to their female counterparts. Gender inequalities in the workplace, has been shown to be greater than those of ethnicity and class, and have been shown to have an impact on the performance of some economies (Duru-Bellat, Lamb & Teese, 2007). Polites (2000) quoted in a report by Women’s Policy noted that the motor industry had not created an environment where women feel confident working alongside men in the same industry. The Women’s Policy Report (2011) also added that women were also on the other hand reluctant to pursue careers in the industry. This can explain why Car and General Limited has such a great gender imbalance.

Respondents’ age

Through the questionnaires, the researcher sought to determine the age of the respondents in order to establish their years of experience as well as their understanding of the topic under study. See Table 4.1.

Table 4.1: Age of respondents

<table>
<thead>
<tr>
<th>Age in Years</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 35</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>36 – 40</td>
<td>38</td>
<td>33</td>
</tr>
<tr>
<td>41 – 45</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>46 – 50</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Above 50</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>112</td>
<td>100</td>
</tr>
</tbody>
</table>
Findings presented in Table 4.1 indicate that 33% (38) of the respondents were aged between 36 and 40 years. Those who were aged between 20 to 35 years and between 41 to 45 years were 20% (22) respectively. Those who were aged between 46 and 50 years were 16% (18) while 11% (12) of the respondents were aged above 50 years. The majority of the respondents 73% (82) were therefore in the age group of between 20 and 45 years of age, which is in agreement with most organizational productive population (Bass & Munell, 2008). The authors report that findings of a research done in the 1950’s in the United States manufacturing industry revealed that the productive population was ages 30 to 50 and that the productivity went down with increase in age for those above 50 years. This therefore means most of the employees at Car and General Limited are in the productive age.

*Years of Service at Car and General Limited*

In regard to the number of years the respondents had worked at Car and General Limited, the findings presented in Table 4.2 indicate that most of the employees had worked for the company for less than three years and between 3 and 5 years with each category having 29% (32) of the staff respectively. Those who had worked for Car and General Limited for between 6 and 10 years were 16% (18) while those who had worked for the company for over 15 years were 14% (16). Respondents who had worked with Car and General Limited for between 11 and 15 years were 12% (14) of the respondents. From the table it is evident that 58% (64) of the employees had only worked for the company for 5 years or less which indicates a company that has poor employee retention rate (Taylor, 2002). The author contends that a high turnover rate is synonymous with poor management while low turnover is associated with well run organization.
Determining the number of years respondents had worked with the organization was important in establishing how well they were versed with the processes of strategic planning and involvement, and to gauge the performance of the company over the time the employees had been with the company. Results are presented in Table 4.2.

Table 4.2: Years of Service at Car and General Limited

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 3</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>3 – 5</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>6 – 10</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>11 – 15</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Over 15</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>112</td>
<td>100</td>
</tr>
</tbody>
</table>

Level of management of respondents

In relation to levels of management occupied by the respondents, results presented in Figure 4.2 indicate that 75% (84) of the respondents were non-managers while 19% (21) of the respondents were middle level managers. The respondents who were senior managers were 6% (7). The findings of this study can be said to represent the whole of the workforce at Car and General Limited since all the categories were represented as senior management, middle management and non-management. Results are presented in Figure 4.2.
Figure 4.2: Management level

Strategic Planning and Staff Involvement

Strategic planning

The study had an objective of establishing if the staff at Car and General Limited are involved in the strategic planning process, and what level of staff are involved in the strategic planning process. Employees were therefore asked whether they were involved in strategic planning and the results are indicated in Figure 4.3.
As shown in Figure 4.3 above, the results indicate that 79% (89) of employees at Car and General Limited were not involved in strategic planning while 21% (23) indicated that they were involved. This means that majority of the employees at Car and General Limited are not involved in the strategic planning process.

Cross tabulation of management level and involvement

To determine those who were involved in strategic planning, a cross tabulation was done with level of management against involvement in strategic planning. Babin and Zikmund (2009) highlight the importance of cross tabulation as assisting in slicing the data further in a way that allows assessment and comparison of elements involving...
multiple variables. Table 4.3 below is a cross tabulation of management level against involvement.

Table 4.3: Cross tabulation of management level and involvement

<table>
<thead>
<tr>
<th>Involvement</th>
<th>Level</th>
<th>Frequency</th>
<th>(%)</th>
<th>Frequency</th>
<th>(%)</th>
<th>Frequency</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior</td>
<td>7</td>
<td>100</td>
<td>16</td>
<td>76</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Middle</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>24</td>
<td>89</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Non-managerial</td>
<td>7</td>
<td>100</td>
<td>21</td>
<td>100</td>
<td>89</td>
<td>100</td>
</tr>
</tbody>
</table>

The results indicate that 100% (7) of the senior managers were involved in strategic planning while 76% (16) of the middle managers were involved. None of the non-managers indicated to have been involved in strategic planning. These results indicate that strategic planning was a preserve for employees in senior management at Car and General Limited. This supports findings by Apostolou (2000) that strategic planning in some organizations was a preserve for those in senior management only.

For the employees who indicated that they were involved, a question was raised which required them to indicate how they were involved. The employees had diverse responses on how they were involved which are presented in Table 4.4.
Table 4.4: Areas of involvement

<table>
<thead>
<tr>
<th>Area of involvement</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeting</td>
<td>17</td>
<td>74</td>
</tr>
<tr>
<td>Policy Formulation</td>
<td>9</td>
<td>39</td>
</tr>
<tr>
<td>Making projections</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>Training</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Creating an enabling environment</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
<td>30</td>
</tr>
</tbody>
</table>

Findings presented in Table 4.4 indicate that the employees who participated were involved in budgeting 17 (74%), formulation of policies 9 (39%), making projections 7 (30%), training 4 (17%) and creating an enabling environment 3 (13%). Other ways of involvement included pricing, inventory management and market planning, attending company’s strategic meetings which are held twice a year, and planning on how Car and General Limited can become competitive through its various products and services. These were indicated as others since they had small percentages.

The findings indicate that the Senior and Middle level managers who were involved in strategic planning were mostly involved in budgeting, making projections and policy formulation. There are various ways of involving staff in strategic planning and they include: Communicating what needs to be done, giving the employees access to the models of the plan, training the employees and giving them various areas of responsibility (Eppler, Guohui & Li, 2008; Hayward, 2008; Apostolou, 2000). Car and General Limited can be said to practise some of the various ways of involvement as highlighted in Table 4.4.
**Reasons for non-participation**

For those who indicated that they did not participate, a question was posed as to the major reasons for not participating. Results are presented in Table 4.5

<table>
<thead>
<tr>
<th>Reasons for non-involvement</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not in management</td>
<td>62</td>
<td>70</td>
</tr>
<tr>
<td>New/Under probation</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Policy of the company</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Not possible to include all</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>89</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Results as presented in Table 4.5 indicate that reasons for not being involved in strategic planning included not being in management 70% (62) which did not necessitate their input, being new in the organization 7% (6) which included those who were still under probation. Others indicated that the workforce was large and inclusion of all the staff in the strategic planning process would make the process lengthy 10% (9) while others indicated that it is the company’s policy 13% (12). The most common response however was that the level of employment did not make some employees qualify to be involved in strategic planning, which was mainly a process that involved the senior managers in the organization. This supports arguments by scholars such as Dandira (2011), Kuye and Sulaimon (2011), and Apostolou (2000) who contend that some top managers do not involve employees because for them their involvement is a show of power, status and differentiates them from their subordinates.
Staff involvement

For the staff who were involved in strategic planning at Car and General Limited, the study sought to find out the strategic planning process that the staffs were mostly involved in. Results are presented in Figure 4.4.

![Figure 4.4: Stages of Employees Involvement](chart)

**Figure 4.4: Stages of Employees Involvement**

Results presented in Figure 4.4 indicate that 35% (8) of the respondents were involved in all stages, 26% (6) were involved in formulation only, and 22% (5) were involved in implementation only, while 17% (4) were involved in monitoring and evaluation only. Majority of the staff at Car and General Limited (65%) could therefore be said to be involved in at least one of the strategic planning stages. The stages in strategic planning as agreed by various authors include: Environmental scanning, strategy
formulation, implementation, evaluation and control (Hunger & Wheelen, 2008; Pearce & Robinson, 2007)

**Table 4.6: Stages of involvement**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulation</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Implementation</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>All stages</td>
<td>8</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100</td>
</tr>
</tbody>
</table>

**Cross tabulation of management level and stages of involvement**

To determine those who were involved in the different stages of strategic planning, a cross tabulation was done with level of management against stage of involvement. Percentages were computed for the joint frequencies and they are presented in Table 4.7.

**Table 4.7: Cross tabulation of management level and stage of involvement**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Level</th>
<th>Senior</th>
<th>Frequency</th>
<th>%</th>
<th>Middle</th>
<th>Frequency</th>
<th>%</th>
<th>Total</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Frequency</td>
<td>%</td>
<td></td>
<td>Frequency</td>
<td>%</td>
<td></td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>Formulation</td>
<td>Senior</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>100</td>
<td></td>
<td>20</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Middle</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>100</td>
<td></td>
<td>20</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7</td>
<td>88</td>
<td>1</td>
<td>12</td>
<td>100</td>
<td></td>
<td>8</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Results presented in Table 4.7 indicate that senior management were all involved in all the stages 7 (88%) while only one of the middle managers was involved in all the three stages 1 (12%). The other middle level managers were involved in only one of the stages. We can therefore conclude that although all the managers were involved in strategic planning, there was still some sort of segregation in the process or stage of involvement. This supports findings by Dandira (2011) who in looking at the South African situation noted that complete involvement of staff in strategic planning was still a problem even though strategic planning itself was gaining popularity in the country.

**Characteristics of the Planning Process**

The study sought to establish the frequency with which employees were involved in the mentioned stage of involvement in strategic planning. The findings are presented in Table 4.8

<table>
<thead>
<tr>
<th>Involvement</th>
<th>Very often</th>
<th>Often</th>
<th>sometimes</th>
<th>Not sure</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>83</td>
</tr>
<tr>
<td>Planning</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>82</td>
</tr>
<tr>
<td>Communication</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>6</td>
<td>81</td>
</tr>
<tr>
<td>Implementation</td>
<td>27</td>
<td>18</td>
<td>26</td>
<td>0</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Formulation</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>84</td>
</tr>
</tbody>
</table>

*Table 4.8: Rating involvement in Strategic Planning Practices*
Findings presented in Table 4.8 indicate that staff involvement in all the strategic planning stages was poor except implementation. Implementation had only 14% of employees who were never involved. Decision making had 83% of employees who were never involved while planning had 82% who were never involved. Communication, formulation and monitoring and evaluation had 81%, 86% and 84% who were never involved respectively. This supports the earlier finding that only those people who were in senior positions of management were involved in the strategic planning process.

In addition, those who were involved (very often and often) in the process, were mostly involved in implementation at 27% and 18% respectively. This implies that to some extent implementation had a high frequency of involvement at 45% compared to the other ways of involvement.

**Rating on success of strategic planning process**

Respondents who participated in strategic planning were required to rate the success of the latest strategic planning process they were involved in. Rating was on a scale of 1 to 10 where 1 to 3 represented not at all successful, 4 to 6 represented moderately successful while 7 to 10 represented very successful. The mean rating was 5.7 which represented moderate success of the process. Results are presented in Table 4.9.

**Table 4.9: Rating of strategic planning process**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not successful (1 – 3)</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Moderately successful (4 - 6)</td>
<td>11</td>
<td>48</td>
</tr>
<tr>
<td>Very successful (7 – 10)</td>
<td>8</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100</td>
</tr>
</tbody>
</table>
Findings presented in Table 4.9 indicated that 48% (11) of the respondents rated the latest strategic planning process they were involved in as moderately successful, while 35% (8) rated the process as very successful only 17% (4) rated the process as not at all successful.

**Major Challenges to Staff Participation**

Respondents were required to indicate the major challenges to their participation in the strategic planning process. Results are presented in Table 4.10.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure by management to involve employees</td>
<td>44</td>
<td>39</td>
</tr>
<tr>
<td>Lack of dedication to strategic planning</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Poor communication by leaders</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Poor incorporation of new staff in the process</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Poor teamwork</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Changes in macro environment</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

According to the respondents the major challenges to staff participation in strategic planning process included failure by management to involve employees in the process 44 (39%) and lack of full dedication to the process 19 (17%). Other challenges mentioned included poor communication by leaders about the process 15 (13%), poor incorporation
of new staff in the process 9 (8%), poor team work in strategic planning 7 (6%) and changes in the macro environment 6 (5%). The strategic planning process did not give room for staff involvement due to financial constraints and lack of the right personnel to lead the process. Strategic planning at Car and General Limited was also hampered by lack of follow-up, and lack of a clear forum that can ensure that employees are involved in the process. All these other challenges were grouped as ‘other’ with 12% (13).

Some of the challenges highlighted by the staff were caused by the fact that the company was reported to suffer from a lack of free interaction between senior and junior staff this could be as a result of the leadership style as cited by Northouse (2007) being directive rather than participatory. Senior management were also viewed as lacking confidence in the junior staff and hence had the impression that incorporating them in the strategic planning process was a waste of time and financial resources.

The above challenges have hampered the implementation of the strategic plans at Car and General Limited since responses indicated that employees lack commitment to the formulated strategies since they are not involved in coming up with the said strategies. Apostolou (2000) is of the view that involving employees from the onset of a project more often yields genuine commitment to the project’s success. Involvement of staff in strategic planning was viewed as not tied to any incentives by the junior employees, hence the junior employees felt comfortable not being involved at all. As a result, some of the employees at Car and General Limited are not even aware that Car and General Limited has a strategic plan in place. It can therefore be concluded that the strategic planning process although having registered moderate success, could be very successful if a participative approach to strategic planning was taken. A participative approach is
whereby leaders invite subordinates to be part of the decision making process (Harrington & Ogbeide, 2011).

Dealing with Challenges to Staff participation

The study sought to find out what the views of respondents were on the ways of dealing with established challenges. An organization is usually faced with certain challenges in its path towards strategy formulation and implementation which may be specific to the organization or they may be general to the industry and environment the organization is operating in (Kaplan & Norton, 2005). These challenges must be dealt with to make the process and the company successful. The study inquired from the respondents how the company could deal with the challenges established. Results are presented in Table 4.11 and discussed in the following section.

**Table 4.11: Measures to deal with Challenges**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic leadership</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>Communication between various stages</td>
<td>25</td>
<td>22</td>
</tr>
<tr>
<td>Building team work</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Encouraging employee involvement</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Special team for strategic planning</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Education and training on strategic planning</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Clear follow up and feedback</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>112</td>
<td>100</td>
</tr>
</tbody>
</table>
The issue of the need for strategic leadership in strategic planning cropped up from various responses 30 (27%). It was also noted that most senior managers at Car and General Limited communicated the strategic plans to subordinates in a weak way thus making the employees follow the plan half-heartedly. The measure was to ensure there was two way communications in the process between the stages 25 (22%).

Other measures that were reported that could help in dealing with the challenges included ensuring that the company works as a team in designing strategic plans and in implementing them 10 (9%). Involving all employees in the process was considered a lengthy process but important in ensuring that all employees are listened to and their views are incorporated in the process 11 (10%). Other measures included the fact that employees should be educated and trained on the value and need for strategic planning 13 (12%). This could be done through involving the staff in workshops and seminars on strategic planning. The workshops it was believed, would aid in improving their awareness of the process and their participation.

Another way that was suggested by respondents to deal with the challenges was setting up a team to oversee the strategic planning process 7 (6%). This team would be given time and resources to ensure that the process is carried out as effectively as possible. A team like that one would make participation of employees a priority. Senior staff should also be encouraged to have confidence in the subordinates which would make participation more likely. Another key measure that was suggested by respondents was to have clear follow up and feedback schedules with timelines 7 (6%). The feedback and monitoring was reported to be poor and hence the implementation was not properly
controlled. This was another key weakness in the strategic planning process. Other responses with minimal significance grouped as ‘others’ were 9 (8%).

Table 4.12: Chi square test statistics of measures to deal with the challenges

<table>
<thead>
<tr>
<th>Measures to deal with the challenges</th>
<th>Chi-Square</th>
<th>df</th>
<th>Asymptotic Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and training</td>
<td>62.327</td>
<td>6</td>
<td>.000</td>
</tr>
<tr>
<td>Team work</td>
<td>32.606</td>
<td>4</td>
<td>.032</td>
</tr>
<tr>
<td>Employee involvement</td>
<td>31.545</td>
<td>4</td>
<td>.027</td>
</tr>
<tr>
<td>Follow-up and feedback</td>
<td>17.473</td>
<td>8</td>
<td>.026</td>
</tr>
<tr>
<td>Special team</td>
<td>48.091</td>
<td>4</td>
<td>.351</td>
</tr>
<tr>
<td>communication</td>
<td>44.455</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Strategic leadership</td>
<td>93.455</td>
<td>4</td>
<td>.000</td>
</tr>
</tbody>
</table>

Walker (2008) approves the use of Chi-square to determine the existence of a statistically significant relationship between variables. According to the author, the test is applicable for cells with frequencies below 5 and on condition that 80% of the cells have frequencies greater than 5. On testing the significance using test of difference between observed and expected values, all the measures were significant at 5%, except the need to have a special team. The measures to deal with the challenges can therefore be said to be trivial.

Performance

Strategic planning is important in today’s complex and dynamic environment to enable organizations to remain competitive and vibrant in the achievement of their set goals (Dandira, 2011; Evans, 2010). The study sought to find out whether the strategic
planning at Car and General Limited had any effect on performance. The first inquiry was on whether employees at Car and General Limited had any performance scorecard. All employees indicated to the affirmative 112 (100%). This implies that Car and General Limited has a way of measuring performance of their employees against some set objectives. A bivariate correlation analysis was performed between participation in strategic planning and performance. This was done using responses for participation and those for rating of performance. Results are presented in the Table 4.13 below.

Table 4.13: Correlations between participation in strategic planning and performance

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Participation</th>
<th>Performance</th>
<th>Participation</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.174</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Significance (2-tailed)</td>
<td>.</td>
<td>.074</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>106</td>
<td>106</td>
<td>112</td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson Correlation</td>
<td>.174</td>
<td>1</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>Significance (2-tailed)</td>
<td>.074</td>
<td>.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>106</td>
<td>112</td>
<td></td>
</tr>
</tbody>
</table>

The correlation coefficient of 0.174 indicates that there is very little positive correlation between participation in strategic planning and performance. This indicates that participation in strategic planning is to a low extent positively related to improved performance. However this relationship was only significant at 7.4%. It can therefore be
concluded that there was a relationship to some extent, between staff participation in strategic planning at Car and General Limited and the performance of the company.

**Frequency of appraisal actions**

On frequency of performance actions, results are as indicated in Table 4.14. The analysis was on percentage of employees who indicated each response.

**Table 4.14: Frequency of appraisal actions**

<table>
<thead>
<tr>
<th>Action</th>
<th>Never</th>
<th>Rarely</th>
<th>Weekly</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussions</td>
<td>0</td>
<td>0</td>
<td>34</td>
<td>44</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>Reviews</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>44</td>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td>Evaluation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>46</td>
<td>19</td>
</tr>
<tr>
<td>Communication</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>44</td>
<td>21</td>
<td>0</td>
</tr>
<tr>
<td>Ratings</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>46</td>
<td>19</td>
</tr>
</tbody>
</table>

Findings presented in Table 4.14 indicate that most discussions and communications were done monthly which was indicated by 44% of the respondents. Discussions and communications which were done weekly was mainly feedback from the sales staff (34% and 35% respectively). On evaluations, most were done quarterly (46%) while most ratings were done quarterly (46%). This is an indication that most evaluations were followed by ratings. The communications that were done quarterly (21%) were for senior management. Evaluations and ratings that were done annually were for senior management also (19%). Car and General Limited can be said to be employing some of the involvement actions that have been identified by various authors (Eppler, Guohui & Li, 2008; Apostolou, 2000; Evan 2010; Hayward, 2008) which include: Communication,
reviews, evaluations and rating although the actions are mostly targeted towards those in senior management.

**Individual Performance**

The study sought to find out how each respondent rated his/her performance as an individual. Results from this query are presented in Figure 4.5.

![Individual Performance Chart](image)

*Figure 5.5: Rating of individual performance*

Findings presented in Figure 4.5 indicate that 71% (79) of the respondents rated their performance as good, 16% (18) rated their performance as very good while 13% (15) rated their performance as average. The majority of the respondents (87%) can be said to be achieving their set objectives. Gamble, Strickland and Thompson (2007) suggest that the score card can help ascertain if an individual or firm are meeting their set objectives.
Table 4.15: Correlations between management level and performance rating

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Management level</th>
<th>Performance rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.017</td>
</tr>
<tr>
<td>Significance (2-tailed)</td>
<td>.</td>
<td>.861</td>
</tr>
<tr>
<td>N</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Performance rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.017</td>
<td>1</td>
</tr>
<tr>
<td>Significance (2-tailed)</td>
<td>.861</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>106</td>
<td>112</td>
</tr>
</tbody>
</table>

The findings further indicated that there was a very low (0.017) positive correlation between management level and rating of performance. The correlation was however only significant at 0.861. This indicates that employees at Car and General were likely to rate their performance as high the higher they were in management.

Strategic Planning and Performance

The study sought to establish the link between strategic planning, staff involvement and performance at Car and General Limited. The respondents were required to rate statements from strongly agree to strongly disagree to indicate their opinion on the impact of strategic planning on performance. Ratings were analyzed using percentages and results are presented in Table 4.16.
Table 4.16: Impact of strategic planning on performance

<table>
<thead>
<tr>
<th>Action</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning is important in every organization</td>
<td>36</td>
<td>64</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Staff involvement is key in strategic planning process</td>
<td>24</td>
<td>53</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Staff involvement in strategic planning has an impact on the organization’s performance</td>
<td>21</td>
<td>42</td>
<td>14</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>Involvement of staff has a direct relationship on profits</td>
<td>8</td>
<td>38</td>
<td>18</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Strategic planning enables a business to develop a competitive advantage</td>
<td>22</td>
<td>55</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Staff motivation plays a key role in strategic planning and overall organizational performance</td>
<td>43</td>
<td>57</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Results as presented in Table 4.16 indicate that 64% of respondents agreed to the statement that strategic planning is important in every organization while 36% strongly agreed to the statement. This shows that employees at Car and General Limited are aware of the importance of strategic planning to the success of the organization. Further, results indicated that 53% of respondents agree to the statement that staff involvement is key in strategic planning process while 24% strongly agreed and 23% were neutral. This also indicated that employees at Car and General Limited viewed employee participation in the strategic planning process as important. On whether staff involvement in strategic planning has an impact on the organization’s profits, 42% agreed, 23% disagreed, 21% strongly agreed while 14% were neutral. On the statement that staff involvement in strategic planning has an impact on the organization’s performance, responses indicated...
that 38% agreed, 19% disagreed, 18% were neutral, 17% strongly disagreed while 8% strongly agreed. These findings indicate that some 36% of the employees did not believe that strategic planning directly affected profits. Results on the statement that strategic planning enables a business to develop a competitive advantage showed that 55% agreed, 23% were neutral while 22% strongly agreed. No respondent disagreed with this statement. 57% of the employees agreed while 43% strongly agreed to the statement that staff motivation plays a key role in strategic planning and overall organizational performance. Motivation was therefore seen by the respondents as an important aspect in not only performance but involvement of the staff in the strategic planning process. Apostolou (2000) agrees that if employees feel motivated they are likely to work towards the achievement of the organizations goals, and this would enhance the organizations overall performance. According to Harrison and St. John (1994), involvement of staff in strategic planning has an impact on their performance and the ultimate incentive that they stand to benefit.

Organizational Performance

The study sought to establish how respondent employees’ rated the performance of Car and General Limited. Results from the rating are presented in Figure 4.6
Findings presented in Figure 4.6 indicate that 66% (74) of the respondents rated the performance of Car and General Limited as good, 19% (21) rated the organization’s performance as average while 15% (17) rated the performance of Car and General Limited as very good.

Respondents were also required to compare performance of Car and General Limited with that of its competitors. Rating that was used was as follows: 1-2 = lowest 20%, 3-4 = middle 20% while 5 = top 20%. Results were analyzed using mean rating and the mean rating was 4.84. This indicated that the company was rated by employees to be in the top 20%. This therefore means that, Car and General Limited as an organization was performing well in the industry.

Figure 4.6: Rating of organizational performance

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Staff involvement in Strategic Planning and Performance

The study sought to find out the views of respondents on whether staff involvement had an impact on performance. Results from the question are presented in Figure 4.7.

Findings as presented in Figure 4.7 indicate that 77% (86) of the respondents felt that involving employees in the strategic planning process had an impact on the overall organizational profitability or performance. Those who negated were 23% (26). There is therefore a general belief that staff involvement in strategic planning had an impact on performance, supporting findings by Kuye and Sulaimon (2011) who noted that a firm’s performance depended on the level of employee involvement in the decision making process. Those that disagreed support Kargar and Parnell (1996) who argued that strategic planning has no impact on performance, based on research carried out on small firms.
Table 4.17: Cross tabulation management level and performance

<table>
<thead>
<tr>
<th>Level</th>
<th>Senior (%)</th>
<th>Middle (%)</th>
<th>None management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>43(3)</td>
<td>38(8)</td>
<td>85(71)</td>
</tr>
<tr>
<td>No</td>
<td>57(4)</td>
<td>62(13)</td>
<td>15(13)</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Results in Table 4.17 further indicate that 85% (71) of non-managers felt that involving employees in strategic planning has an impact on performance. 57% (4) senior level managers and 62% (13) Middle level managers felt that involving employees had no impact on performance.

Those who viewed employee involvement as an important contributor to overall performance had various explanations. These are presented in Table 4.18.

Table 4.18: Importance of involving employees in strategic planning

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing Direction</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Ease in implementation</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Motivation</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Good understanding of objectives</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>More ideas into the process</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Others</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

The explanations include the fact that: Strategic plans provided a direction for the organization to attain high levels of profitability 21% (18), Implementation of the plans
made actualization of good performance a reality 27% (23), by involving employees in strategic planning, employees own the plans and become more committed and motivated to implement them 19% (17). Other explanations were that staff involvement in the process also makes them feel as part of the organization, and makes them feel valued and thus creating a sense of belonging since they understand the objectives 9% (8). Involving employees in strategic planning also unites them with the destiny of the organization and the destiny of the employee which motivates employees to bring more ideas in to the process 12% (10). Those classified in the other category 12% (10) also included the fact that:

Staff involvement in strategic planning ensures that organization’s goals and objects are well understood and they are able to know what is required to meet the goals so as to achieve profitability. Staff involvement was also mentioned to be a way of buying in the employees to wholeheartedly participate in implementation. Other responses indicated that it is easier to implement what one participated in planning.

Further responses indicated that it’s mostly the junior staffs that interact with customers and therefore the ones who better understand what the customers want. Incorporating them therefore brings more ideas and facts into the process which enriches the plans that are made. According to findings by CFAR (2005), successful companies were those that fully involved their various staff in strategic planning hence tapping in to their expertise and enabling access to customer and competitor information.
Summary of key findings

The study revealed the following key findings:

a) Out of the responses received from 112 staff of Car and General Limited, 79% (89) confirmed that they were not involved in strategic planning, while 21% (23) confirmed that they were involved in the strategic planning process. The management levels of involvement were as follows: Senior managers 100% (7) were involved in strategic planning, Middle managers 76% (16) were involved and Non-Managers 0% (84). All the non-managers reported that they were not involved in the process.

b) Results identified the following challenges to staff involvement in strategic planning as: Failure by management to involve employees 44 (39%), Lack of dedication to the process 19 (17%), Poor communication 15 (13%), Poor incorporation of new staff 9 (8%), Poor teamwork 7 (6%), Changes in the micro environment 6 (5%) and others 13 (12%). The others category included: - The strategic planning process did not give room for staff involvement due to financial constraints, lack of the right personnel to lead the process, lack of follow-up, and lack of a clear forum that can ensure that employees are involved in the process.

c) Some of the suggested solutions to the challenges were the need for the following: Strategic leadership 30 (27%), Communication between the stages 25 (22%), Teamwork 10 (9%), Staff involvement 11 (10%), Involve a special team to handle the process 7 (6%), Education and training on strategic planning 13 (12%), Clear follow up and feedback 7 (6%).
d) Finally, the study revealed that 77% (86) of the respondents viewed strategic planning as having an impact on the Company’s performance and gave the following reasons for their answers: Strategic planning yields high profits in the long run, enables the implementation of actualized plans and that the process unites all the staff to the organizations destiny. Those who disagreed were 23% (26) of the respondents.

Summary

This chapter analyzed the data based on the findings presented, and interpreted the information obtained from the field using relevant literature. The chapter also provided a summary of the key findings in relation to the objectives of the study. The next chapter provides discussions around the topic under study, recommendations and areas of further study.
CHAPTER FIVE
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter aims to discuss the findings in line with the research objectives as well as make recommendations based on the research findings. The purpose of the study was to establish the impact of staff participation in the strategic planning process at Car and General Limited and how that impacted on the organizations performance. The findings are discussed in the following section.

Discussions on the findings

Objective 1: Whether staff at Car and General Limited were involved in strategic planning and at what level

The objective sought to establish if the staff at Car and General Limited are involved in strategic planning and at what level. The study revealed that 79% (89) of the staff at Car and General Limited were not involved in the strategic planning process and only 21% (23) of the staff were involved in the process. Responses received from the 112 respondents were from the following categories: 75% (84) were Non-managers, 19% (21) Middle Managers and 6 % (7) Senior Managers.100% (84) of the Non-managers said they were not involved in strategic planning, 76% (16) of the middle managers who responded said that they were involved in strategic planning while 24% (5) of those in the same category denied involvement in the process. Of the staff in the senior management 100% (7) confirmed that they were involved in the strategic planning process. The findings support the reports by Kaplan and Norton (2005); Apostolou (2000) whose
findings in analyzing a typical organization revealed that staff involvement in strategic planning was still a problem for most organizations. There is therefore a need for Car and General Limited and also other organizations to ensure that they understand the importance of involving staff in the strategic planning process. The respondents who participated in strategic planning rated the success of the process as moderate. However, these were only managers and there is need to involve even non-managerial staff (Viljoen and Dann, 2003).

Objective 2: Identify any Challenges to staff participation in strategic planning

The objective sought to identify any challenges to staff involvement in the strategic planning process. Results identified the following challenges to staff involvement in strategic planning with the associated percentage responses as: Failure by management to involve employees 44 (39%), Lack of dedication to strategic planning 19 (17%), Poor communication 15 (13%), Poor incorporation of new staff in to the process 9 (8%), Poor teamwork 7 (6%), Changes in the micro environment 6 (5%) and others (12%)-the others category included:- The strategic planning process did not give room for staff involvement due to financial constraints and lack of the right personnel to lead the process, the process was also hampered by lack of follow-up, and lack of a clear forum that can ensure that employees are involved in the process. The challenges mirror some of the challenges to staff involvement in strategic planning as highlighted by Kuye and Sulaimon (2011), Eppler Guohui and Li (2008), and Apostolou (2000). Failure by senior management to involve employees was a challenge that most of the staff 39% (44) identified. This supports findings by researchers that over 38% of senior level managers
do not communicate the company strategic direction, and business strategy to the subordinates (Eppler, Guohui & Li, 2008).

**Objective 3: Solutions to challenges facing staff participation in strategic planning**

The objective sought to identify any solutions to challenges facing staff involvement in the strategic planning process. Some of the suggested solutions to the challenges with the associated percentage responses included: The need to have strategic leadership 30 (27%), The need to have communication between the stages 25 (22%), Need for teamwork 10 (9%), Need to encourage staff involvement 11 (10%), Need to involve a special team to handle the process 7 (6%), Education and training on strategic planning 13 (12%) clear follow up and feedback 7 (6%). Northouse (2007) suggests that the type of leadership style determines the level of interaction between those in leadership and their subordinates. Communication was also a key solution that most of the staff identified could help avert the challenge. Communication as a tool has been researched by various authors and acknowledged as key to staff involvement in the strategic planning process (Eppler, Guohui & Li, 2008; Apostolou, 2000; Evan 2010; Hayward, 2008). In Conclusion it is evident that the key solutions to the challenge of staff involvement in strategic planning are: having a strategic leadership in place, implementing an organization wide communication structure and finally, educating all levels of staff on the importance of strategic planning.
Objective 4: Whether staff participation in strategic planning has an impact on Car and General Limited performance.

The objective sought to determine whether staff participation in strategic planning had any impact on Car and General Limited performance. The study revealed that 77% (86) of the respondents viewed strategic planning as having an impact on the Company’s performance while 23% (26) did not believe so. Those who agreed gave the following reasons for their responses: Strategic planning yields high profits in the long run, enables the implementation of actualized plans and that the process unites all the staff to the organizations destiny. Gamble, Strickland and Thompson (2007) suggest that the balance score card is a good indicator of an organization’s performance, since it tracks the achievement of strategic objectives that direct a company to achieve its ultimate goal. The staff at Car and General Limited who confirmed that they had a balanced score card in place were 100% (112).

On individual rating 71% (79) of the respondents rated their performance as good, 13% (15) rated their performance as very good while 16% (18) rated their performance as average. Further, on rating the company’s performance, 66% (74) of the respondents rated the performance of Car and General Limited as good, 19% (21) rated the organization’s performance as average while 15% (17) rated the performance of Car and General Limited as very good.

Factors such as staff motivation have been argued to play a role in ensuring that performance targets are achieved to some extent. Apostolou (2000) actually agrees that factors such as employee motivation also contribute to the organizations overall performance.
performance, whereby if employees feel motivated they are likely to work towards the achievement of the organizations ultimate goals (Apostolou, 2000). The author explains that motivation, in the form of share ownership or profit sharing among other ways, ensures that employees become the ambassadors’ for change, and ensure quality improvement (Apostolou, 2000). Based on the ratings it can be concluded that although staff involvement in strategic planning was not optimal, Car and General Limited performance as a company and the individual performances were still moderate and motivation of the staff could have played a role.

Recommendations

The study established that staff involvement in strategic planning at Car and General Limited was very low. Following this finding, the study recommends the following:

a) The management at Car and General Limited should adopt a participative approach to strategic planning that will ensure that there is a forum created to ensure that employees give their views throughout the process. By incorporating all stakeholders’ views, the top management will have enough information, ideas and material to come up with winning strategic plans (Evans, 2010). This will fully utilize the potential of strategic planning and will ultimately lead to enhanced performance (Kuye & Sulaimon, 2011).

b) The study also recommends that management should welcome views of staff regarding performance indicators and standards that are to be set so as to incorporate their input in the overall strategic planning. Although most responses
indicated that the process of staff involvement is improving year by year, there was need for trust and respect between management and non-managerial staff. Interpersonal relationships between staff and management of Car and General Limited also needed some improvement. Involvement it is believed relates not only to the opportunity to share ideas among other business units but it also relates to hierarchical relationships between upper level management and the frontline staff (Harrington & Ogbeide, 2011).

c) Clear and timely communication from senior management on strategic planning process and the formulated plans should be ensured. This communication is required to continue regularly throughout the process from formulation to evaluation and control. Gender imbalance and staff retention were some of the other areas of concern. Car and General Limited needs to come up with a strategy that ensures that gender balance is achieved and that staff are retained in the organization so that the long term objectives of the organization can easily be achieved.

Conclusions and further research

Strategic planning is vital in today’s complex and dynamic environment to enable organizations to remain competitive in their products and services. The study sought to find out whether the employees at Car and General Limited participated in the process and how that impacted on Car and General Limited performance. The conclusion made from the findings is that most of the ideas in the strategic planning process come from the top management. This was then communicated to the lower cadre managers and
employees of the organization who were engaged in implementation of the laid down plans.

The approach used by Car and General Limited seemed to alienate the lower cadre employees thus reducing the acceptability of the plans and effectiveness in their implementation. Though Car and General Limited has comparable performance with its top competitors, employees felt that if they were involved in strategic planning more, the performance of the organization would be enhanced. Most employees in the organization were aware of importance of staff involvement in strategic planning and how this could enhance performance and profitability of the company. However, due to poor communication, lack of enough resources and senior management mistrust of junior staff, staff involvement in strategic planning at Car and General Limited is still very low.

Further research should be carried out to identify other strategic management factors that affect a firms overall performance bearing in mind that staff are an enabling factor but they require other kinds of support if the organizations performance is to be enhanced.
REFERENCES


to make it happen?. University of Southern California: Marshall School of Business.


and cases (5th ed.). Boston: Irwin.


APPENDICES

APPENDIX 1: QUESTIONNAIRE

Introduction

Dear Respondent,

My Name is Nancy Ong’any a post graduate student at Daystar University School of Business and Economics. In order to fulfil the requirements for my Post Graduate degree, I am carrying out a research on: ‘The Impact of staff participation in the strategic planning process on performance: A case Study of Car and General Limited’. For this reason, I request for your participation in completing the questionnaire below.

Kindly note that, all the information given will be treated as confidential and is to be used for academic purposes ONLY. Please take a few minutes to answer the questions below as honest as possible. Thank you for participating.

Section A: Respondents Personal Information

Please tick (✓) your choice.

1. Gender
   □ Male    □ Female

2. Age group
   □ 20-35    □ 36-40    □ 41-45    □ 46-50    □ 50+

3. How many years have you worked for the organization?
   □ <3            □ 3-5 years  □ 6-10 years  □ 11-15 years  □ Over 15 years

4. Please state your level of employment in the organization
   □ Senior management   □ Middle management   □ Non-management
   □ Other ____________________________

5. What is your job title? __________________________________________________

Section B: Strategic planning and staff involvement

6. Are you involved in your organizations strategic planning process?
   □ Yes      □ No

7. If your answer to the above is yes, please specify how ____________________________
   ___________________________________________________________________________

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If your answer is NO, why do you think the management does not involve you?
___________________________________________________________________?

8. If involved in strategic planning, please tick the strategic planning process that you are mostly involved in

☐ Formulation ☐ Implementation ☐ Monitoring and evaluation
☐ All three stages

9. Please tick the frequency that applies to you against the following ways of involvement.

<table>
<thead>
<tr>
<th>Involvement</th>
<th>Very often</th>
<th>Often</th>
<th>Sometimes</th>
<th>Not sure</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formulation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On a scale of 1-10 where 1-3 = ‘Not at all successful’ 4-6 = ‘Moderately successful’ and 7-10 = ‘very successful’

10. How would you rate the most recent strategic planning process you were involved in?

☐

11. In your opinion, what are the top 3 challenges to staff participation in strategic planning that you might be aware of?

a)

b)

c)

What are the ways of overcoming the above challenges?

a)
Section C: Performance Information

12. Do you have a performance score card?

☐ Yes  ☐ No

13. If the answer to the above is yes, please tick the box that describes the frequency for the following actions:

<table>
<thead>
<tr>
<th>Action</th>
<th>Never</th>
<th>Rarely</th>
<th>Weekly</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviews</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluations</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. How would you rate your individual performance?

☐ Very Good  ☐ Good  ☐ Average  ☐ Poor  ☐ Other____________________

15. Do you have a performance incentive?

☐ Yes  ☐ No

16. If yes, please specify the type________________________________________________
________________________________________________________________________
17. Please tick the appropriate box to give your opinion on the following statements. For each statement choose whether you Strongly Agree (SA), Agree (A), are Neutral (N), Disagree (D) or Strongly Disagree (SD).

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Strategic planning is necessary in any organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Staff involvement is key in the strategic planning process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Staff involvement in strategic planning has an impact on the organizations performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Involvement of staff has a direct relationship to profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Strategic planning enables a business to develop a competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Staff motivation plays a key role in strategic planning and organizations overall performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24. How would you rate your organizations performance?

- [ ] Very Good
- [ ] Good
- [ ] Average
- [ ] Poor
- [ ] Other__________

25. On a scale of 1-5, how would you rank your organizations overall profitability and Financial performance compared to peers/competitors in the same segment?

(1-2= Lowest 20 percent, 3-4= middle 20 percent, 5 =top 20 percent)  

[ ]

26. In your view do you think that staff involvement in strategic planning has an impact on organizations overall profitability or performance?

- [ ] Yes
- [ ] No

If your answer to the above is Yes, Please explain why?

________________________________________________________________________
________________________________________________________________________

If your answer to the above is No, Please explain why__________________________________________
________________________________________________________________________
27. In your view, what would you recommend regarding staff involvement in the Strategic planning process at Car and General Limited?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
APPENDIX 2: INTERVIEW GUIDE

Interview Guide

1. What is your job title?

2. How many years have you worked for Car and General Limited?

3. Are you involved in your organizations strategic planning process? Please explain how?

4. In your opinion is strategic planning an important process? Please explain.

5. Do you involve your staff in strategic planning? Please explain how and the level of staff involved.

6. In your opinion what are some of the advantages of involving your staff in the process?

7. What are some of the challenges you may have experienced in involving staff in strategic planning?

8. Are there any solutions you may have to the challenges stated?

9. Has strategic planning at Car and General Limited been a successful process? Please explain.

10. Do your staffs have performance scorecards? What do you measure?

11. Do you have staff performance reviews? How are they carried out? How often?

12. Do your staffs have any performance incentives? Please describe the nature of the incentives.

13. How has the organizations performance been in the last 10 years?

14. What role if any does strategic planning have in contributing to the above performance?
15. Do you think staff involvement in the process contributes to performance? Please explain.

16. What recommendations would you make regarding staff involvement in strategic planning at Car and General Limited?
APPENDIX 3: MAP OF CAR AND GENERAL LIMITEDS’ BRANCHES IN KENYA

Source: Car and General Branches map (2011)