

**EFFECT OF STRATEGIC PLANNING ON ORGANIZATIONAL
PERFORMANCE OF AGRICULTURAL TRADING COMPANIES IN
MOMBASA KENYA**

BY

KIMATHI IVY KINYA

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DECLARATION


I declare that the work shown here is all my own and has not been submitted to any other academic institution for consideration.

Signature.....*Ivy K.*..... Date.....**30th November 2022**.....

Kimathi Ivy Kinya

D61/5338/2017

This proposal has been submitted for examination with my approval as University Supervisor

Signature.......... Date...**30th November, 2022**....

Dr. Kennedy Ogollah

Faculty of Business and Management Science

University of Nairobi.

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DEDICATION

The work is dedicated to my beloved family and friends who gave me the necessary moral support and prayers while working on the paper. To the almighty God I say a big thank you for the blessings showered upon me and the courage to accomplish the study.

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ABBREVIATIONS AND ACRONYMS

CEO:	Chief Executive Officer
GDP:	Gross Domestic Product
NGO:	Non-governmental Organization
SMEs:	Small Medium Enterprises

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ABSTRACT

The goal of the study was to ascertain how strategic planning affected the performance of agricultural trading firms in Kenya's Mombasa County. The McKinsey 7S Model served as the study's foundation, and ideas like strategic decision theory and contingency theory have been put forth. A case study research method was used in the study. The managers in the, top five agricultural trading companies in Mombasa County according to trading volumes and these are Cargill, Seaboard, Hollburd, Bunge and Louis Dreyfus were the study's target population. The study targeted operations managers, production managers and three junior-middle managers of every company, making a population of 25 managers. The information was gathered with the help of an interview guide and examined with content analysis. There was a satisfactory amount of participation in the study (80%), making it acceptable for further research. The study found out that, the agricultural firms reduced cost of operations due to strategic planning. There had been an increase in sales revenue in the company due to strategic planning. The agricultural firm improved their profitability due to strategic planning. Customer satisfaction levels improved comparatively due to strategic planning. Strategic planning enabled the agricultural companies retain their customers. Internal processes at the company has improved customer experience. Internal processes of the agricultural firms were geared towards performance. The agricultural trading companies were promoting organizational change and innovation. There was evidence of staff development and growth due to strategic planning. The study concluded that strategic planning affected the organizational performance of the agricultural firms. The research recommends policy- makers in the agricultural trading industry to take note of strategic planning. Its contribution to organizational performance is significant and should be factored in. Policies should be made to ensure that strategic planning is entrenched in agricultural firms so as to improve the organizational performance. This would be beneficial. The research proposes studies to be carried out throughout the region and compares the results. The study can also be replicated with other industry players. It would be interesting to find out how in other economies the results of the same study would be. This would help in generalization of the findings and build more literature in strategic planning.

CHAPTER ONE: INTRODUCTION

1.1 Background to the study

Organizational performance is about creating value for the organization's core beneficiaries. By improving sales and earnings, effective and successful strategic planning can increase an organization's profitability. Every organization that engages in strategic planning would do better than one that doesn't (Wun,2019) A framework for resource allocation, organizational problem-solving, and competitiveness through opportunity exploitation is provided by effective strategic planning. Strategic plans are "alternative activities that might be conducted in an organization to meet the organization's goal," according to Kenny (2013).

The resource-based theory, strategic decision theory, and contingency theory served as the foundation for the study. Resource-based theory claims that a firm's ability to accomplish a variety of tasks depends on how its capabilities and resources are configured and then deployed. Peteraf and Helfat (2003). This idea applies to the study since it is necessary to distribute human resources wisely for a business to operate effectively. In organizational theory, the concept of strategic choice explains the part that individuals on top positions play in shaping an enterprise through political decision-making (Child, 1997). Using contingency theory helps clarify the connection between strategic planning and the success of a company. What this does is show how the various factors interact to produce the observed correlation (Fielder, 1993).

Twenty-five percent of Kenya's annual workforce and forty percent of the entire population (mostly in rural areas) rely on agriculture as their primary source of income. Tea, coffee,

cut flowers, and vegetables account up the bulk of the country's agricultural exports. Black tea and cut flowers both originate in Kenya, which is a global export leader (International Trade Administration, 2021). Inadequate supply chains, restricted access to financing, inefficient price discovery, volatile markets, and low market access all contribute to high production and marketing costs, which in turn supports the need to build structured systems for commodities trading in Kenya (CMA, 2020). As a result, agricultural trading enterprises could benefit from strategic planning to better prepare for and respond to adversity.

1.1.1 Concept of Strategy

As Henry Mintzberg points out, strategy can be construed in a variety of ways. According to him, several phrases are used in place of strategy, such as perspective, ploy, plan, pattern, and position. Mintzberg (1995) developed a five-P-model to help understand strategy, which includes various indications and a detailed discussion of the concept. Military strategy and game theory management literature are where the classic concept of strategy comes from. It's an entirely different perspective to look at strategy as a pattern of on-the-rise acts and behavior. Consistency in behavior is more important than a preconceived strategy based on a pattern of action. Strategy, in keeping with the pattern, is a reactive rather than proactive concept.

This is a difficult perspective to accept, yet it accurately depicts the reality of many organizations (Rintari & Moronge, 2012; Arasa & K'Obonyo, 2012). The pattern-view is advocated by Mintzberg. In the complex situation that modern organizations face, he says that the manager's responsibility is to give workers a strategic vision, which is produced by the factual data given by analysts, rather than conditioning people in a certain way.

Anderson and Dalpe (2007) make a similar argument, emphasizing the need for all administrators to provide drive to all members of the organization.

The position of the organization in its surroundings is referred to as strategy. The word "environment" is crucial; the company must find a fit with its competitors, external stakeholders, and other interested parties. This strategic concept can be active or passive, and it can also be used to plan. Strategic planning is the method by which an organization's members imagine its future and create the policies, practices, and procedures necessary to bring that future to fruition. The process of determining a brand values, vision, mission, purpose, and goals is sometimes referred to as strategic planning. As during planning process, an authority establishes the outcomes it wants to achieve with its plans, as well as the methods it will employ to get there. Strategies are only effective if they are devised and implemented (Aosa,1992).

1.1.2 Strategic Planning in Organizations

The term "strategic planning" refers to a way in which a group of individuals come up with and implement a set of ideas and steps to reach a predetermined objective (Pearce & Robinson, 2003). The main goal is to help a company define its primary goals and needs, and then focus on accomplishing them (Kotter, 1996). Strategic planning entails putting in place critical procedures to regulate a situation in order to get a better and idealistic outcome for an organization. Financial focuses, human resources, marketing, and businesses all have strategic planning pins that point in the right path. When there is unanimity in the mission and the task relies on skill and technology, strategic planning is usually effective.

Organizations plan strategically for various reasons (Pathfinder International, 2014). Strategic planning not only aids in the development of trust and teamwork within an organization, but it also aids in the organization's ability to move in harmony, foresee change, and deal with it. According to Aosa (2011), companies that prioritize strategic planning create significantly more revenue than those that do not, and strategic planning also aids in making more informed decisions than companies that do not. Organizations that exercise strategic planning have a greater sales return, considerable productivity, and efficiency (Pathfinder International, 2014).

Vision, objective/goal formulation, and strategy selection will be used to assess strategic planning (Pearce & Robinson, 2008). The company's long-term goals are reflected in its vision. According to Pitts (2003), the purpose of a vision statement is to inspire people at all levels of an organization to work together toward a common goal, and to capture the attention of the general public. Individuals and organizations alike use objective setting as one of the most common and basic techniques for determining and achieving their goals. Goal setting and objective setting are inextricably linked. Goals are the broad, long-term successes that an organization wishes to obtain, achieve, or be. They set the stage for what the vision aspires to accomplish (Nickels et al., 2000). The process by which a company chooses the optimal course of action in order to achieve desired goals is known as strategy selection. These methods are vital since they determine the firm's final outcome. All subordinates should be informed about strategic plans so that they may connect their actions with the company's goals (Pearce, Robinson & Subramanian, 2000).

1.1.3 Organization Performance

The term "performance" refers to the sum of monetary and non-monetary measures that reveal information about the degree to which objectives were met and impacts were realized (Kaplan & Norton, 1993). Brumbach (1988) defines performance as the extent to which a firm succeeds in achieving its stated aims. Contributions made by individuals or groups to the organization's overarching goals are included. When we talk about performance, we're talking about both financial outcomes and behavioral impacts. In only the past few years, the value of measuring strategic success has skyrocketed. In order to strengthen their influence and the efficiency of their organizations, advocates for leisure and efficiency in the administration pushed for better performance quantification (Ingraham, 2005). Measurements of performance are used by many businesses as a benchmark for success. Employing a variety of metrics to depict different aspects of performance and provide an objective and comprehensive view of a company's performance is the best way to go.

A company's performance can be measured by how well it meets a variety of objectives, including the creation of superior products, the maintenance of a dominant market position, the attainment of substantial profits, the achievement of verifiable financial results, and the maintenance of stability in the face of economic uncertainty (Koontz & Donnell, 2003). Product quality, market share, and profit levels are just few of the metrics that may be used in conjunction with a company's performance to assess how it stacks up against competitors in the same industry. It's an appraisal of the company's resources based on how they've benefited the business, grown, brought in money, and expanded (Johnson et al., 2006).

There are a number of metrics that can be used to evaluate a company's performance, including Return on Assets (ROA), Return on Equity (ROE (ROE), Revenue growth and profitability from an analytical viewpoint on financial evaluation (Sheriff, Peous & Ali, 2010). Ittner and Lacker (2003), on the other hand, argue that subjective measures of company performance, such as customer satisfaction, employee satisfaction and customer retention, are used.

In addition to traditional metrics, the sustainability-balanced tally invented by Kaplan and Norton (2006) can provide a more comprehensive picture of a company's performance. Directors can get a quick overview of the company's stance on sustainability using the balanced scorecard approach. Customer, stakeholder, internal business processes, and learning growth are the four pillars of the BSC framework. Taking into account things like expenses, income, and profits, a financial viewpoint assesses a company's health (Perkins, Grey, & Remmers, 2014). By gauging metrics like customer happiness and loyalty, customer-centric evaluations of a company's performance can provide light on the business from the perspective of its most important stakeholders. BSC's internal processes will be used to assess the company's performance, with the goal of better serving the company's clientele. Last but not least, the perspective of learning, growth, and development highlights the critical need to foster an atmosphere that encourages the introduction of new ideas and practices within the organization, as well as the personal and professional development of its employees, in order to facilitate the successful implementation of its strategic goals. This study will use the balanced score card as a measure of organizational

performance because it enables an organizational to measure performance both from financial and non-financial perspectives.

1.1.4 Trading Companies in Kenya

Commodities are raw commodities that are needed to keep the world's economies moving. Energy, livestock, meat, metals, and agricultural products are the four commodity categories now traded on the market. Soybeans, corn, cocoa, cotton, sugar, and coffee are examples of agricultural raw materials. In Kenya, there are two sorts of investors participating in commodity trading according to East Africa Edition 3: hedgers, who are often major firms that rely on a steady and reliable price for basic goods, and market makers, who are small businesses. The speculators, on the other hand, are a separate group. You are not genuinely purchasing these products as a speculator. Instead, you buy contracts for these items, which you then sell when you believe the price of a particular commodity is declining.

A 'commodity market' is a market that deals in raw materials rather than produced goods. A few examples of soft commodities include food stuffs like wheat, coffee, sugar, and chocolate. Hard commodities like gold and oil are extracted from the ground. Approximately 50 major commodities markets are accessible to investors across the world, with solely financial transactions progressively outnumbering physical trade in which items are delivered.

1.2 Research Problem

Companies' main goal always is to enhance its performance while remaining relevant in the market. Corporate strategy is an important management tool for improving an

organization's performance through strategic initiatives (Porter, 1998). Strategic planning is a method for a corporation to identify and keep in touch with the most important aspects of the business environment in which it operates. Determining the firm's vision and mission, scanning the environment, creating objectives, reviewing, and deciding on strategic approaches to track success are all part of strategic planning. Senior executives' strategic planning contributes to an organization's growth and profitability (Hamid,2017).

According to Bell (1994), agricultural trading companies have been slower to adopt strategic planning approaches. The growing environmental, political, and population challenges, as well as the drastic shifts in customer tastes and preferences, mean that agricultural trade companies must adapt or perish. Companies involved in agricultural trading would benefit from adopting strategic planning tactics, which would allow them to reduce production and marketing costs and improve distribution. According to McKinsey (2019) while this potential is concentrated, the countries trading company's enormous heterogeneity in agricultural development and policy necessitates tailored approaches for each market. In terms of government participation in agriculture, the enabling environment, and characteristics such as improved input uptake, the three highest-potential countries demonstrate this variety well. Strategic planning is therefore a vital approach.

Studies were done in foreign contexts; George, Walker and Monster (2019) was done in the USA. Jayawarna and Dissanayake (2019) in Sri Lanka and they all used quantitative analysis in their methodology. Regionally, Aderibigbe (2021) study was based on strategic planning and organizational performance on health care services in Nigeria. Wassif (2020) looked at the strategic planning challenges Egyptian non-profit organizations. Locally, Burugu (2018) did a qualitative study at Naivas Limited. Maina, Munga and Njeru (2020)

used a quantitative approach for State Corporations in Kenya. Njoroge (2018) used quantitative analyses on event planning firms in Nairobi CBD. Kisilu, Okumu and Mathenge (2019) used a quantitative analysis on SMEs in Makueni County.

Studies reviewed have revealed contextual conceptual and methodological gaps. Most of these studies used quantitative analysis and knowledge of the researcher none of these studies has looked. From the foregoing, the agricultural sector is largely ignored and therefore there is need for a qualitative study to cover strategic planning and its impact on organizational performance of agricultural trading companies in Mombasa County, Kenya. As a result, our research aims to provide an explanation to: what are the effects of strategic planning on the organizational performance of agricultural trading companies in Mombasa County, Kenya?

1.3 Research Objective

The objective of the research was to determine the impact of strategic planning on organizational performance of agricultural trading companies in Mombasa Kenya

1.4 Value of the Study

This study will aid policymakers in improving their policymaking skills and using strategic planning as a tool for competitive advantage generation, resulting in great performance, as well as the overall benefit of great performance as a result of strategic planning for agricultural trading companies. Agricultural trading company's leadership might use the outcome of this study in strategic planning to guarantee that the organization's performance is excellent and that stated goals and objectives are met.

The analysis of these concepts might reveal some previously undisclosed information to the company's management, resulting in a well-crafted strategic planning process and an understanding of its impact on agricultural trading company's performance. The agricultural trading company's managers might learn whether they should continue to adjust strategic planning for the organization in their procedures in order to get even better results. Normally, firm shareholders are always interested with the organization's success because it is the only method to see if their investment is having any incremental effect on their wealth.

This will serve as a springboard for academics to do more research because it identifies a knowledge gap that may be investigated. This research might significantly add to the body of information in this field that has previously been accumulated by other researchers. Other researchers researching strategic planning and performance might find it useful as a secondary source.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter entails theoretical review, the empirical review, and a summary of the literature review, as well as any gaps in our understanding, are all presented here.

2.2 Theoretical Review

This section examines theories relating to strategic planning and execution. Resource based view, strategic choice theory and contingency theory are the theories that have been proposed. The theories form a basis of the study;

2.2.1 Resource Based View

In this regard, a company's competitive edge and overall effectiveness are both dependent on the extent to which its resources are utilized (Peteraf & Bergen, 2003). The pursuit of competitive advantage is a common theme in strategic management literature (Liao & Hu, 2007). To wit: (Liao & Hu, 2007). Assuming that vital assets would be deployed in a heterogeneous form across businesses and that these variations needed to be unshakable in the end, Barney (1991) examined the connection between a company's assets and its controlled aggressive focal point. Non-substitutability, value, imitability, and rarity are four potential experimental indications of the likelihood that a company's assets will provide a maintained focal point. There are two presumptions made by resource-based theory when analyzing the origins of a company's competitive edge (Peteraf & Barney, 2003).

Firstly, RBV presupposes heterogeneity of competition between companies in the same market or part of the same strategic alliance over access to the same pool of resources. Second, since these differences are put to use in the execution of a strategy, it is presumed that they will remain stable over time because of the perfect immobility of resources between businesses. The uniqueness of a company's resources is a necessary condition that helps to maintain and grow the company's competitive edge. Disputes arise over the following statement: " In a competitive market where every company has access to the same resources, no company can gain a competitive advantage by adopting a tactic that its rivals can't also use." (Cool et al, 2002). This theory helps explain the study's focus on how a company gained a competitive edge through the allocation of its resources.

The following are brief summaries of the four main points of critique that Priem and Butler (2001) proposed. The following are some examples of these objections: This theory has limited prescriptive implications, (b) alternative combinations of resources may yield the same value for companies, and (c) an argument is now being developed about the importance of product marketplaces. On the other hand, Barney (2001) proposed rebuttals to these. The argument against VRIN (Valuable, Rare, Imperfect, Non-Substitutable) resources is that they are hard to come by. Another common misconception is that companies can still succeed in today's intensely competitive business climate by making the most of competitive advantages. The equally crucial Porter's analysis of industry structure is ignored. A company's ability to do strategic planning and, by extension, affect its performance, is directly tied to how well it allocates its resources. For this reason, the theory under consideration here is highly pertinent to the research at hand.

2.2.2 Strategic Choice Theory

Leaders, or groups of leaders, form a crucial part of organizations through the decisions they make within an ever-changing political process, as described by "strategic choice theory." Strategic choice theory challenges the conventional wisdom that an organization's structure is determined by its ability to meet the operational requirements of its external environment (Child, 1997). Instead, it posits that individuals and groups within an firm have the freedom to make decisions, sometimes in their own self-interest, which dynamically influence the organization's growth. The organizational learning process that included feedback from both the internal and external political contexts into these strategic decisions is described.

Management may position the firm in distinct contexts by picking certain strategic priorities, which is why strategy is considered a significant variable (Dekker, Groot & Schoute, 2006). Managers and decision makers consider for both external and internal environment when making a strategic choice. The concept of strategic planning is clarified, as is why managers make decisions in businesses. Strategic choice, which can be traced back to John Child's research in the 1970s, has had and continues to have a major impact on the fields of management and organization studies (Harmey, 2016).

Strategic choice is utilized to ensure revenues from clients, according to Davies and Walters (2004), and this is a critical requirement in resource reliance. In order to lessen their reliance on external resources, businesses might use strategic choice to identify a flexible strategic link in the methods through which they create financial flows. Strategic choice theory, as outlined by Emanuel, Helio, Gonzaga, and Dutra (2016), shares many of the same assumptions as contingency theory, including the belief that there is no one model

that can be applied across all industries and settings, and the suggestion that businesses should modify their internal structures as a result of the external environment.

2.2.3 Contingency Theory

As an organizational philosophy, the contingency perspective holds that there is no one best way to organize a business, lead its employees, or make important decisions. Instead, the internal and external contexts inform the optimal next step. Leaders with a contingent mindset can switch up their tactics to best suit the needs of the business at any given time (Fielder, 1993). Since management and organization is a "open system," it will inevitably run into irregularities and issues, requiring "adaptive" and "situational" responses (Northouse, 2007).

Using contingency theory, we may better grasp the connection between strategic planning and the success of a company. It shows how the various factors that contribute to this association are interconnected. To paraphrase, "there is no one optimum method to build a corporation, lead an organization, or make a decision," because of contingency theory. According to Maik (2014), the contingency method first appeared in the field of organizational science in the 1960s and has since spread to the study of business administration.

This theory shows how some results hinge on carefully considered factors. Johnsen (2005) argues that complex companies use performance assessment to reduce risk and boost their credibility. The study of organizational behavior through the lens of contingency theory sheds light on how factors beyond an organization's control—including technological advancements, cultural norms, and the state of the economy—can have a significant impact on its structure and operations. There is no universally applicable business strategy, and

this is the core idea behind contingency theory. According to contingency theory, there is no uniform method for effectively establishing a business or firm.

2.3 Empirical Review

George, Walker and Monster (2019) did a meta-analysis in a bid to establish whether strategic planning advances organizational performance in the USA. A random-effects meta-analysis found that strategic planning leads to improved performance somewhat and significantly. According to a meta-regression analysis, the beneficial effect of strategic planning on organizational performance is greatest when efficacy is used as a performance metric and when strategy and planning is defined as formal strategic planning. The study was done in a foreign context and used quantitative analysis to analyze data. This current study will use qualitative analysis.

Jayawarna and Dissanayake (2019) did a review on conceptual and practice perspectives on strategic planning and organization performance in Sri Lanka. Findings on the connection between strategic planning and performance are contradictory. Although numerous studies have found positive, negative, or no correlation between strategic planning and performance, the function of contingency variables on this relationship is often overlooked. Thus, it is recommended that in the future, researchers look at the influence of outside variables on the connection between strategic planning and performance. The study was done in a foreign context and used quantitative analysis to analyze data. This current study will use qualitative analysis.

Strategic planning's effect on the effectiveness of Nigerian healthcare organizations was investigated by Aderibigbe (2021). The study's final conclusion — that there is a correlation between organizational structure and growth — was supported by nearly all

respondents. The research showed that strategic planning is a continuous cycle that includes creating a plan, putting it into action, assessing its effectiveness, and tweaking it as needed. Therefore, it's safe to say that a connection exists between strategic planning and productivity in the workplace. The study was done in a foreign context and used quantitative analysis to analyze data. This current study will use qualitative analysis. Also the study was done in health care industry.

Using the First Bank of Nigeria as a case study, Akinyele and Fasgbon(2007) analyzed the results of strategic planning on the success and longevity of the bank. On technique, descriptive research design was employed by quantitative approaches on analysis of data. The findings of this research suggest that managerial, environmental, and organizational factors all contribute to the level of detail that goes into strategic planning, which in turn improves organizational performance and, ultimately, an organization's capacity to withstand. The study was done in a foreign context and used quantitative analysis to analyze data. This current study will use qualitative analysis. Also the study was done in the banking industry.

In order to identify the obstacles facing strategic planning in Egypt's nonprofit sector, Wassif (2020) conducted a critical literature assessment. According to the results, the problems fall into two broad categories: Internal difficulties are the direct outcome of management practices within the business, while external issues arise as a result of interactions between the organization and the external environment, including the political, economic, social, and technological components of the environment. The study finishes with suggestions for NGOs on how to achieve financial sustainability, including performing in-depth environmental scans, paying close attention to monitoring and

evaluation, and seeking funding. The study was done in a foreign context and used quantitative analysis to analyze data. This current study will use qualitative analysis. Also the study was done for the non-profit organizations.

According to Burugu (2018), the effectiveness of strategic planning was studied by analyzing the results of Naivas Limited in Kenya. The interview schedule served as the primary research tool, and the qualitative nature of the study informed its design. Within the restrictions of the available resources, the study found that top management integrated the organization's vision, mission, and core values into a strategic plan. To help senior management strategic judgments on strategic plans, the study recommended that all businesses have a written vision, mission, and core values, conduct budgeting, and undertake environmental scans. Although this study used qualitative analysis and was done in the local context, it did not cover the agricultural firms.

Owuor (2018) looked the long term planning and execution of pharmaceutical manufacturing firms in Kenya using a descriptive cross-sectional survey approach. The study used a positivist methodology that included atomism, quantification, and operational definitions, as well as statistics to assess hypotheses. According to the survey, manufacturers who used formal strategic planning used financial predictions to help them develop and implement objectives and strategies more correctly. The study was done in the local context but it did not cover agricultural firms and also it used quantitative analysis.

Sandoz GmbH Kenya's strategic planning procedures and organizational effectiveness were investigated by Nzuki (2017). Sandoz GmbH Kenya implemented strategic planning techniques such goal formulation, strategic plan formation, shared leadership, reward and recognition, learning & support, and staff participation, according to the report. Sandoz

GmbH Kenya's performance was determined to benefit from the use of these measures. A number of studies have been carried out around the world to better understand the effects of strategic planning on performance. The study did not cover agricultural firms though done in a local context.

The purpose of Maina, Munga, and Njeru's (2020) study was to determine whether or not the creation of a company's strategic plan has any bearing on the effectiveness of Kenya's State Corporations. Initial data analysis made use of descriptive statistics. The prediction equation and its independent and joint significance were tested using inferential statistics. State Corporations can improve their performance by focusing on four key areas identified in the study: leadership, mission and vision, resources, and environmental scanning. If you want to estimate how well a state-owned company will do in the future, utilize the tried-and-true predictive model. Since they are significant markers of strategy development, environmental scanning and leaderships deserve more attention. In contrast to the present study, which will rely on qualitative methods, the previous one employed quantitative methods and did not include agricultural businesses.

Njoroge (2018) looked at a case study of event planning companies in the Nairobi Central Business District to determine the impact strategic planning had on their efficiency. The decision to adopt a descriptive approach was made to ensure an accurate and comprehensive account of events. Companies that specialize in event planning in Nairobi's CBD were the subject of this study. Strategic alignment between environmental demands and business products, as well as between business demands and environmental resources, has been demonstrated. The research also found that it's important for businesses to evaluate the external environment that affects their operations. In contrast to the present

investigation, which will rely on qualitative methods, the previous study used quantitative methods and did not include agricultural businesses.

Strategic planning and the financial performance of small and medium-sized enterprises (SMEs) in Makueni County was the focus of Kisilu, Okumu, and Mathenge's (2019) research. This study found that strategic planning methods impacted the net earnings of SMEs in Makueni County by 71.6%, confirming previous research on the topic. The financial success of small and medium-sized enterprises (SMEs) in Makueni County was buoyed by both organizational and industrial variables. Strategic planning affects small and medium-sized enterprises' net profitability by 74% when taking both the characteristics of the organization and the industry into account. While the study did find that industry factors influenced both the design and execution of strategic plans, it found that industry factors had a more significant impact on implementation. In contrast to the present study, which will rely on qualitative methods, the previous one employed quantitative methods and did not include agricultural businesses.

2.4 Summary of Literature Review and Research Gaps

Studies reviewed have revealed contextual conceptual and methodological gaps. Studies were done in foreign contexts; George, Walker and Monster (2019) was done in the USA. Jayawarna and Dissanayake (2019) in Sri Lanka and they all used quantitative analysis in their methodology. Regionally, Aderibigbe (2021) study was based on health care services in Nigeria. Akinyele and Fasgbon (2007) was based in the banking sector in Nigeria. Wassif (2020) looked at the strategic planning challenges Egyptian non-profit organizations. These studies used quantitative analyses and also did not cover the

agricultural sector. Furthermore, Wassif (2020) did not check the dimension of organizational performance. The agricultural sector is largely ignored

Locally, Burugu (2018) did a qualitative study at Naivas Limited. Owuor (2018) did a quantitative study on pharmaceutical manufacturing firms in Kenya, same for Nzuki (2017) who dealt with Sandoz Gmbh Kenya, a pharmaceutical manufacturing firm. Maina, Munga and Njeru (2020) covered use a quantitative approach for State Corporations in Kenya. Njoroge (2018) used quantitative analyses on event planning firms in Nairobi CBD. Kisilu, Okumu and Mathenge (2019) used a quantitative analysis on SMEs in Makueni County. From the foregoing, the agricultural sector is largely ignored and therefore there is need for a qualitative study to cover strategic planning and its effect on organizational performance of agricultural trading companies in Mombasa County, Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter delves into the methodology employed to carry out the study's research objectives. This chapter discusses the study's participants, data gathering tools and methods, and data analysis strategies. It reveals how the qualitative data collected from respondents was analyzed by means of content analysis. Analyses and interpretations were made with the study's aims in mind. This chapter explains the method that was utilized in the study.

3.2 Research Design

According to Cooper and Schindler (2010), descriptive studies are ones that discuss characteristics related to the target population. According to Kothari (2004), using a descriptive survey design necessitates collecting data via questionnaires or interviews. According to Cooper and Schindler (2010), descriptive design can be utilized to describe the beliefs, routines, and attitudes of respondents. The study used a descriptive cross-sectional design in order to ascertain the respondent's opinions.

3.3 Population of the study

The total group of subjects or objects of interest the researcher wishes to study is described as a target population (Kothari, 2014). According to Sekaran (2016), the target population is a collection of common attributes or characteristics of all classes of people, artifacts, products, events, articles or things. The target population for the study encompassed of the managers in the top five agricultural trading companies in Mombasa County according to trading volumes and these are Cargill, Seaboard, Hollburd, Bunge and Louis Dreyfus (CMA, 2021). The study targeted operations managers, production managers and three

junior-middle managers of every company, therefore the study target population was 25 managers.

3.4 Data Collection

To ensure that the research study data is correct and dependable, this research utilized primary data from an interview guide and that the results are consistent, that it answers the research question, and that it supports or criticizes a certain hypothesis (Blumberg, Cooper & Schindler, 2008; Bryman, 2012; Muganda, 2010). The primary data came from an interview guide.

The interview guide was separated into three sections: demographic information, strategic planning, and strategic planning and performance. Interview guide included open-ended questions, encouraging respondents to provide extensive information without feeling constrained. The study focused on five staff per agricultural company. Since they must be part in the organization's strategic planning process and they see it affecting the performance of their companies, these respondents are thought to be resourceful in sharing the relevant data. A systematic interview was used to acquire primary data.

3.5 Data Analysis

Content analysis was used to examine the information gathered. Content analysis, according to Bryman (2012), is a systematic and objective technique for analyzing and documenting content that aims to quantify content coded into categories and in a way that can be duplicated. The content analysis method was used since it is non-intrusive and adaptable, allowing it to be applied to various types of unstructured textual material. In order to determine and elaborate data acquired from respondents against known succession

planning and its effect on performance in the agricultural firms. The influence of strategic planning on organizational performance was determined through questions asked on the interview guide.

All the interview sheets filled were collected and treated confidentially. The data was sorted out first around the key central questions. This was done to find out whether it will fit or fail the research questions. The analysis of the data collected was done through content analysis using open-ended questions and was presented in paragraphs. To arrive at conclusions, data was categorized, coded, and analyzed based on common themes.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains the response rate, demographics of the respondents, a section of strategic planning and a section of strategic planning and organizational performance. The chapter presents the discussion of findings.

4.2 Response Rate

The study targeted 25 managers from the 5 agricultural firms since they were involved in strategic planning for their firms and also able to witness it's the influence of strategic planning on organization performance. However, the interview guides returned were 20, this represents an 80% response rate. The interview guides not returned were 5 which represent 20%. Mugenda and Mugenda (2012) state that a 50% response rate is sufficient, 60% is good, and 70% or more is great. Therefore, this response rate was considered excellent and deemed fit for the study.

Table 4. 1 Response Rate

Response Rate	Frequency	Percent
Response	20	80.0
Non Response	5	20.0
Total	25	100.0

Source: Field Data, 2022

4.3 Demographics of the Respondents

The demographics of the respondents (managers) considered in this study are the work position, work experience and level of education. This was done in a bit to get to understand the respondents better.

4.3.1 Work Position

The respondents who were in operations were 5 out of the total 20 which represents 25%. The production managers were 4 out of 20 representing 20%. The majority were the junior managers at 11 out of 20 which represents 55%. The study construed that the work positions were well representative and that the participants were better situated to grasp the contents of the interview guide and answer accordingly.

Table 4. 2 Work Position

Work Position	Frequency	Percent
Operations Manager	5	25.0
Production Manager	4	20.0
Junior Manager	11	55.0
Total	20	100.0

Source: Field Data, 2022

4.3.2 Work Experience

For the work experience, the participants who had worked below 5 years were 2 out of 20 representing 10%. Those who worked for 6-10 years were 4 out of 20 representing 20%. The majority of the respondents worked for 11-15 years at 8 out of 20 representing 40%. Those who worked for 16-20 years were 4 out of 20 representing 20%. Finally the

respondents who worked for above 20 years were only 2 out of 20 representing 10%. The study asserts the respondents had diverse working experience to understand the interview guide and make informed answers.

Table 4. 3 Work Experience

Work Experience	Frequency	Percent
Below 5 years	2	10.0
6-10 years	4	20.0
11-15 years	8	40.0
16-20 years	4	20.0
Above 20 years	2	10.0
Total	20	100.0

Source: Field Data, 2022

4.3.3 Level of education

On level of education of the respondents, only 1 out of 20 respondents had a certificate level. This represented 5%. The respondents with a diploma level were 4 out of 20 respondents representing 20%. Majority of the respondents had a degree level at 10 out of 20 representing 50%. Those with a master degree level were 5 out of 20 representing 25%. The study construed that the respondents were well educated and therefore presumed to have knowledge and hence give informed answers to the interview guide.

Table 4. 4 Level of Education

Level of Education	Frequency	Percent
Certificate	1	5.0
Diploma	4	20.0
Degree	10	50.0
Master	5	25.0
Total	20	100.0

Source: Field Data, 2022

4.4 Strategic Planning

In a bid to ascertain the effect of strategic planning on organizational performance of agricultural trading companies in Mombasa Kenya, various questions were posed to the respondents. Their answers on strategic planning for the various agricultural trading companies were analyzed in the ensuing paragraphs.

As to whether or not the company's stated goals and objectives play an important role in shaping its long-term strategy. Eighteen of the respondents were to the affirmative representing 90%. Some said 'I am included in the drafting of the strategic plans while using the mission and vision both covertly and overtly'.10% of the respondents were not sure on the incorporation of the company mission and vision in strategic planning. Some said 'I am not up to speed on the strategic planning process, thereby I can't know on the usage of mission and vision'.

The study sought to determine if the company vision and mission reaffirmed the firms' strategic approach on market profitability and growth. The responses were varied. 14 respondents (70%) could directly link reinforcement of the agricultural companies' strategic focus on market growth and profits by the vision and mission. Particularly, some said 'elements of the vision and mission motivates employees to work towards growing the company and making it profitable'. The other 6(30%) could not find a direct link the vision and mission and its contribution to market growth and focus. In particular, some said 'at the company we work whilst being guided by the vision and mission, but its contribution to growth and profitability is beyond me'

The study also sought to find out whether the organization vision provide a guideline on the objectives of the agricultural firm. All the respondents were to the affirmative. Some said that 'the vision is the guiding path for the agricultural firm, it instructs us on what is to be done on a day to day basis'. Other respondents asserted that 'without the vision, our agricultural firm would be rudderless, we would lack direction'. Yet others said 'the vision is the reason for our being as a company'.

The study through the interview guide sought to find out if firm values helped to establish benchmarks or milestones that show whether or not the goals and objectives are met. All the respondents were to the affirmative. Some respondents said that 'the values in the firm are progressive and helps us in tracking our performance record'. Some others said 'values like teamwork, mentorship and accountability helps us to meet the goals and objectives, which also motivates us to work better'.

The study further sought to establish whether values enabled the firm gain competitive advantage in the agricultural industry. The statement elicited various responses. A majority

of the responses were on the affirmative at 15 (75%). In particular, some said ‘work place values have brought unique ways of approaching our day to day work and thereby giving our company an edge over others’. The other 5 asserted that work place values helped them in meeting their organizational goals, but they could not link it to gaining competitive advantage in the agricultural industry. One said ‘the work place values have enabled us to work effectively and efficiently, on the competitive advantage in the industry I’m unsure of’.

The research also sought to determine whether the agricultural companies consistently applied a diligent approach to strategic planning in order to be prepared for any market changes. All the answers were to the affirmative. In particular, some said ‘the step wise strategic plan for the agricultural firm instills a methodical culture which is in cognizant of market changes’. Another respondents said that ‘the strategic plans set exhibit tactical approaches which enable infusion of anticipated market changes for efficiency’.

When the firm has gone off track, the study sought to establish whether the agricultural firms used strategic planning to redirect its recovery process. All answers were to the affirmative. Some said ‘with the advent of the COVID-19 pandemic, most of the operations of the firm were thrown into disarray thereby taking the company off track, but with strategic planning, the company is on the path to recovery and may perform better than the pre-COVID period’. Some others said ‘management and the firm leaders have sometimes veered off from the vision of the firms, but we credit strategic planning for keeping the company on track’.

The goal of the study was to ascertain whether the organization's strategic planning procedures and organizational structures support the development of organizational

capabilities that support performance. The answers were varied. 85% were to the affirmative. Some said 'the process of strategic planning is anchored on putting structures and systems that build unique organizational capabilities. These capabilities not only drives performance but create a competitive advantage for the firm'. The three (15%) asserted that there were structures and systems in place but they could not directly link them to strategic planning. One said 'I think the systems and structures in place are due to policies in the agricultural trading industry and not the firm specific plans'.

The study through the interview guide sought to ascertain whether the agricultural firms concentrated providing goods and services that respond to the wants and needs of certain markets. All the answers were to the affirmative. Some said 'through differentiated agricultural products we are able to cater for various segments of the customer base'. Another one said that 'our products are made after a thorough customer survey, this makes sure we only meet the needs of the target market'. Yet another said that 'customer feedback on our products is very key, we exist because of the customers'.

On whether strategic leadership improved the company processes and ultimately reduces internal costs of operation. The responses were varied. A majority 16 were in the affirmative. Some said 'the leaders in the company have greatly improved the company processes by being doer leaders and setting a good example' Yet others said 'the internal operational costs have reduced by the employment of cost austerity measures as directed by the company leadership'. The four asserted that there had been improved company processes but they could not link it to strategic leadership.

4.5 Strategic Planning and Organization Performance

Using the measures of organizational performance by Kaplan (2009) the organizational performance in this study was divided into: Considerations from a Financial, Customer, Internal, and Growth/Development Perspectives, respectively. Various questions were posed by the interview guide and the answers were analyzed in the various subsections below.

4.5.1 Financial Perspective

The study sought to find out if the agricultural firms reduced cost of operations due to strategic planning. All the answers were to the affirmative. Particularly, some said ‘strategic planning has been beneficial to our company since it has enabled us to manage costs and thereby cutting the operation cost’. Yet others said ‘through strategic planning, our company has been able to foresee costs and thereby provide for them’.

The study further sought to ascertain whether there has been an increase in sales revenue in the company due to strategic planning. 13 respondents were to the affirmative. Some said ‘the sales revenue seen on the increase is due to strategic planning that was done a while back. We are grateful for the management for making it happen’. 7 respondents did not see a direct link between strategic planning and sales revenue. Particularly, ‘I have witnessed an increase in sales revenue but not sure whether it entirely comes from strategic planning’.

Further the study through the interview guide sought to determine whether the agricultural firm improved their profitability due to strategic planning. The responses were varied. 90%

of the respondents attributed profitability of their firms to strategic planning. 10% attributed to other factors. Of the 90% some said ‘strategic planning has played a pivotal role in turning around the fortunes of our agricultural firms’, yet another ‘strategic planning sealed loopholes of wastage and proliferation and thereby the firm became more profitable. On the two respondents (10%) one said ‘I don’t think strategic planning is the reason for the success and profitability of the firm, other factors might have contributed towards the same’.

4.5.2 Customer Perspective

The study sought to find out whether customer satisfaction levels improved comparatively due to strategic planning. All the answers were to the affirmative. There was improved customer satisfaction levels due to strategic planning. In particular, some respondents said ‘strategic planning has enabled the firm to identify what makes customers to be dissatisfied and deal with it accordingly’. Further some respondents said ‘strategic planning in the firm is customer centric, therefore it was pivotal in meeting customer needs and hence improving their satisfaction levels’.

The study through the interview guide sought to find out whether strategic planning enabled the agricultural companies retain their customers. All the answers were to the affirmative. Particularly, some said, ‘there been reduction of customer numbers in the past, but not anymore, strategic planning has made it possible for the firm to retain its customers’. Other respondents said ‘strategic planning has enabled attraction of customers and therefore make the firm increase its bottomline’.

4.5.3 Internal Processes

On whether the internal processes at the company has improved customer experience. The responses were all to the affirmative. The customer experience offered by the company was largely attributed to the internal processes. Some responders, in particular, noted that ‘strategic planning has enabled the firm to recognize what makes customers unhappy and work on it’. Additionally, some respondents stated that ‘because the company's strategic planning is centered on the demands of its clients, it is essential for satisfying those needs and raising client satisfaction levels’.

The study sought to find out whether internal process of the agricultural firms were geared towards performance. The answers were varied. 8 respondents asserted that the internal processes were geared towards performance of the agricultural firms. This was 40% of the respondents. Particularly ‘our internal processes are modelled to help boost efficiency and effectiveness thereby helping the firm to perform’. The majority 12 could not link the internal processes of the agricultural firms with the performance of the firm. In particular some asserted ‘the internal processes we undertake at the firm are just our normal operational duties and I cannot tell for sure on their contribution to performance’.

4.5.4 Learning, Growth and Development

The study sought to establish whether the agricultural trading companies were promoting organizational change and innovation. Seventeen respondents (85%) asserted that there was evidence of promotion of organizational change and innovation. Some said ‘the strategic plans in the organization have necessitated structural changes and made the

organization be innovative in a bid to better the organization. The three respondents (15%) were not in the know about deliberate promotion of organization change in their agricultural companies. One said ‘I’m not aware about there being organizational change and innovation in the company I work in’.

Also the study through the interview guide sought evidence of staff development and growth due to strategic planning. All the answers were to the affirmative. Some respondents said ‘staff had to enroll in various learning programs both at the workplace and in learning institutions in a bid to better their performance’. Yet others said ‘as staff learn in various courses and trainings there is evidence of staff development and growth, this is crucial in the performance of the organization’.

4.6 Discussion of Findings

The study managed an 80% response rate which was considered excellent and deemed fit for the study. In hindsight, Maina, Munga and Njeru (2020) obtained an 88% response rate while seeking to determine whether or not strategic planning plays a role in the success of Kenya's state-owned businesses. The work positions were well representative and that the respondents were better placed to understand the contents of the interview guide and answer accordingly. The managers (respondents) had diverse working experience to understand the interview guide and make informed answers. The managers were well educated and therefore presumed to have knowledge and hence give informed answers to the interview guide.

As to whether or not the company's stated goals and objectives play an important role in shaping its long-term strategy. The managers were involved in the creation of the strategic plans, which made overt and subtle use of the organization's stated mission and vision. Whether or not the firms' strategic emphasis on market growth and profit was supported by the company's vision and goal. Managers were able to make a direct connection between the vision and mission statements and the strengthening of the agricultural companies' strategic focus on market growth and earnings. Aderibigbe's (2021) research on the effect of strategic planning on Nigerian healthcare organizations found that establishing a goal and vision were crucial to the process.

On whether the organization vision provide a guideline on the objectives of the agricultural firm. The managers asserted that vision is the guiding path for the agricultural firm, it instructs us on what is to be done on a day-to-day basis. On whether the firm values helped to establish benchmarks or milestones that show whether or not the goals and objectives are met. The values in the firm are progressive and helped in tracking our performance record. Values like teamwork, mentorship and accountability helps us to meet the goals and objectives, which also motivates us to work better.

The extent to which the company's values gave it a competitive edge in the agricultural market. Employees who responded to the survey said that our organization has an advantage over its competitors because of the unique approach we take to our daily work because of our shared ideals as a group. To what extent agricultural companies regularly practiced a methodical approach to strategic planning in order to adapt quickly to shifts in the industry. The strategic strategy, laid out in manageable steps, will help the agricultural company foster a systematic culture that is responsive to market shifts. These results are

consistent with those of Njoroge (2018), who looked at the impact of strategic planning on the performance of a case study of event planning firms in Nairobi's central business district, and with those of Kisilu, Okumu, and Mathenge (2019), who set out to analyze the connection between strategic planning and the financial success of small and medium-sized enterprises (SMEs) in Makueni County.

When the firm has gone off track, on whether the agricultural firms used strategic planning to redirect its recovery process. With the advent of the COVID-19 pandemic, most of the operations of the firm were thrown into disarray thereby taking the company off track, but with strategic planning, the company is on the path to recovery and may perform better than the pre-COVID period. As to whether or not the company's strategic planning structures and methods help to develop the capabilities that fuel performance. The process of strategic planning is anchored on putting structures and systems that build unique organizational capabilities. These capabilities not only drives performance but create a competitive advantage for the firm.

Whether or not agricultural companies prioritized meeting the wants and needs of specific consumer groups. We're able to serve a wide range of customers thanks to our specialized agriculture offerings. When it comes to streamlining internal operations and cutting expenses, strategic leadership makes a difference. Leaders in the corporation have been able to make significant strides in the organization's efficiency by serving as role models and getting their hands dirty. According to research by Maina, Munga, and Njeru (2020), strategic leadership has a role in influencing how well State Corporations in Kenya perform. The results provided more evidence that the idea of contingency was correct.

Under the financial perspective, the study sought to find out if the agricultural firms reduced cost of operations due to strategic planning. Strategic planning had been beneficial to the company since it has enabled us to manage costs and thereby cutting the operation cost. On whether there has been an increase in sales revenue in the company due to strategic planning. The sales revenue seen on the increase is due to strategic planning that was done a while back. On whether the agricultural firm improved their profitability due to strategic planning. Strategic planning played a pivotal role in turning around the fortunes of our agricultural firms and sealed loopholes of wastage and proliferation and thereby the firm became more profitable. These findings are in line with George, Walker and Monster (2019) who established that strategic planning improves organizational performance in the USA, and Jayawarna and Dissanayake (2019) did a review on conceptual and practice perspectives on strategic planning and organization performance in Sri Lanka.

Under customer perspective, on whether customer satisfaction levels improved comparatively due to strategic planning. Strategic planning had enabled the firm to identify what makes customers to be dissatisfied and deal with it accordingly. Strategic planning in the firm is customer centric, therefore it was pivotal in meeting customer needs and hence improving their satisfaction levels. On whether strategic planning enabled the agricultural companies retain their customers. There had been reduction of customer numbers in the past, but not anymore, strategic planning has made it possible for the firm to retain its customers.

Under internal processes, on whether the internal processes at the company has improved customer experience. Strategic planning has enabled the firm to recognize what makes

customers unhappy and work on it and due to the company's strategic planning is centered on the demands of its clients, it is essential for satisfying those needs and raising client satisfaction levels'. On whether internal process of the agricultural firms were geared towards performance. The internal processes are modelled to help boost efficiency and effectiveness thereby helping the firm to perform. These findings under internal processes confirm the contingency theory where performance of a company is determined by the internal and external circumstances (Fielder, 1993; Northouse, 2007)

Under learning, growth and development, on whether the agricultural trading companies were promoting organizational change and innovation, the strategic plans in the organization have necessitated structural changes and made the organization be innovative in a bid to better the organization. On whether there is evidence of staff development and growth due to strategic planning. The managers asserted that staff had to enroll in various learning programs both at the workplace and in learning institutions in a bid to better their performance. Also as personnel learn in different courses and training sessions there is proof of staff development and growth, this is vital in the functioning of the company. The includes statements the strategic choice theory which defines the role that leaders or leading groups have in affecting an organization by making decisions in a dynamic political system in organizational theory (Child,1997).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

An overview of the study's findings, discussions, and suggestions for further research are presented in this section. The chapter contents are predicated on the stated purpose of the research. This chapter is entirely from the research findings from chapter four.

5.2 Summary of the Findings

The study targeted 25 respondents and managed an 80% response rate which was considered excellent and deemed fit for the study. The demographics of the respondents considered in this study are the work position, work experience and level of education. This was done in a bit to get to understand the respondents better. The work positions were well representative and that the respondents were better placed to understand the contents of the interview guide and answer accordingly. The respondents had diverse working experience to understand the interview guide and make informed answers. The respondents were well educated and therefore presumed to have knowledge and hence give informed answers to the interview guide.

On whether the company mission and vision are important factors of strategic planning in the organization. Staff are included in the drafting of the strategic plans while using the mission and vision both covertly and overtly. The company vision and mission reinforced the firms' strategic focus on market growth and profits. Elements of the vision and mission motivates employees to work towards growing the company and making it profitable.

On whether the organization vision provide a guideline on the objectives of the agricultural firm. All the respondents were to the affirmative. The vision is the guiding path for the agricultural firm, it instructed staff on what is to be done on a day to day basis. Without the vision the agricultural firms would be rudderless and lack direction. Firm values helped to establish benchmarks or milestones that show that goals and objectives are met. The values in the firm are progressive and helps staff in tracking our performance record. Firm values enabled the firm gain competitive advantage in the agricultural industry. Work place values have brought unique ways of approaching the staffs' day to day work and thereby giving their companies an edge over others. Ag companies always took the same methodical approach to strategic planning so that they would be prepared for any shifts in the market. The step wise strategic plan for the agricultural firm instills a methodical culture which is in cognizant of market changes. Agricultural firms used strategic planning to redirect its recovery process when firms go off track. With the advent of the COVID-19 pandemic, most of the operations of the firm were thrown into disarray thereby taking the company off track, but with strategic planning, the firms recovered.

The company's planning methods and structures aid in the development of the capabilities that fuel performance. Strategic planning centers on instituting frameworks and mechanisms that foster differentiated competencies within an organization. Agricultural businesses centered on satisfying the wants and needs of specific consumer groups. Businesses can appeal to a wider range of consumers by offering specialized agricultural goods. Effective strategic management has led to streamlined procedures and lower operating expenses inside the organization. The leaders in the company have greatly improved the company processes by being doer leaders and setting a good example.

5.3 Conclusion

The agricultural firms reduced cost of operations due to strategic planning. Strategic planning has been beneficial to the companies since they helped them to manage costs and thereby cutting the operation cost. There had been an increase in sales revenue in the company due to strategic planning. The sales revenue seen on the increase in the agricultural firms was due to strategic planning that was done a while back. The agricultural firm improved their profitability due to strategic planning. Strategic planning has played a pivotal role in turning around the fortunes of our agricultural firms.

Customer satisfaction levels improved comparatively due to strategic planning. Strategic planning has enabled the firm to identify what makes customers to be dissatisfied and deal with it accordingly. Strategic planning enabled the agricultural companies retain their customers. Strategic planning has made it possible for the firm to retain its customers. Strategic planning enabled attraction of customers and therefore make the firm increase its bottom line.

Internal processes at the company has improved customer experience. Strategic planning has enabled the firm to recognize what makes customers unhappy and work on it. Since the company's strategic planning is centered on the demands of its clients, it is essential for satisfying those needs and raising client satisfaction levels. Internal processes of the agricultural firms were geared towards performance. All the internal processes undertaken at the firms were just normal operational duties and staff could not tell their contribution to performance.

The agricultural trading companies were promoting organizational change and innovation. The strategic plans in the organization have necessitated structural changes and made the organization be innovative in a bid to better the organization. There was evidence of staff development and growth due to strategic planning. Staff had to enroll in various learning programs both at the workplace and in learning institutions in a bid to better their performance. Staff learn in various courses and trainings there is evidence of staff development and growth, which is crucial in the performance of the organization.

5.4 Recommendation

The research recommends policy- makers in the agricultural trading industry to take note of strategic planning. Its contribution to organizational performance is significant and should be factored in. Policies should be made to ensure that strategic planning is entrenched in agricultural firms so as to improve the organizational performance. This would be beneficial.

The study recommends that industry players to make sure that they embed strategic planning in the strategies they undertake in their operations. These strategies are geared towards upholding the futuristic planning in order to enhance performance and growth in the industry. This is because the strategic planning have been found to influence the organizational performance in the agricultural trading industry.

5.5 Suggestion for Further Study

The research proposes studies to be carried out throughout the region and compares the results. The study can also be replicated with other industry players. It would be interesting to find out how in other economies the results of the same study would be. This would help in generalization of the findings and build more literature in strategic planning.

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APPENDICES

Appendix I: Introduction letter



**UNIVERSITY OF NAIROBI
FACULTY OF BUSINESS AND MANAGEMENT
SCIENCES -MOMBASA CAMPUS**

OFFICE OF COORDINATOR, FACULTY OF BUSINESS MANAGEMENT
SCIENCES -MOMBASA CAMPUS

Telephone: 020 4919803/9
Email: sohmombasa@uonbi.ac.ke
Website: www.uonbi.ac.ke

Uniplaza, 5th Floor
Aga Khan Road
Mombasa

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TO WHOM IT MAY CONCERN

RE: INTRODUCTION LETTER

This is to certify that **KIMATHI IVY KINYA (REG. NO. D61/5338/2017)** is a bona fide student of the University of Nairobi, pursuing a degree in Masters of Business Administration (MBA). As part of the fulfillment of the requirement of the course, she is undertaking a study titled **"EFFECT OF STRATEGIC PLANNING ON ORGANIZATIONAL PERFORMANCE OF AGRICULTURAL TRADING COMPANIES IN MOMBASA KENYA."**

You have been selected as one of the respondents in the study. The purpose of this letter therefore, is to kindly request you to assist and facilitate in carrying out the study in your organization by answering the questions in the attached questionnaire.

Data and information obtained through this exercise is purely for academic purpose and will be treated with utmost confidentiality. In case of any questions or clarifications, she can be reached on ivykimathi@gmail.com.

Your assistance and cooperation will be highly appreciated. Thank you very much in advance.

Yours Faithfully,

Dr. Stephen Odock,
Coordinator, Faculty of Business and Management Sciences, Mombasa Campus



Appendix II: Interview guide

Part A: Background information

- i. What is your position in the company?
- ii. How long have you held your current position?
- iii. What is your highest level of education?

PART B: Strategic planning

- i. Are the company mission and vision essential elements of strategic planning in the organization?
- ii. Does the firm's strategy emphasis on market growth and profitability support the company's mission and growth?
- iii. Does the organization vision provide a guideline on the objectives of the agricultural firm?
- iv. Has the firm values helped to establish benchmarks or milestones that show whether or not the goals and objectives are met?
- v. Have the values enabled the firm gain competitive advantage in the agricultural industry?
- vi. Does the firm consistently apply a disciplined approach to strategic planning in order to be ready for any market changes?

- vii. When the firm has gone off track, does the firm use strategic planning to redirect its recovery process?
- viii. Do the firm's operations planning frameworks and procedures contribute to the development of organizational competencies that drive performance?
- ix. Does the company concentrate on producing products/ services that meet the desires or needs of various target markets?
- x. Do strategic leadership improve the company processes and ultimately reduces internal costs of operation?

Part C: Strategic Planning and Organization Performance

Organizational performance is divided into: financial perspective, customer perspective, internal processes and learning, growth & development

Financial Perspective

- i. Has the company reduced cost of operations due to strategic planning?
- ii. Has there been an increase in sales revenue in the company due to strategic planning?
- iii. Has the company improved its profitability due to strategic planning?

Customer perspective

- i. Has the customer satisfaction levels improved comparatively due to strategic planning?
- ii. Has strategic planning enabled the agricultural companies retain their customers?

Internal Processes

- i. Has internal processes at the company improved customer experience?
- ii. Are internal process geared towards performance?

Learning, growth and development

- i. Is the trading company promoting organizational change and innovation?
- ii. Is there evidence of staff development and growth because of strategic planning?

Thank You for Participating