STRATEGIC PLANNING SYSTEMS, ORGANIZATIONAL LEARNING, STRATEGY IMPLEMENTATION AND PERFORMANCE OF FIRMS IN EXPORT PROCESSING ZONES IN KENYA

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DECLARATION

I declare that this thesis is my original work. I developed it through a thorough research process according to the regulations and guidelines of the School of Business, University of Nairobi. No part of this work has ever been submitted to any University. The works of other scholars cited in this study have been dully referenced.

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DEDICATION

To my children,
Simonis Waneku Namada and
Namada Simoni Josephat Jnr.
Who endured long hours of my absence in pursuit of the Doctoral Programme
and to my husband
Namada Josephat Simoni
For being there for me, always.

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ABBREVIATIONS AND ACRONYMS

AFAM:	Africa Academy of Management
AFDW:	Africa Faculty Development Workshop
AGOA:	African Growth and Opportunity Act
ANOVA:	Analysis of Variance
AOM:	Academy of Management
CEO:	Chief Executive Officer
EPZ:	Export Processing Zone
EPZs:	Export Processing Zones
EPZA:	Export Processing Zones Authority
IBP:	Internal Business Processes
ISO:	International Organization for Standadization
GOK:	Government of Kenya
KAM:	Kenya Association of Manufacturers
MFA:	Multifibre Arrangement
OL:	Organizational Learning
OSSREA:	Organization of Social Science Reaserch in Eastern Africa
PLC:	Product Life Cycle
SAS:	Statistical Analysis System
SBU:	Strategic Business Units
SMEs:	Small and Medium Enterprises
SPE:	Strategic Planning Effectiveness
SPS:	Strategic Planning Systems
SPSS:	Statistical Package for Social Sciences
SWOT:	Strengths, Weakness, Opportunites, Threats
UK:	United Kingdom
USA:	United States of America
VAT:	Value Added Tax
VIF:	Variance Inflation Factor
4i:	Intuition, Interpretation, Integration, Institutionalization

ABSTRACT

The main objective of this study was to determine the influence of strategic planning systems, organizational learning and strategy implementation on performance of firms in the EPZ in Kenya. This study premised on the view that strategic planning systems influences performance both directly as well as through mediation and moderation effects. This study adopted a multi theoretical approach where an integration of the open systems theory, the resource based view, dynamic capabilities theory, 4i (Intuition, Interpretation, Integration, Institutionalization) framework of organizational learning and institutional theory formed the theoretical anchorage. The study adopted a positivistic orientation utilizing cross section research design. To achieve the objectives, five hypotheses were tested. Objective one was subdivided into four sub hypotheses focusing on planning resources, management participation and planning techniques and confirmed significant results only on non financial performance except planning resources. Similarly, objective two confirmed significant influence on non financial performance. Notably, the third and fourth objectives confirmed the mediation of organizational learning and moderation of strategy implementation while objective five which focused on joint influence confirmed significant results on both the financial and non financial performance measures. The findings of this study are partially consistent with past studies. These results supported the theoretical view that firms achieve superior performance through the configuration of resource bundles and transformation of learning and implementation processes into valuable dynamic capabilities. This study extends the knowledge frontiers in the field of strategic management through the discovery that strategic planning systems affect firm performance both directly and indirectly through mediation of organizational learning and moderation of strategy implementation. It supports the perspective that a firm's competitive advantage is a function of scarce, valuable and inimitable resources within the planning systems. The findings provide diverse implications on theory, policy and practice. Policy makers will utilize the findings from the study as a device of determining key success factors within EPZ firms. In essence, the policies informed by these findings will facilitate the achievement of the Vision 2030. Future studies need to focus on other planning techniques and moderating variables in different relationships.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic planning concepts and performance implications are key areas of investigation in strategic management research. Scholars advocate for strategic planning as a basis of better performance. Armstrong (1982) argued that strategic planning enables firms to achieve an alignment with the environment. Similarly, Ansoff (2007) argued that strategic planning produces better alignment than trial and error learning. Despite the intuitive appeal, critics of strategic planning contend that explicit strategies are dysfunctional. They posit that strategic planning channels attention and behavior to specific plans thereby driving out important innovations and creativity (Miller and Cardinal, 1994). Hence, the debate on the relationship between strategic planning and firm performance is inconclusive (Mankins and Steele, 2005; Jennings and Disney, 2006). Empirical research has sought to elucidate the relationship but the results are fragmented, contradictory and no consensus has yet emerged (Elbanna, 2008; Falshaw, Glaister and Tatoglu, 2006).

A key premise of strategic planning is an alignment between the firm and the environment to achieve competitiveness (Grant, 2003). Ansoff (2007) posited that all organizations are environment serving. They depend on the environment for inputs and emit outputs to the environment. Learning enables the organizations to align to the external environment. Through alignment, firms learn, unlearn and relearn based on past behaviors (Fiol and Lyles, 1985). Strategic planning systems are seen as bundles of resources which firms use to achieve superior performance. Bustinza, Molina and Aranda (2010) argued that dynamic capabilities enable firms to create new products and respond to changing market conditions. Strategy implementation enables firms to develop dynamic capabilities used in coordination and integration.

Firms operate as open systems by engaging in continuous interactions with the environment for survival and sustainability. They use specific capabilities created through learning and strategy implementation to transform resources from the environment into outputs. Wernerfelt (1984) argued that firm based resources are used to achieve competitive advantage. Resource transformations require specific

capabilities which Garvin (1993) posited that are achieved through learning at individual, group and institutional levels. In a plausible extension of the foregoing argument, Crossan, Lane and White (1999) argued that learning is a cybernetic loop made possible through intuition, integration, interpretation and institutionalization. Therefore, in line with resource based theorists (Penrose, 1959; Wernerfelt, 1984; Barney, 2001) the growth of the firm depends not only on the manner in which resources are employed but also on the way resources are transformed through value adding processes as posited by the dynamic capability theorists (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece, Winter, 2007).

Organizational learning is considered important to adaptive strategic change (Cummings and Whorley, 2009; Crossan, Lane and White, 1999). Scholars who support the foregoing trend deemphasize strategic planning. Although the view is appealing, it begs for support because organizational learning provides evidence of influencing strategic planning. Organizations achieve strategic alignment by embracing organizational learning (Srimai, Damsaman and Bangchokdee, 2011). Organizational learning is a means of developing capabilities hence contribute positively to competitive advantage (Crossan and Bedrow, 2003). When implemented well, strategic planning encourages creativity and innovation. When implemented badly, it breeds rigidity and discourages strategic thinking. Schauffer and Willauer (2003) argued that strategic planning is a learning process and organizational learning introduces strategic thinking in the planning process. Although organizational learning leads to capability development, there are few empirical studies that have addressed the linkage.

In this study, an integration of the open systems theory, the resource based view, dynamic capabilities theory, the 4i framework of organizational learning and institutional theories formed the theoretical anchorage. Strategic planning systems are considered as resource bundles which firms use to achieve competitive advantage hence informed by the resource based view of the firm. On the other hand, organizational learning and strategy implementation are vital dynamic capabilities within organizations which draw insights from the dynamic capabilities theory.

Organizational learning is informed by the 4i framework which links all the four psychological processes of learning through intuition, interpretation, integration and institutionalization. Further, institutional theory informs strategy implementation process specifically the aspect of institutional alignment. Ultimately, the firms affect and are affected by the environment therefore, they operate as open systems within the environment.

Export Processing Zones (EPZ) are industrial estates specializing in export products. In Kenya, EPZs were established in 1990 through a legal framework, the Export Processing Zone Act, Chapter 517 of the Laws of Kenya to stimulate investments with deliberate orientation towards exports. Adala (2008) observed that EPZs are treated as separate entities and are covered by a policy framework designed by the government with the intention of promoting export policy objectives. The Kenyan EPZ firms are given special incentives and in turn the government expects high performance from them (EPZA, 2010). Despite the high expectations by the government, EPZ firms have generated mixed performances. Some EPZ firms in Kenya have been successful while others have performed poorly as exemplified by the rate of entry and closures. An examination of firm specific planning systems, organizational learning and strategy implementation in EPZ firms could offer deeper insights about their performance.

1.1.1 Strategic Planning Systems

Strategic planning systems are multifaceted management systems that are contextually embedded in organizations (Ramanujam, Venkatraman and Camilus, 1986). They are structured entities that organize and coordinate the activities of the managers who do the planning. An effective strategic planning system takes into account specific firm situations along the dimensions of time and diversity. While extending this line of argument, King (1983) defined strategic planning systems as complete sets of processes and entities through which a firm does planning. Therefore, strategic planning systems consist of the people who do the planning as well as the mechanisms of planning. The strategic planning systems play a significant role towards the achievement of long term objectives against specific inputs.

Strategic planning systems are among the least evaluated functions in organizations. Empirical research has been directed to the planning processes rather than systems (Elbanna, 2008; Falshaw, Glaister and Tatoglu, 2006). However, focusing on planning processes does not provide results that are operationally useful to management (King, 1983). To fairly asses strategic planning, attention should be focused on the degree to which diverse benefits are achieved and the specific systems that facilitate achievement of various benefits. Strategic planning evaluation needs a methodological framework involving the assessment of the system inputs, outputs, feedback mechanisms and the relative impacts made in terms of goal achievement. Ramanujam and Venkatraman (1987) posited that strategic planning systems are multidimensional in nature and affect organizational learning.

1.1.2 Organizational Learning

Organizational learning is a process which develops new insights which have the potential to influence organizational behavior. Cummings and Whorley (2009) defined organizational learning as a change process that seeks to enhance the organizational capability to acquire and develop new knowledge. Organizational learning takes place through individuals in an organization. Senge (1990) posited that learning in organizations entails continuous testing and transformation of experiences into knowledge relevant to the core purpose of the whole organization. Organizational learning is therefore both a process and an outcome (Levitt and March, 1988) and links cognition to action (Crossan, Lane and White, 1999). Through organizational learning, firms strategically plan for desired outcomes, which enable them to achieve specific objectives.

Through organizational learning, firms build an understanding and interpretation of their environment. This enables them to effectively assess viable strategic options (Daft and Weick, 1984). In turn, through learning capabilities, firms create alignment with the environment. This leads to associations, cognitive actions and development of memories within the organization. Organizational learning theorists have recognized the strategic importance of organizational learning as a means of providing a sustainable competitive advantage and achieving strategic renewal.

Bustinza, Molina and Aranda (2010) observed that organizational learning enables firms to create new products, processes and respond to changing environment. However, few empirical studies have sought to elucidate this relationship.

1.1.3 Strategy Implementation

Strategy implementation is the process through which a chosen strategy is put into action. Ogbeide and Harrington (2011) posited that strategy implementation is concerned with the design of systems that achieve the best integration of the people, structures, processes and resources. Effective strategy implementation is facilitated through action planning, coordination and systems alignment. Action planning entails assigning responsibilities, indicating timelines, determining expected output and estimating resource requirements which all have to be well coordinated. Ghamdi (2005) established that 75 percent of the firms reported ineffective coordination during strategy implementation. Alignment in terms of structure, culture and systems is a precursor to successful strategy implementation. Communication, decision making and commitment building stem from the compatibility of institutional alignment and facilitate firm performance (Carlopio and Harvey, 2012). Therefore, effective strategy implementation is critical to firm performance.

Strategy implementation encompasses activities and choices required for the execution of a strategy. Transforming strategies into action is complex and difficult to achieve (Aaltonen and Ikavalko, 2002; Kazmi, 2008). Strikingly, organizations fail to implement 70 percent of their strategies (Miller, 2002). In a plausible extension of the foregoing argument, Mankins and Steele (2005) observed that 40 percent of the planned value is never achieved due to implementation challenges. Sterling (2003) while concurring with Miller (2002) posited that 70 percent of strategies are never implemented successfully due to changing market conditions, shorter Product Life Cycles (PLC), emergence of new technologies and insufficient resources. Therefore, institutional alignment within the organization is pertinent to the success of strategy implementation.

1.1.4 Organizational Performance

Performance is a debatable area in strategic management research. Researchers in strategic planning have different views on the measures and purpose of performance. Behn (2003) posited that performance measures serve different purposes in an organization. He observed that performance enables managers to evaluate, control, budget, motivate, promote, celebrate, learn and improve different aspects in an organization. Therefore, no single measure is appropriate for all the eight purposes of organizational learning. Recently, there has been a drift from financial measures to incorporate non financial indicators such as market, business processes, learning and growth perspectives. Chakravarthy (1986) posited that performance is a multidimensional construct and observed that any single index may not provide a comprehensive understanding of the performance relative to different constructs.

Performance is a construct with multiple indicators (Srimai, Damsaman and Bangchokdee, 2011). Financial measures were popular for many years but have been criticized for limitations based on the scope of accounting manipulations, undervaluation of assets and distortions due to depreciation policies (O'Regan, Sims and Gallear, 2008). Further, Kaplan and Norton (2008) emphasized on the comprehensive performance measurement systems comprising of both financial and non financial measures through the balanced score card. This study used both financial and non financial measures of organizational performance.

Strategic planning systems, organizational learning and strategy implementation are linked to performance. They are complimentary processes because important decisions revolve around them (Andersen, 2000). Organizational learning supports strategic planning systems because new insights and experiences inspire proactive business initiatives (Crossan, Lane and White, 1999). Strategic planning systems and organizational learning processes facilitate strategic adaptation across the organization. Prahalad and Hamel (1994) posited that firm performance is determined by the ability of the organization to acquire strategic competencies through learning. Dynamic capabilities which are created through strategy implementation process facilitate the integration between the people, systems and structures within an organization.

1.1.5 Export Processing Zones in Kenya

Conceptually, EPZs refer to geographically/juridical bound areas where different levels of trade are permitted to produce goods for export (Johansson and Nilsson, 1997). In Kenya, EPZ were developed as part of the industrial sector adjustment program aimed at restructuring the industrial sector to stimulate investments with deliberate orientation towards exports. The Kenyan EPZs were established in 1990 through the Export Processing Zone Act, Chapter 517 of the Laws of Kenya. This law also created EPZA as a regulatory body to manage the EPZs (EPZA, 2008). The Kenyan EPZ rides on the African Growth and Opportunity Act (AGOA), an initiative by the United States of America (USA) to assist developing countries in export trade.

The Act that created EPZs provided three categories of incentives for the export processing zones. They include fiscal, procedural and infrastructural incentives (EPZA, 2010). The fiscal category reduces taxation costs like exemptions from income tax, import duty, withholding tax, Value Added Tax (VAT) and stamp duty. Procedural incentives reduce bureaucracy and fast track investment activities through exemptions from compliance with various national laws. Infrastructural incentives reduce the start up time and costs by providing ready factory units, serviced land and office spaces. Despite the incentives provided, some EPZ firms in Kenya have been unable to sustain a high level of performance as indicated by the closure rates. This calls for an empirical study of the strategic planning systems, learning abilities and the practice of strategy implementation in EPZ firms to fill the knowledge gaps.

Due to competition, EPZ firms are compelled to increase their production efficiencies to survive in the export market (Nauman, 2006). These efficiencies are achieved through learning at individual, group and institutional levels. According to the EPZA annual report (2011) foreign direct investments in EPZ injected new technology and skills for production to international standards. Expatriates employed in technical areas transfer skills to other workers. As the workers interact with counterparts, they learn different skills which become integrated in different departments to benefit the whole organization.

EPZ firms have not performed to the expectation of the policy makers. In 2007, Kenya Association of Manufacturers (KAM) survey indicated that 72 percent of the enterprises closed down while 18 percent scaled down operations in Kenya from the time of inception. This has been attributed to stiff competition, high cost of production and global recession (EPZA, 2011).

Despite the above scenario, EPZs are expected to facilitate the achievement of Vision 2030 which seeks to make Kenya a newly industrialized nation by the year 2030 (EPZA, 2011). Therefore, there is need to evaluate the contributions of strategic planning systems, organizational learning and strategy implementation in EPZ firms in order to get rich insights into their performance. Table 1 indicates the state of EPZ firms in Kenya over the last decade.

Table 1.1: State of Firms in the Export Processing Zones in Kenya

State of Firms	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Gazzeted Zones	23	31	37	41	43	39	41	38	41	42	42
New Entry Firms	15	18	15	13	3	8	7	9	16	14	9
Closed Firms	4	2	3	7	10	5	9	3	11	10	4
Operating Firms	39	54	66	74	68	71	72	77	83	75	84

Source: (EPZA, 2011)

The table indicates that firm entry into EPZs steadily declined from the year 2001 to 2005 while the closure rate rose steadily during the same period. Notably, in 2005, the lowest number of firm entry and high firm closures was recorded. It was attributed to competition, Multifibre Arrangements (MFA) and low demand in destination markets occasioned by the global financial crisis. Competition in the global garment industry intensified following the likelihood of termination of MFA that governed trade in textile and clothing between 1974 and 2004 thus, firms in EPZ were exposed to stiff competition in the export markets from well established producers in China and India (Adala, 2008). The low entry and high closure of the EPZ firms in 2005 followed the possible termination of MFA in 2004.

In 2009, global financial crisis impacted negatively on EPZ firms leading to closure and reduction in operations of many firms (EPZ, 2011). The USA market which absorbs a large percentage of the Kenyan EPZs output was adversely affected by the economic recession of 2008 (Government of Kenya, 2007). Other than external factors attributed to EPZ firm performance, an empirical examination of firm specific strategic planning systems, learning abilities and strategy implementation capabilities could offer deeper insights on the variations in performance. The current study sought to provide this information and insights.

1.2 Research Problem

Strategic planning systems, organizational learning and strategy implementation are critical to firm performance. Performance provides important feedback about the efficiency of the learning processes and the competency of strategic planning systems. Organizational learning supports strategic planning systems because new insights and experiences inspire proactive business initiatives. Strategy implementation is a vital process in strategic management as it achieves the best integration between the people, structures, processes and resources. Strategic planning systems and the firm's ability to learn are essential in improving the chances of long term performance.

The EPZs in Kenya facilitate economic development in terms of contribution to total output, export earnings and employment creation as identified in Vision 2030. The EPZ firms' output is mainly for export markets hence they face harsh competitive markets calling for a critical need for improved performance. However, there is inadequate empirical data on non financial performance. Hapisu (2003) established a positive relationship between strategic planning and competitive advantage in EPZ firms in Kenya. This study neither focused on organizational learning nor strategy implementation. Chabari (2000) focused on the role of EPZ firms in Kenya and observed that development pattern and success of EPZs is depend on the zone management, government policies and the strategies of different firms. The EPZ firms are given special incentives but post differences in performance. An empirical investigation into firm specific strategic planning systems, organizational learning and strategy implementation could explain variations in performance of different firms.

Several studies have provided empirical evidence on the determinants of firm performance (Ramanujam and Venkatraman, 1987; Elbanna, 2008). Ramanujam and Venkatraman (1987) established a positive link between planning resources and performance while Elbanna (2008) concluded that planning practice and participation are major determinants of strategic planning effectiveness. These studies conceptualized strategic planning systems differently. They focused on western contexts which are different from the Kenyan context. Organizational learning has been positively associated to firms' performance (Schauffer and Wallauer, 2003; Bustinza, Molina and Aranda, 2010). A study by Bontis, Crossan and Hulland (2002) focused on managing organizational learning systems in mutual fund firms in Canada. This study did not link organizational learning to strategic planning systems. Conversely, Schauffer and Wallaeur (2003) focused on strategic planning processes in German firms without focusing on planning resources. Additionally, Bustinza, Molina and Aranda (2010) conceptualized organizational learning in terms of dynamic and operational capabilities without recognizing different levels of learning.

Many studies in strategy implementation have focused attention on the problems and challenges of implementing strategies (Aaltonen and Ikavalko, 2002; Ogbeide and Harrington, 2011). Strategy implementation is a vital component in the success of any organization. Aosa (1992) emphasized this role in a study conducted among the large manufacturing firms in Kenya. On the other hand, Ogbeide and Harrington (2011) confirmed that management participation and implementation success led to higher financial performance. Shah and Rivera (2007) found that EPZ firms promoted superior environmental performance in Asia. They did not focus on the use of non financial measures of performance. Despite contextual differences, these findings are useful in understanding the behavior of firms in EPZs.

While studies do not disagree on the positive relationships between strategic planning systems, organizational learning, strategy implementation and performance, they have differences regarding study contexts, measurements, conceptualizations and methodologies. The variations create the need to determine the critical dimensions of strategic planning systems that influence performance in Export Processing Zones

(EPZs). Further, a critical examination of the indirect relationships between strategic planning systems and performance through capabilities like organizational learning and strategy implementation become critical. Hence, this study addresses the following key research question. How do strategic planning systems, organizational learning and strategy implementation influence performance of firms in EPZs in Kenya?

1.3 Research Objectives

Overall, the purpose of this study was to investigate the influence of strategic planning systems, organizational learning and strategy implementation on performance of firms in EPZs in Kenya. Specifically, the specific objectives were to:

(i) Examine the influence of strategic planning systems on performance of firms in EPZs in Kenya.
(ii) Investigate the influence of organizational learning on performance of firms in EPZs in Kenya.
(iii) Determine the mediating effect of organizational learning on the relationship between strategic planning systems and performance of firms in EPZs in Kenya.
(iv) Assess the moderating effect of strategy implementation on the relationship between strategic planning systems and performance of firms in EPZs in Kenya.
(v) Determine the joint influence of strategic planning systems and strategy implementation on performance of firms in EPZs in Kenya.

1.4 Value of the Study

The value of this study is multifaceted. First, this study recognized that performance is a function of how well managers use resources which are valuable, scarce, inimitable and non substitutable. This study established that strategic planning systems are bundles of resources which are manipulated through strategic planning process to facilitate firm performance. Acquisition and transformation of resources is based on the open systems approach where firms affect and are affected by the environment through acquisition of inputs to the environment and emission of outputs to the environment. This study confirms the findings of the earlier studies through a different setting that resource bundles enable the firms to achieve competitiveness.

Secondly, this study determined and documented transformation of resources through strategy implementation. It was established that organizational processes have value creating capabilities which facilitate adaptation and integration that foster better performance. The findings of this study have given emphasis to different functional areas within EPZ firms. The results indicated that the mechanisms by which firms learn, accumulate new skills and translate strategy to outcomes through strategy implementation facilitate the achievement of performance. Therefore, this study made a positive contribution to the dynamic capability theory by confirming through empirical evidence that capabilities created through learning and strategy implementation are useful in the achievement of sustained firm performance.

Thirdly, the study serves as a rich source of information to policy makers in Kenya. EPZ firms are envisioned to play a key role in the realization of Vision 2030. The Vision focuses on attainment of high and sustainable economic growth and development to enable the country achieve the status of an industrializing nation by the year 2030. The findings of the study shed light on how EPZ firms could sustain superior performance through appropriate configuration of strategic planning systems and fostering learning at the individual, group and institutional levels while undertaking strategy implementation.

Fourth, this study has provided a direct operational approach to strategic planning practice in Kenya. The results of the study have provided insights to the bleak scenario of EPZ practice in Kenya by showing important dimensions of strategic planning systems, organizational learning and strategy implementation that are relevant to performance. The findings therefore form the basis of improved management practice amongst managers within EPZ firms. In future, important managerial decisions in EPZ firms will be based on the outcomes of this study.

Finally, the findings of this study have served as extensions of the knowledge frontiers in the field of strategic management. The moderating and mediating relationships between strategic planning and performance have offered an alternative approach in strategic planning. The two distinct relationships sought to unravel the unending debate in the relationship between strategic planning systems and

performance. Further, through specific recommendations made by this study, new avenues for future research in the field of strategic management have been opened for scholars and researchers.

1.5 Structure of the Thesis

This thesis has six chapters. Chapter one presents the introduction of the study. It provides a brief background to the study in which the concepts of strategic planning systems, organizational learning, strategy implementation and performance are discussed. The EPZ context is also highlighted in terms of nature of the incentives given to the firms and the operation mode of export business. The chapter further explores the research problem, research objectives and value of the study.

Chapter two presents an in depth theoretical and empirical literature review of strategic planning systems, organizational learning, strategy implementation and performance. The chapter highlights the theories upon which the study is anchored, discusses the relationships between the study variables and performance. The chapter ends with a tabulated presentation of pertinent empirical studies and knowledge gaps which informed the conceptual framework. From the literature review, the conceptual model was derived and the hypotheses that guided the study developed.

Chapter three provides the research methodology of the study. The chapter presents the philosophical orientation which was adopted for this study. The research design, the study population and data collection instruments are described. The type of data, sources and the methods used for data collection, validation of instruments are also explained. Further, operationalizations of research variables and data analysis techniques are highlighted. The validity and reliability of the research instrument is also demonstrated. Finally, the common methods bias is discussed.

Chapter four has data analysis and presentation of results. First the chapter presents the response rate in relation to different sectors. Research findings are presented at two levels. The first level deals with descriptive analysis of the data sets in terms of the demographic profiles of the respondents and firms. The demographic variables are cross tabulated and presented using frequencies and percentages. The second level of analysis deals with hypothesis testing where different relationships of the variables of

the study are tested. Hypothesis testing was guided by the research objectives. Each hypothesis was tested and subsequently interpreted.

Chapter five deals with the discussion of the study findings. The discussion is arranged according to the research objectives and the subsequent hypotheses of the study. The findings are discussed according to each objective in relation to previous empirical studies. Areas of agreement and disagreements are highlighted and discussed. The findings from the qualitative data which were collected from the open ended questions are discussed in terms of the major emerging themes.

Chapter six presents the summary, conclusions and recommendations of the findings. Further, this chapter gives the implications of the study findings with regard to the theory, policy and practice. It also recommends possible areas of future research in field of strategic management. The chapter highlights the limitations of the study showing how the researcher mitigated them.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews both conceptual and empirical literature with an aim of creating an understanding between strategic planning systems, organizational learning, strategy implementation and performance. Theoretical perspectives upon which the study was based are outlined together with the constructs of strategic planning systems. An overview of how strategic planning systems, organizational learning and strategy implementation influence performance is discussed. Presented also is a summary of selected empirical studies on study variables identifying specific knowledge gaps. This chapter concludes by providing a conceptual framework used to address the knowledge gaps and the corresponding hypotheses that guided the study.

2.2 Theoretical Perspectives

Different theories have attempted to explain strategic planning in organizations. Literature portrays better performance as a function of strategic planning undertaken by firms. Strategic planning recognizes the need for organizations to establish a formal link with the external environment. Environment is a source of information, opportunities as well as scarce resources sought after by organizations (Grant, 2005). Therefore, strategic planning is as a result of both deliberate learning and emergent learning. This study draws from the open systems theory of the firm (Ansoff, 2007), resource based view (Wernerfelt, 1984), dynamic capabilities theory (Teece, Pisano and Shuen, 1997) and 4i (intuition, interpretation, integration, institutionalization) framework of organizational learning (Crossan, Lane and White, 1999).

The resource based theory and dynamic capabilities theory are important to strategic moves of different organizations. The resource based theory posits that the primary objective of a firm is exploiting resources to maximize long term profits (Penrose, 1959). Resource based view considers firms as sets of resources that produce competitive advantage. These theoretical frameworks facilitate an understanding of the relationships between strategic planning systems, organizational learning and strategy implementation on firm performance.

2.2.1 Open Systems Theory

The open systems theory fosters the view of the interaction between the organization and environment. The interactions consist of movement of people, capital, goods and services. Firms affect and are affected by the environment. Kreitner (2007) argued that all firms are dynamic, evolving and changing in response to the environment. In today's turbulent environment, open systems approach is relevant and meaningful in achieving competitiveness. Organizations operate as open systems and interact with environment through permeable boundaries (Luthans, 2005).

Organizations are characterized by the dynamism of open systems. The characteristics include interaction with the environment, synergy, dynamic equilibrium and equifinality (Kreitner, 2007). Interactions with the environment are enabled through permeable boundaries while through synergy, open systems add to more than the sum of its parts represented by 1+1 = 3 effect. Conversely, through dynamic equilibrium firms achieve a balance with the environment.

On the other hand, equifinality means reaching the same result using different means. Equifinality enables managers to use different bundles of resources, transform them using variety of ways to achieve satisfactory output. Senge (1990) through his fifth discipline popularized the open systems thinking. Borrowing a leaf from Senge (1990), Garvin (1993) argued that to turn new ideas into organizational performance, managers have to solve internal problems, learn through experimentation, learn from organizational experiences and from others.

The open systems theory has made significant contributions to the evolution and the operation of firms. It strongly supports and provides evidence of the interactions of the EPZ firms with the environment. It has been lauded specifically for the achievement of synergy and equifinality. However, with the open systems thinking, there is a strong tendency to think by analogy which can create misconceptions. According to Kreitner (2007) the theory tends to be more abstract often relabeling old ideas with new vocabulary. It is dominated by event level definitions which reflect underdevelopment of a system specifically in reference to "closed systems" and "open

systems" in relation to the degree of interaction with the environment. The theory assumes that organizational systems operate unaffected by other factors which are not environmental may be misleading.

2.2.2 Resource Based View

Resource based view considers firms as sets of resources that produce competitive advantage. This theory is rooted in the work of Penrose (1959) who considered firms as bundles of resources. Wernerfelt (1984) defined resources as those assets which are tied semi permanently to a firm. They are the assets a firm owns and are externally available and transferable. They include brand names, trade contacts, technology knowledge, efficient procedures and capital. Firms which become resource holders maintain relative positions vis – a- vis other holders as long as they act rationally. Borrowing from Porter's five forces, Wernerfelt (1984) contended that entry barriers are resources since they contain mechanisms which make resource holder defensible. Economies of scale are a prime example of a resource which is an entry barrier.

The growth of a firm internally and externally depends on the manner in which its resources are employed. Building on the inroads made by Penrose (1959), Wenerfelt (1984) argued that for the firm, resources and products are two sides of the same coin. In other words, while the firm's profits are directly driven by products, they are indirectly driven by resources which are used for production. Firms may earn super profits by indentifying and acquiring resources which are critical to the development of the demanded products. Therefore, the critical task of top management is to develop new and valuable products through the exploitation of core competencies.

Resources enable firms to achieve improved performance both in the short term and in the long term. Barney (2001) argued that firms which possessed resources that are valuable and rare would attain competitive advantage and improved performance in the short term. He contended that, for a firm to sustain competitive advantage over time, its resources must also be inimitable and non substitutable. While extending this line of argument, Newbert (2007) posited that in addition to possessing valuable, rare, inimitable and non substitutable resources, firms seeking competitive advantage must

demonstrate the ability to alter the resources in such a way that the full potential is realized. Strategic implementation skills could ensure proper resource exploitation.

Resource based view is useful in understanding the growth of the firm. However, it lacks substantial managerial implications. It emphasizes managerial development of the resources but is silent on how it should be done (Connor, 2002). Further it makes the illusion of total control, trivializing property rights while exaggerating the extent to which managers control resources and predict future value (McGuiness & Morgan, 2002). According to Connor (2002) resource based view is relevant to large firms with significant market power. He contents that small firms can not base survival on their static resources thereby falling beyond the bounds of resource based view. Further, resource based view is more relevant to firms striving for sustained competitive advantage, for firms satisfied with their competitive position resource based view is irrelevant. By nature and scope resource based view focuses on the resources while ignoring process which transform the resources into customer value.

2.2.3 Dynamic Capabilities Theory

Dynamic capabilities theory focuses on how firms change valuable resources over time through a value creating process. Teece, Pisano and Shuen (1990) working paper was the first contribution to dynamic capabilities theory. They (1997) defined dynamic capabilities as the firm's ability to integrate, build and configure internal and external competencies to address rapidly changing environment. Through dynamic capabilities, firms avoid developing core rigidities, which inhibit development, generate inertia and stifle innovation (Ambrosini and Bowman, 2009).

Dynamic capability theory explains why many once successful firms struggle to survive or fail completely as the environment changes due to the inability to adapt successfully. Teece, Pisano and Shuen (1997) argued that it is not only the resources that matter but also the mechanisms by which firms learn and accumulate new skills. Dynamic capability is about the capacity of an organization to purposefully create, extend and modify its resource base (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece and Winter, 2007). Therefore dynamic capabilities are deliberate processes.

The role of dynamic capability is to transform a firm's resource base in such a way that new bundles of resources are created to sustain competitive advantage. They are shaped by positions and paths. They include coordination, integration, learning, leveraging and configuration (Helfat et al, 2007; Ambrosini and Bawman, 2009). Coordination includes aligning activities to achieve the intended output while, integration relates to the ability of the firm to combine its resources. Learning allows tasks to be performed effectively through cognition and experimentation, leveraging involves replicating processes in different units while configuration transforms and aligns firm resources. Managers are critical determinants in the deployment of different forms of dynamic capabilities. Advancing the managerial role, Harreld, O'Reilly and Tushman (2007) argued that managers sense and judge accurately the changes within the environment and seize different opportunities. The ability to do so depends on their motivation, skills and experiences.

Dynamic capabilities are process based on value adding mechanisms within the firm. Wang and Ahmed (2007) posited that capabilities are firm's behavioral orientations to constantly integrate, reconfigure, renew and recreate its resources. Firms upgrade and reconstruct core capabilities in response to environmental changes to sustain competitive advantage. Although the notion of dynamic capabilities compliments resource based view, several issues surrounding its conceptualization remain ambivalent. The capabilities exhibit commonalities across firms, however such commonalties have not been systematically identified (Barney, 2007). In addition, studies on dynamic capabilities addresses firm or industry specific processes rendering the findings piecemeal and disjointed.

2.2.4 Framework of Organizational Learning

Organizational learning is a principle means of strategic renewal of an organization. Crossan, Lane and White (1999) posited that strategic renewal requires that organizations explore new ways at the same time, exploit what has been learned over time. They argued that for renewal to be strategic it entails the whole organization and recognizes the open systems framework. Through exploitation firms develop what has been learned through feedback while through exploration discover and acquire new knowledge through feed forward. The 4i framework established a connection between

strategy and learning (Vera and Crossan, 2004). Organizational learning is a means of developing capabilities which are valued by customers, difficult to imitate and hence contribute to competitive advantage.

Organizational learning is a multilevel concept occurring at individual, group and institutional levels. The process is linked by four psychological processes of intuition, interpretation, integration and institutionalization (Crossan, Lane and White, 1999). Organizational learning involves tension between exploration and exploitation due to competition for scarce resources. Feed forward learning focuses on proactively anticipating environmental changes through individual intuition. Intuition occurs at the individual level which is integrated into group learning and then into learning at institutional level. Feedback indicates how learning that is embedded in organizations affect individuals and groups (Crossan and Bedraw, 2003). Organizational learning affects strategic renewal and firm performance.

The framework of organizational learning provides important insights by linking the three levels of individual, group and institutional learning and showing the linkage to strategic renewal. It recognizes the fact that learning is a multilevel process linked to the four psychological processes of intuition, interpretation, integration and institutionalization. However, by its very nature the framework is limited due to the overlapping nature of the psychological processes. The framework does not distinguish the level at which information interpretation and integration occurs. Since the framework involves a tension between exploration and exploitation, it creates a conflict between the two processes and remains silent on the issue of competition for resources by the two processes within the organization. Further, the two processes of exploitation and exploration are defined by feedback and feed forward mechanisms although they are linked to different contexts with different environmental turbulence.

2.2.5 Institutional Theory

Institutional theory holds that institutions are formed to reduce uncertainty in human exchange. Institutions are composed of formal rules, informal constraints and the enforcement characteristics of both (North, 1992). Institutional theorists assert that the

institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. Conformity to social expectations contributes to organizational success and survival. Institutional theorists are interested in how organizational structures and processes become institutionalized over time (Zucker, 1987). Institutionalized activities are the actions that tend to be enduring, socially accepted, resistant to change and not directly reliant on rewards or monitoring for their persistence (Oliver, 1997). Firms operate within a social framework of norms, values and assumptions which shape the strategic planning systems embedded in an organization.

Organizations are the players in that they comprise of groups of individuals bound by common purpose to achieve objectives. The continuous interaction between institutions and organizations in the economic setting of scarcity leads to competition which is the key to institutional change (North, 1992). The theory is relevant to the institutions aligned to strategy implementation in terms of structure, systems and culture. Further, institutional theory together with technology employed determines the costs of transacting and producing in an organization. Therefore, institutional alignment is critical to firm performance and has an influence on strategy implementation. Institutions are not necessarily created to be socially efficient; rather the formal rules are created to serve the interests of those with bargaining power to create new rules. The individuals and organizations with bargaining power as a result of institutional framework have crucial stake in perpetuating the system (North, 1992).

Institutions help in reducing variance in political behavior therefore facilitate the possibility of prediction. However, the theory is based on the premise that institutions are unnecessary in a world of instrumental rationality where ideas don't matter and efficient markets characterize economies (North, 1991). It is further argued that human beings impose constraints on human interaction in order to structure exchange. Thus, there is no implication that the consequent institutions are efficient. Peter (2000) posited that institutional theories have limited ability to provide coherent explanations of political phenomena within organizations. There is also an inherent

difficulty of the theory in measuring institutions and discerning variations across different institutions. Further, Goetz and Peter (1999) argued that institutional explanation may be excessively static and incapable of copying with dynamism and complexity of the contemporary world.

2.3 Strategic Planning Systems

Strategic planning systems are multifaceted management systems which are contextually embedded. They consist of the people who do the planning as well as the mechanisms of planning (King, 1983). Planning systems have specific inputs and visible outputs. Dayson and Foster (1982) posited that the inputs of strategic planning systems constitute of the people, funds and time while the outputs consist of missions, objectives, strategies, goals, resource allocations and strategic programs. Strategic planning systems take into account the fundamental requirements of people working in organizations. They focus on the systems that enhance people's abilities and systematically get the management team to address with real honesty and zeal the issues faced if the organization has to thrive, not just survive (Mclarney, 2003). Therefore, strategic planning systems are the foundations upon which strategic planning is based.

There are two categories of strategic planning systems, notably the design oriented systems and the contextual oriented systems. In an attempt to conceptualize strategic planning systems, Ramanujam, Venkatraman and Camillus (1986) identified design elements and contextual elements. According to them, design elements of strategic planning systems consist of factors related to system capability, planning techniques, attention to internal facets, attention to external facets and functional coverage. Contextual elements on the other hand consist of planning resources and resistance to planning. Dayson and Foster (1982) added participation as part of the contextual elements. Therefore, the contextual are factors which are associated with the planning context while design elements are those related to the inputs and outputs.

Ramanujam and Venkatraman (1987) argued that planning systems are important to strategic planning. They contend that an organization can not succeed unless adequate

resources are allocated to planning. The resources could either be tangible or intangible. Ramanujam, Venkatraman and Camillus (1986) noted that it is important for an organization to identify and overcome sources of resistance in planning. Organizational members could show resistance in form of withdrawal from planning activities, lack of acceptance of planning outputs or gaming behavior. In essence, resistance to planning exerts negative effects on the effectiveness of the strategic planning systems. Ramanujam and Venkatraman (1987) found that five dimensions of strategic planning systems had significant impacts on the effectiveness of strategic planning process. These were planning resources, attention to internal facets, attention to external facets, functional coverage and use of planning techniques.

Level of environmental turbulence affects strategic planning outcomes. Mclarney (2003) research model demonstrated that in different levels of environmental turbulence, contextual elements were stressed differently. He observed that in more turbulent environments, organizations devoted more resources to the planning function, paid more attention to internal and external facets, employed more planning techniques and encouraged greater functional coverage. In a plausible extension of the above argument, Jennings and Disney (2006) argued that strategic planning systems in complex and turbulent environments are more flexible and plans are reviewed frequently. In essence, firm's planning systems facilitate achievement of a balance between adaptation and integration. This study focused on three elements of strategic planning systems namely, planning resources, management participation and strategic planning techniques.

2.3.1 Planning Resources

Resources are tangible and intangible assets while capabilities are dynamic endowments leveraged by firms to deliver efficiency and effectiveness. Strategic planning systems are considered as sets of resources and capabilities that produce competitive advantage (Wernerfelt, 1984). Helfat and Peteraf (2003) defined resources as assets which a firm owns, controls and has access to on a semi permanent basis. Resources exist in form of brand names, trade contacts, technology, skilled personnel and production/service delivery procedures.

Glaister and Falshaw (1999) argued that firms achieve better performance by acquiring certain endowments of resources. Adequacy of resources in relation to planning goals is pertinent to goal achievement and competitive positioning. The resources as propounded by Kraatz and Zajac (2001) have to be scarce, valuable and imperfectly imitable to create sustained performance differences amongst competing firms. McLarney (2003) explored the link between environmental turbulence and strategic planning systems and concluded that in turbulent environments, organizations devote more resources to the planning function. Management action on planning resources is important hence the need to evaluate management participation in the planning process.

2.3.2 Management Participation

Participation focuses on involvement in processes at different levels. Participation taps into concepts of breath and depth of involvement. Ogbeide and Harrington (2011) defined management participation as the collective level of management involvement within and across the firm. Management spreads beyond the top executive to include middle and lower cadre managers (Currie and Procter, 2005). Literature suggests that participative management approach could increase the firms informational processing, utilize knowledge dispersed across the firm, provide more alternatives, facilitate opportunity recognition and help the organization to avoid overlooking good ideas (Feigner, 2005; Ogbeide and Harrington, 2011).

Currie and Procter (2005) identified three possible types of middle level management involvement in strategic planning. They argued that managers synthesize, interpret and channel information to the executive management. Floyd and Wooldridge (1997) identified the fourth type of management involvement stemming from the middle level as implementing deliberate strategy through action planning. Floyd and Wooldridge (1997) argued that a certain degree of uniformity is required among middle level managers for an organization to achieve consistency. He observed that such consistency is associated with improved performance. Conversely, Floyd and Wooldridge (1990) found that involvement of middle level management increases an understanding of the resulting goals, leading to convergence of strategic priorities.

Ketokivi and Gastner (2004) observed that management participation generates both informational and emotional effects in the organization. Notably, Lines (2004) argued that management involvement reduces organizational resistance and creates a higher level of psychological commitment among employees towards the proposed changes. Participation leads to qualitatively better strategic decisions (Feigner, 2005). One reason for this argument is that, broader array of relevant skills, competencies and information is brought to bear on each stage in the strategic decision process. Further, participation makes the political realities of the organization more salient leading to balanced political, social and technical considerations within organizations.

Studies on the influence of management participation on performance have yielded mixed results. Dyson and Foster (1982) noted that there is a strong theoretical support that management participation enhances achievement of outcomes. Freeman (1989) reported that management participation in strategic planning clearly influences utilitarian planning consequences (strategic capability, coordination, communication and adaptability) and psychological planning consequences (morale, commitment to the firm, motivation). Conversely, a study by Ogbeide and Harrington (2011) established that participative management styles were significantly associated with high overall profits and financial success within foodservice industry in USA. Similarly, Eggers and Kaplan (2013) indicated that managerial cognition plays a central role in capability development and deployment.

Other studies however, have established negative and non significant influence of management participation on performance. A study by Elbanna (2008) established no significant relationship between management participation and strategic planning effectiveness. Possible reason as observed by Lines (2004) could be that management participation was moderated by other factors not considered in the study. Further, management participation is a complex issue which depends on contextual factors such as power politics, organizational culture and the type of leadership. As observed by Ogbeide and Harington (2011), the concept of management participation is much more complex than has been previously thought.

2.3.3 Strategic Planning Techniques

The maturity of any academic discipline is judged by the extent to which its theories and techniques are employed in practice (Stonehouse and Pembertone, 2002). Strategic planning techniques are models used in analysis of business environment. They are used in translating strategy into business results. When strategic planning suffered a downturn in popularity and influence in the 1970s, largely it was due to the inability of the strategic planning techniques to deliver what was expected (Glaister and Falshaw, 1999). Ghamdi (2005) argued that using strategic planning techniques enhances a manager's analytical skills. An effective planning approach seeks to learn by examining the past (Ghamdi, 2005) and links the future through planning techniques (Amran and Kulatilaka, 1999). Navigating turbulent environment requires a strategic compass which relies on the use of analytical strategic planning techniques.

Strategic planning techniques enable firms to think strategically. They are possible means of fostering creativity and analytical mindset within organizations. In the competitive positioning paradigm, Porter (1980) centers his argument on the premise that firms position themselves within the competitive business environment through the use of a variety of strategic techniques aimed at generating superior performance. Ghamdi (2005) argued that planning techniques could integrate strategic planning into the core management process. Similarly, Aldehayyat and Khattab (2011) noted that planning techniques enable managers to transform data into valuable decisions and suitable actions. To this end, as Dincer, Totaglu and Glaister (2006) posited that the benefits of using strategic planning techniques include increasing environmental awareness, risk reduction and priority establishment.

Many empirical studies focusing on strategic planning techniques exclusively report about their usage without linking them to performance (Stonehouse and Pembertone, 2002; Ghamdi, 2005; Gunn and William, 2007). A few studies link planning techniques to performance. A study by Stonehouse and Pembertone (2002) revealed that both small and medium enterprises from the UK emphasized use of planning techniques as a way of achieving financial analysis and profit targets. They confirmed a predisposition towards short term planning rather that strategic thinking. Ghamdi

(2005) study showed that only 27 percent of the firms investigated in Saudi Arabia reported using strategic planning techniques regularly. Conversely, a study done in Uganda by Bagire and Namada (2011) focused on strategic planning as a process without emphasizing planning techniques as conceptualized by other studies.

According to Ghamdi (2005) study, the most frequently used planning techniques were analysis of critical success factors, bench marking, Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, Product Life Cycle (PLC) analysis and stakeholder analysis. Cognitive mapping and Porters five force framework were the least used techniques. Similarly, Aldehayyat and Khattab (2011) study showed that Jordanian hotels engage in strategic planning process using many strategic planning techniques. Further, the study established that use of planning techniques were more related to hotel size rather than age and ownership. However, these studies did not attempt to link the ascertained use of planning techniques to performance of the respective organizations.

2.4 Organizational Learning

Organizational learning is portrayed differently by different scholars. It means new insights (Argyris and Schon, 1978), new structures (Chandler, 1962), new systems (Miles, 1982) or a combination of the above. Cummings and Whorley (2009) defined organizational learning as a change process which enhances the ability of an organization to acquire and develop new knowledge.

Learning is organizational only if it is done to achieve organizational purpose, if it is shared among members of the organization and if the outcomes are embedded in systems, structures and culture. It is both a process and an outcome. As a process, organizational learning focuses on improving outcomes of different activities within the organization (Fiol and Lyles, 1985) while as an outcome it results into a learning organization (Senge,1990).

2.4.1 Conceptualizations of Organizational Learning

Organizational learning is one of the concepts with lack of agreement in terms of theoretical conceptualizations. Different scholars have conceptualized organizational learning differently according to the study interests. Argyris and Schon (1978) conceptualized organizational learning in terms of single loop learning and double loop learning while Fiol and Lyles (1985) conceptualized it in terms of the lower and higher level learning. Single loop learning seeks to improve the status quo. Fiol and Lyles (1985) refer to this type of learning as lower level learning. The desired consequences of these learning are behavioral outcomes. This level of learning is concerned with the firm as it adjusts to the external environment.

Double loop learning seeks to change the status quo. This type of learning aims at adjusting the overall rules and norms rather than specific behavior within the organization. Fiol and Lyles (1985) referred to this type of learning as higher level learning. They observed that this type of learning takes place through heuristics, skill development and insights. Further, they argued that this type of learning have long term impacts and affects the organization as a whole. On the other hand, Levitt and March (1988) conceptualized learning in terms of experiential learning and inter organizational learning.

Hubber (1991) conceptualized organizational learning in terms of knowledge acquisition, information distribution, information interpretation and organizational memory. Knowledge acquisition and information distribution comprises of congenital learning, experiential learning, vicarious learning and grafting. On the other hand, information interpretation consists of learning from cognitive maps and framing, media information and processes related to unlearning while organizational memory consists of information storage and retrieval using computer based systems. Conversely, Crossan, Lane and White (1999) views of organizational learning is in terms of individual learning, group learning and institutional learning which are translated into intuition, interpretation, integration and institutionalization. The varying interpretations arise because some scholars consider organizational learning as processes while others consider it as outcomes evidenced in behavioral change.

Deutro learning on the other hand, focuses on the learning process itself and seeks to improve both single loop learning and double loop learning. Cummings and Whorley (2009) posited that deutro learning is concerned about learning how to learn. Through deutro learning, members continuously, construct the organization through actions and interactions with each other and learn from the actions. This enables the members to develop, test and modify mental maps (Morgan and Berthon, 2008; Hsu and Fang, 2009). Largely, organizational learning has largely been operationalized as adaptive learning (single loop learning), generative learning (double loop learning) and triple learning. Organizational learning starts with the discovery of gaps between the actual and the desired situations. Interventions are made to close the gaps which include diagnosis of what causes gaps and ultimately creating solutions to fill the gaps.

Learning capabilities result into organizational learning as well as learning organizations. According to Senge (1990) a learning organization is one with the ability to systematically solve problems, experiment with new approaches, learn from others and transfer knowledge quickly throughout the organization. In a rejoinder to the foregoing argument, Cummings and Whorley (2009) that a learning organization is an organization which is skilled at creating, acquiring, interpreting, transferring and retaining knowledge for behavior modification. Such organizations are characterized by structures which emphasize team work and networking, systems which facilitate rapid knowledge sharing and acquisition, human resource practices which account for long term performance, strong cultures which promote openness, creativity and social support and transformational leadership.

Organizational learning is a process through which firms learn. Simon (1969) defined organizational learning as growing of insights and successful restructuring of the organization by individuals reflected in the structural elements and outcomes. It is a process which seeks to enhance organizational capacity to acquire and develop new knowledge. In essence, organizational learning is about cognition and action. It takes place through individuals and interactions. Further, it offers an alternative paradigm through which organizational systems change.

2.4.2 Levels of Learning

Individuals are important in organizational learning process. However, organizational learning is not simply the sum of each members learning (Levitt and March, 1988). Intuition is the basic learning process at the individual level. It is a preconscious recognition of the pattern and responsibilities inherent in a personal stream of experiences (Weick, 1995). It is uniquely an individual process and affects individual actions (Crossan, Lane and White, 1999). At its basic level, it involves perceiving similarities, differences, patterns and possibilities. One perspective of intuition focuses on the expert view while the other focuses on the entrepreneurial view. Expert view is about pattern recognition, which becomes tacit knowledge (Nonoka, 1991). Expertise is difficult to transfer from one person to the other because it emanates from a stream of actions. Individual learning is transformed into group learning.

Group learning constitutes interpretation and integration. Interpretation is the process through which insights are given meaning (Daft and Weick, 1984). Integration is the process of developing shared understanding and taking coordinated actions by members. It translates and develops shared understanding. Through interpretation, individuals develop cognitive maps about various domains (Huff, 1990). Further, Thomas, Sussman and Henderson (2001) noted that observations get processed into lessons through an expanded interpretation process which normally includes feedback around the organization. As the interpretive process moves beyond the individual it becomes integrative (Morgan and Berthon, 2008). Daft and Weick (1984) noted that a distinctive feature of integration is perception sharing.

Institutionalization is the process of embedding learning that has occurred by the individuals and group into the organizations (Crossan, Lane and White, 1999). Environmental turbulence creates a gap between what the organization needs to do and what it has learned to do. The gap prompts the organization to manage embedded learning and the new learning that feeds forward through intuition, interpretation and integration (Crossan, Lane and White, 1999). Fiol and Lyles (1985) observed that organizational learning is affected by structure, strategy and culture. Performance is

enhanced by the organizational ability to learn. Tippins and Sohi (2003) argued that firms which are able to learn about the customers, competitors and regulators adapt effectively to changes within the environment.

2.5 Strategy Implementation

Strategy implementation has no universally accepted definition. It may be viewed as a process of introducing various forms of organizational learning and strategic responses (Lehner, 2004). It is an iterative process of turning strategies, policies, programs and plans into actions (Harrington, 2006). Likewise, Ogbeide and Harrington (2011) defined strategy implementation as a complex process concerned with designing systems that achieve an integration between people, structures, processes and resources. Strategy implementation therefore is a dynamic, iterative, integrative and complex process comprising of a series of activities and decisions that turn plans into reality to achieve organizational objectives (Jalali, 2012).

Research in strategic management highlights different problems associated with strategy implementation and offers different solutions to the problems. Beer and Eisenstat (2000) identifies six silent killers of strategy implementation as being top down management style, unclear strategic direction, conflicting priorities, ineffective management teams, poor vertical communication and poor skill development. While agreeing with Beer and Eisenstat (2000) on the critical role of communication, Carlopio and Harvey (2012) argued that communication is only effective if it comes from a credible and trustworthy source. Atkinson (2006) posited that problems of strategy implementation emanate from underestimation of needed time, effects of uncontrollable factors, destructions from competing activities, insufficient employee capabilities, lack of leadership and inadequate monitoring system. Conversely, lack of fit between strategy, structure, management style and systems all pose undesirable effects on strategy implementation (Sterling, 2003; Ogbeide and Harrington, 2011).

Kazmi (2008) indicated that the apathy in strategy implementation research could be ascribed to the likelihood of strategy implementation failure, complexity of the process and the practical difficulties encountered in researching about middle level managers. In view of these challenges, different frameworks of strategy

implementation have been proposed. They include McKinsey 7s framework developed in the 1980s, the balanced score card framework developed by Kaplan and Norton in 1992, Okumus' framework developed in 2003 and the Kazmi framework developed in 2008. Sterling (2003, p. 27) argued that "effective implementation of an average strategy beats mediocre implementation of a great strategy". He contended that strategy fails when implementers do not own the strategy.

Kaplan and Norton (2008) observed that successful strategy implementation has two basic rules. They are an understanding of the management cycle and the link between strategy and operations. More importantly, Peng and Litteljohn (2001) posited that managerial knowledge about which tools to apply at each stage of the implementation cycle is equally critical. Aaltonen and Ikavalko (2002) study showed that communication is pervasive in every aspect of strategy implementation and is related to processes, context and objectives. Conversely, Brauer and Schimdt (2006) confirmed earlier presumptions that maintain top driven strategy implementation and bottom up directed processes. From the social psychological perspective, strategy implementers are reminded that various leadership roles are critical to project success. For instance, top management must support the effort, but not define the procedures to be used while end users should manage the implementation to ensure coordination with both top management and technical personnel (Carlopio and Harvey, 2012).

2.6 Organizational Performance

The debate on performance is unconcluded. A number of studies focus on financial while others focus on non financial performance. Studies that used traditional performance measurements were based on traditional accounting systems which were criticized for lack of objectivity, consistency and open to internal manipulations (O'Regan, Sims and Gallear, 2008). Indeed in recent performance research, there has been a drift from exclusive use of financial performance measures to inclusion of non financial performance measures. This approach is practically valuable and in line with the multidimensionality of performance construct. Pun and White (2005) argued that measuring performance play an important role in translating strategy into results.

However, as noted by Hubbard (2009) measuring performance is difficult especially when what has to be measured keeps changing and is multifaceted.

The need for organizations to align their performance measures with goals are well documented in literature. The complexities of managing the organizations today require that managers analyze different dimensions of performance because performance itself is multidimensional. Performance measurements are not ends in themselves, but are useful tools through which managerial purposes are achieved. Behn (2003) identified eight managerial purposes achieved through performance. He observed that performance is used in evaluation, control, motivation, promotion, celebration, learning and improvement of different processes. Therefore, no single performance measure is adequate in capturing all the eight performance uses hence the adoption multidimensional measures of performance defined by the balanced score card.

The balanced score card gives a wholistic view of the organization by simultaneously looking at the four important perspectives of financial, market, internal processes, learning and growth. It is based on the stakeholder theory where a firm is seen as having responsibility to wider sets of stakeholders. Hubbard (2009) posited that stakeholder theory assesses the organization performance against the expectations of variety of stakeholder groups with specific interests in the organization. Kaplan and Norton (2001) argued that to ensure the long term survival and growth of a business there has to be a balance between the four performance perspectives. Therefore, company survival depends on how well it can position itself based on the four perspectives and optimization of its efforts.

2.6.1 Financial Performance Measurements

The financial perspectives of performance incorporate the accounting measures among others are Return on Investment (ROI), Return on Sales (ROS), growth in revenues, cash flow investment, market share and market share gain. O'Regan, Sims and Gallear (2008) posited that financial measures lack objectivity, consistency and are prone to manipulation by insiders. The financial perspective measures focus on what the organization is doing to satisfy the needs of the shareholders in terms of their

returns. Financial measures only report past performance. It communicates little about the long term value creation of the firm which is important in determining none financial performance (Kaplan, 2001).

Kaplan and Norton (2008) through strategy maps defined financial perspective in terms of productivity and revenue increment in existing and new segment. They argued that for a firm to realize an increased return on investment, the firm has to improve productivity and increase revenues in existing segments. Chakravarthy (1986) observed that differences in methods of consolidating financial measures arise from lack of standardized international accounting standards and the historical perspectives of accounting records.

The use of a single performance measure has been criticized for lack of objectivity. O'Regan, Sims and Gallear (2008) argued that the use of a single performance criterion to assess excellence by focusing only on outcomes to the exclusion of transformational processes ignores aspirations of other stake holders. Chakravarthy (1986) in his analysis used financial measures to analyze the performance of 14 computer companies and established that profitability was incapable of distinguishing the differences in strategic performance of the firms. Therefore, there is need to complement financial measures with non financial measures of performance.

2.6.2 Non Financial Performance Measurements

Non financial performance measures propounded by the balanced score card include customer perspective, business process perspective and learning and growth perspective. Customer perspective measures how well the business is satisfying the needs of the customer (Kaplan and Norton, 1996). Customer satisfaction is achieved through value creation. Kaplan and Norton (2008) noted that in satisfying the customer, companies seek to become leaders in quality and reliability, provide valued services and introduce innovative high valued products. Business process perspectives measure how efficiently and effectively an organization is meeting its goals and objectives.

Firms focus on specific internal processes that could enable them to achieve stakeholder satisfaction. Specifically, they focus on operational efficiencies related to

cost, quality and cycle time of critical process which deliver value to customers and reduce operational expenses. Furthermore, innovative processes that create new products and services are also considered. Kaplan and Norton (2008) identified measures of internal business process as improvement in supply chain efficiency, improved operating processes, building strong and mutual customer relationships, excelling in product development and identifying the next generation market opportunities. These perspectives capture both the customer aspiration and the market orientations of the organization (Srimai, Damsaman and Bangchokdee, 2011).

The other non financial perspective is concerned with learning and growth of the firm. This perspective measures the innovation and development of the business in a competitive environment (Kaplan and Norton, 1996). It focuses on continuous learning and growth of the firm. Kaplan (2001) posited that organizational learning and growth arise from such sources as people and systems. Measures of other none financial perspectives include employee motivation, retention and capability alignment as well as information system capabilities. While emphasizing on the role of learning, O'Regan, Sims and Gallear (2008) that firm performance is determined by the rate of growth and the ability to manage growth. Kaplan and Norton (2008) argued that in attempting to learn and grow over the long term, firms seek to expand and build strategic skills and capabilities, develop execution driven culture and enable knowledge sharing within the organization.

2.7 Strategic Planning Systems and Firm Performance

Strategic planning systems impact on firm performance through different channels. According to available studies, conceptualization of strategic planning systems considers both the contextual and design variables. In this study, conceptualization of strategic planning systems took cognizance of the work of many scholars (Dayson and Foster 1982; Ramanujam, Venkatraman and Camillus, 1986; Ramanujam and Venkatraman, 1987; Elbanna, 2008). A general conclusion that emerges from the above studies is that strategic planning systems are a combination of many subsystems. Ramanujam and Venkatraman (1987) posited that the organization ability to engineer the right configuration of strategic planning systems fosters strategic alignment and adaptability. In essence, well configured systems become

more effective in the future. In line with Ramanujam, Venkatraman and Camillus (1986) the appropriate configuration eventually leads to the achievement of superior performance.

Past studies have recognized the positive association between strategic planning systems and firm performance (Ramanujam, Venkatraman and Camillus, 1986; Ramanujam and Venkatraman, 1987; Elbanna, 2008). Dayson and Foster (1982) in their study argued that changes in the level of participation leads to positive changes in effectiveness. They argued that participatory planning systems which are widely communicated improve effectiveness. They concluded that in participative environments the planning function becomes well integrated into the decision making process leading to better performance. On the other hand, King (1983) argued that planning effectiveness is measured by how well the strategic planning systems meet the intended goals like identification of new business opportunities which had been previously overlooked within the business environment.

A good configuration of strategic planning systems eventually fosters performance. Such a configuration encompasses enough resources provided for planning, participative management style and application of appropriate planning techniques. This is because the ultimate effectiveness of strategic choices are reflected in the ability of the system to yield positive business performance. Ketokivi and Gastner (2004) observed that management participation generate informational, affective and emotional effects. It means that participation enforces positive organizational effectiveness specifically in terms of information sharing and development of commitment amongst all the actors.

An effective planning system achieves strategic goals, enhances system capability and fosters better business performance. In line with this argument, Tegrden, Sarason and Banbury (2003) established techniques such as benchmarking and establishing key success factors in an industry over time leads to effectiveness of the planning system. Similarly, a study conducted by Andersen (2000) revealed that strategic planning systems are associated with superior performance in all industrial settings. He argued that strategic planning systems are developed to integrate functional

activities in marketing, production, human resource function together with research and development. Long term organizational actions like participation at different levels and application of appropriate techniques facilitate corporate performance.

2.8 Organizational Learning and Firm Performance

Organizational learning is defined by four interrelated processes of intuition, integration, interpretation and institutionalization (4i framework). The framework of organizational learning recognizes that the competitive position of a firm is a dynamic process with influences and effects from both the feedback and feed forward loops (Morgan and Berthon, 2008). Learning ability is seen as the effort required in cultivating the relevant and collective knowledge to perform complex tasks. Dynamic capability theory considers organizational learning as a process that underlies all dynamic capabilities responsible for the positive development of competitive advantage. Bustinza, Molina and Aranda (2010) argued that this capability becomes the determining factor for the success of firms competing in global markets.

Performance provides an important feedback about the efficiency of the learning processes and ultimately affects how the organization continues to learn (Bontis, Crossan and Hulland, 2002; Hsu and Fang, 2009). Organizational learning breeds creativity and innovation which facilitates the development of new products. Andersen (2000) posited that managers learning abilities enable the organization to become responsive to changes in market conditions which benefits the firms operating in dynamic and complex environments.

According to Schauffer and Willauer (2003) learning is a cybernetic feedback loop which involves individuals at different levels of the organization. They observed that learning aims at the adjustment of internal models where members modify interpretations of events and develop a shared understanding to improve output. Therefore, as observed by Crossan , Lane and White (1999) learning results in a better understanding of the underlying business systems and in essence enable the organization seize unfolding opportunities while at the same time minimize threats.

Learning is critical in business performance. Bontis, Crossan and Hulland (2002) research supported the view that there is a positive relationship between learning and business performance. The findings of the study reveal that learning at the individual, group and institutional levels are critical to the overall firm performance. From the dynamic capabilities viewpoint, organizational learning is seen as a means of developing dynamic capabilities which are valued by customers and difficult to imitate hence contributing to competitive advantage (Crossan and Bedrow, 2003; Nasir and Sisnuhadi, 2013). Despite this pervasive view that organizational learning leads to capability creation, there are few empirical studies which examine effects of organizational learning in strategic renewal which is critical in the achievement of sustained competitive advantage.

2.9 Strategy Implementation and Firm Performance

Strategy implementation is a social psychological process which takes place over time. Prior studies indicate that strategy implementation is linked to superior performance. In his study, Sterling (2003) observed that unanticipated market changes can upset strategy implementation process causing failure of the organization to recognize and react appropriately to the changes thus erodes business performance. Unanticipated market changes include shortened Product Life Cycle (PLC) and discontinuous changes within technologies. He argued that shorter PLC negatively impact on financial performance specifically on sales and profits while technological changes emerge with greater frequencies challenging the status quo and existing assumptions thereby creating external obstacles to strategy execution. Discontinuity in technological innovation is the basis of product and service obsolescence.

Strategy implementation process serves as a vital link between a firm's strategic choices and the achievement of superior performance. Branuer and Schimidt (2006) study confirmed that over-performing firms displayed higher strategy implementation inconsistencies and are quicker in responding to unforeseen changes in the external environment. They argued that higher strategic inconsistencies are an indication of superior learning abilities. Financial position of a firm is contingent to a firm's implementation process because it impacts on responsiveness, level of opportunity

seeking and the firms exploratory behavior. Through strategy implementation, organizational systems undergo significant changes in terms of learning, adaptation and growth in order to successfully execute a new strategy (Mankins and Steel, 2005; Carlopio and Harvey, 2012). Ogbeide and Harrington (2011) provided support for the association between higher implementation success and financial performance.

Indeed, strategy implementation and organizational learning abilities are dynamic capabilities which define the level of performance in organizations. Nutt (1999) studied strategy decisions in organizations located in the USA and Canada and concluded that half of the strategic decisions failed because of problems during strategy implementation process. Beer and Eisenstat (2000) established that pertinent aspects that lead to implementation success include a leadership style which learns from feedback, clear strategy, priorities, an effective management orientation, open vertical communication and effective coordination. Similarly, Morgan, KatsiKeas and Vorhies (2012) identified communication of the strategy, nurturing employee commitment and organizational alignment as the panacea to implementation success.

2.10 Strategic Planning Systems, Organizational Learning and Firm Performance

Strategic planning systems and organizational learning directly affect performance. Creating unique products through innovative processes are enabled through exploitation of firm's core competencies (Newbert, 2007). Crossan, Lane and White (1999) identified strategic renewal as an underlying phenomenon in organizational learning. They observed that renewal requires that the organizations explore what has been learned and exploit the opportunities presented by the environment. Adding voice to the need of exploitation and exploration, Crossan and Bedrow (2003) emphasized that organizations need to explore and learn new ways of exploiting what has already been learned. March (1991) recognized the importance of exploration and exploitation in strategic renewal. He observed that strategic renewal encompasses the entire organization and generates success rather than failure. As learners settle in domains where they have competencies, they accumulate experiences which reduce failure thus increasing the chances of performing well (Hsu and Fang, 2009; Amiri et al, 2010).

Organizational learning is a means of developing capabilities which are valued by consumers. Therefore, there is need for strategic planning systems to balance control and creativity which is achieved through learning, (Bustinza, Molina and Aranda, 2010). Learning enables strategic planning systems to become creative and flexible. Through learning, strategic planning systems increase the probability of achieving planning goals while minimizing recurrence of errors. Organizational learning is a specific process which is responsible for positive development of the firm's capabilities through individuals, groups and systems. Stonehouse and Pembertone (2002) argued that greater use of planning techniques in the analysis of the business environment facilitates organizational learning and enhances strategic thinking. In essence, appropriate use of planning techniques reduces failure.

Crossan and Bedrow (2003) observed that learning empowers managers to be able to respond to the changing market conditions. However, it is unlikely that firms can achieve impressive efficiencies without a central strategic plan which result from strategic planning systems. Organizational learning breeds creativity which facilitates new product development through a common strategy. Andersen (2000) study revealed that strategic planning systems are associated with better performance in all industrial settings and exist in tandem with organizational learning. He argued that strategic planning systems are developed functional activities and long term organizational actions that arguably facilitate corporate adaptation. For instance, the relationship between quality management and performance is mediated by organizational learning (Nasir and Sisnuhadi, 2013).

Strategy formulation process revolves around the ongoing learning from the resource committing actions taken by managers within the organization. Schauffer and Willauer (2003) observed that strategic planning is a learning process. He contended that a high degree of learning in the functioning of strategic planning systems positively influences adaptation and business performance. The amount of resources available to a firm determines the degree of learning. Moynihan and Landuyt (2009) observed that resources determine the overall organizational learning. They argued

that when organizations have slack resources, they are likely to act proactively and devote specialized resources and time to learning. Conversely, organizations without adequate resources only react to situations by focusing on the problems created by low resource base. Bustinza, Molina and Aranda (2010) argued that a firm's ability to adapt is associated with improved performance because it reduces the effects of environmental uncertainty and variability.

2.11 Strategic Planning Systems, Strategy Implementation and Firm Performance

The joint influence of strategic planning systems and strategy implementation significantly impact on firm performance. Strategic planning systems are transformed into tangible performance outcomes through the implentataion process. Bustinza, Molina and Aranda (2010) argued that strategy implementation produces capabilities through coordination and integration hence facilitating better performance. Through strategy implementation firms precisely indentify business strengths, weaknesses and specifies the existing and potential comparative advantages (Morgan, KatsiKeas and Vorhies, 2012). Planning systems enables the organization to manage turbulent environment and achieve strategic alignment which sustains business growth. Eggers and Kaplan (2013) recognized that strategies are formulated through resource capabilities which are redeployed and implemented by managers.

There is a general consensus from literature that strategy implementation is an important link between strategies and superior performance (Sterling, 2003; Branuer and Schimidt, 2006). There is widespread agreement among management scholars that strategies are of little value if they are not implemented successfully to produce results. If implementation has to be successful, there is need to link strategies to operational plans, resource allocation and coordination. Aosa (1992), in a Kenyan study focusing on large manufacturing firms found that companies which maintained the strategy versus budget link were more successful in implementing strategies than those which did not maintain such link. Similarly, Pearce and Robinson (2007) argued that strategy implementation translates strategies to meaningful value.

Planning systems focus on ends while strategy implementation focuses on the means. Planning systems define how the organization ultimately achieves the objectives through resources, participation and the subsequent use of planning techniques. Ogbeide and Harrington (2011) contented that a combination of strategic systems and implementation enables the organization to achieve the outcomes. Strategic planning systems affect the outcomes of strategies. If the resources are adequate, participation spread along different cadre and appropriate use of planning techniques are in use, organizations enhance chances of success. Sterling (2003) posited that strategy implementation is greatly affected by structure, leadership and culture.

Adding voice to the role of management participation, Floyd and Woolridge (1997) posited that participation across different management cadre facilitates convergence of strategic priorities. Resource availability and successful coordination ensure the right levels of organizational flexibility for different situations that may arise within the business environment (Bustinza, Molina and Aranda, 2010). Ogbeide and Harrington (2011) linked participative management style, strategy implementation and financial performance in foodservice industry. The findings indicated that regardless of firm size, higher degree of management style resulted in higher implementation success, profitability and financial performance. Harmonious managerial participation by all cadres of management is a useful approach and increases the likelihood of strategy implementation success.

One of the key planning systems is management participation in the strategy process. Lines (2004) argues that participation in strategic change has a number of positive consequences. He argued that managers need to participate in the planning process so as to formulate better plans and facilitate strategy implementation success. Participation by management also facilitates commitment to the plan thereby reducing behavioral impediments that may lead to strategy implementation failure. Feigner (2005) argued that managerial participation increases the number of strategic alternatives hence diversifying strategic choices thus enabling choice of the best alternative.

2.12 Summary of Previous Studies and Knowledge Gaps

A summary of previous studies and the knowledge gaps were discerned and tabulated. The knowledge gaps were identified in terms of the relationships between strategic planning systems, organizational learning and strategy implementation on firm performance. Literature reveals that many previous studies which focused on strategic planning systems endeavored to investigate independent relationships between specific planning systems and firm performance. An evident knowledge gap which this study sought to fill was to establish a joint relationship between planning resources, management participation and planning techniques on performance.

Dynamic capabilities which emanate from learning and strategy implementation are important in the achievement of firm performance. Prior studies which focused on organizational learning mainly investigated different organizational capabilities influenced performance. The current study recognized that the relationship between strategic planning systems and performance is mediated by organizational learning and sought to fill this knowledge gap. It determined the mediating effect of organizational learning in the relationship between strategic planning systems and performance. Further, the study focused on the moderating role of strategy implementation in the relationship between strategic planning systems and performance. Finally, the study focused on the joint influence of strategic planning systems and strategy implementation on performance.

Table 2.1: Summary of Previous Studies and Knowledge Gaps

Study	Focus of the Study	Findings	Knowledge Gaps	Contribution of this Study
Ogbeide and Harrington (2011)	Relationship between participation, strategy implementation success and performance of food service industry.	Regardless of size, management participation led to high financial performance.	Did not focus on different dimensions of strategic planning systems like resources, and techniques.	Focused on planning resources, planning techniques and management participation.

Bustinza, Mollina and Aranda (2010)	Organizational learning and firm performance.	Organizational learning has a positive impact on firm performance.	Did not focus on mediating effect of organizational learning.	Focused on the mediating role of organizational learning.
Elbanna (2008)	Planning practice and participation as determinants of strategic planning effectiveness.	Strategic planning practice is associated with strategic planning effectiveness.	Did not examine the joint influence of the study variables.	Established the joint influence of planning systems and strategy implementation on performance.
Shah and Rivera (2007)	Environmental performance of EPZ in Trinidad and Tobago.	EPZ firms promote environmental performance.	Did not focus on firm performance.	Focused on firm performance of EPZ firms in Kenya.
Hapisu (2003)	Strategic planning and competitive advantage in EPZ firms in Kenya.	Strategic planning is positively related to competitive advantage.	Did not focus on mediation of organizational learning and moderation of strategy implementation.	Focused on mediating effect of organizational learning and moderating effect of strategy implementation.
Schauffer and Wallauer (2003)	Strategic planning as a learning process.	Planning systems which are characterized by learning improve performance.	Did not focus on planning resources and planning techniques.	Focused on planning resources and techniques to explain firm performance.
Aaltonen and Ikavalko (2002)	Implementing strategies successfully.	Structural and system alignment are key problems in strategy implementation.	Did not focus on strategy implementation as a moderating variable.	Focused on moderating effect of strategy implementation.
Bontis, Crossan and Hulland (2002)	Managing organizational learning systems.	Positive relationship between organizational learning and performance.	Did not integrate other variables like strategic planning systems.	Integrated planning systems and strategy implementation.

Aosa (1992)	Strategy formulation and implementation within large private manufacturing firms in Kenya.	Firms which linked strategy formulation and strategy implementation were successful.	Did not focus on mediation of organizational learning and moderating role of strategy implementation.	Focused on the moderating effect of strategy implementation.
Ramanujam and Venkatraman (1987)	Planning system characteristics and planning effectiveness.	Planning resources are dominant factors in strategic planning effectiveness	Did not link organizational learning to firm performance.	Focused on the mediating effect of organizational learning.

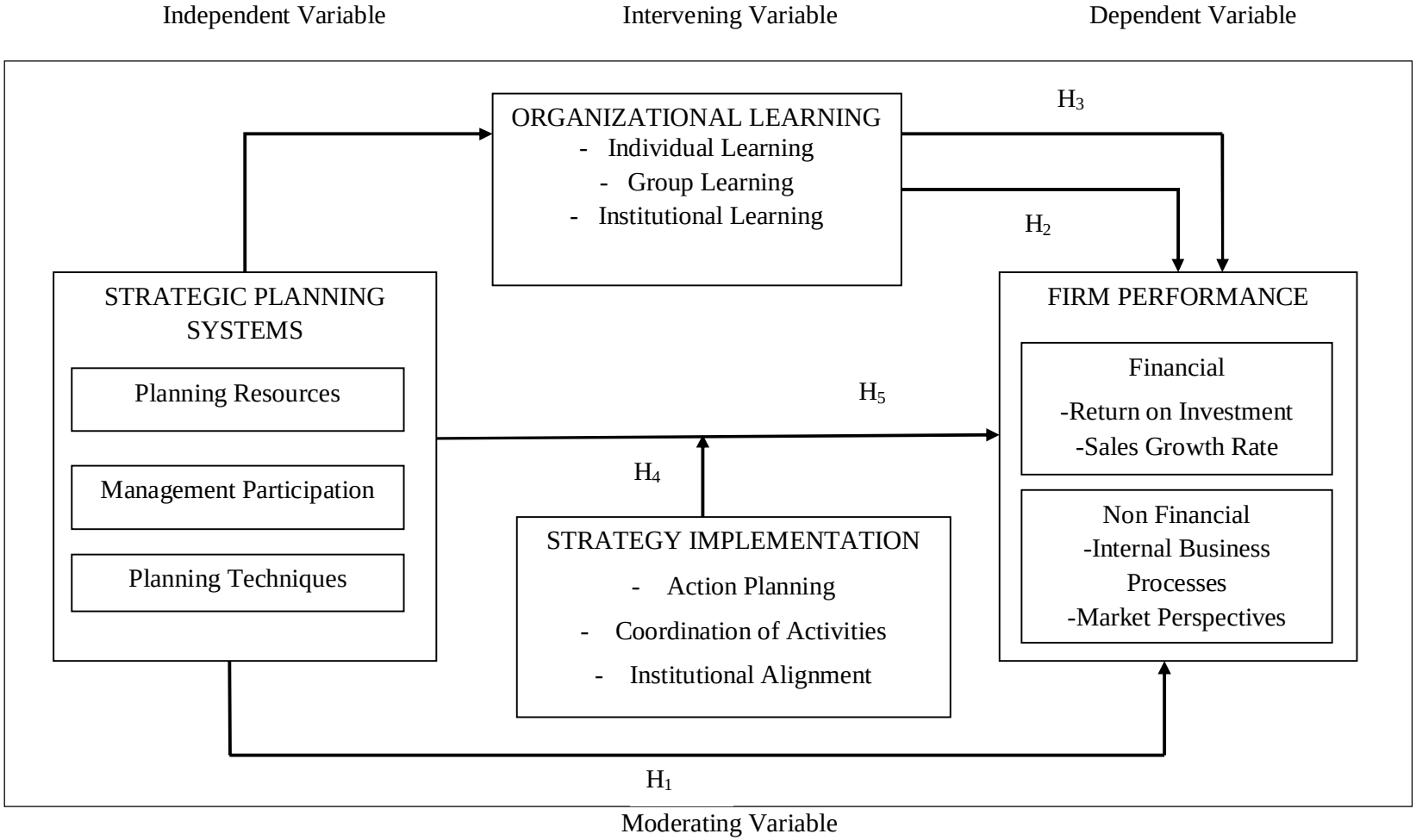
2.14 Conceptual Framework

This study adopted an integrative perspective where the joint influences of different variables on performance were examined. Integration of different variables enhances continued progress and facilitates deeper understanding of study variables. Jemison (1981) identified this role and argued that integration has enormous potential in theory building and extension of knowledge frontiers. This study focused on integrating strategic planning systems, organizational learning and strategy implementation as the basis of explaining firm performance. In this study the relationships between variables were hypothesized both directly and through mediation and moderation.

This study was informed by the open systems theory, the resource based view, dynamic capabilities theory and the 4i framework of organizational learning. It conceptualized strategic planning systems in terms of planning resources, management participation and planning techniques. Strategic planning systems influence firm performance both independently and jointly. Independently, the influence of planning resources, management participation and planning techniques were investigated while at the same time the joint influence of all the three planning systems were also discerned. The influence of organizational learning on performance was also investigated. Further, the joint influence of strategic planning systems and strategy implementation were examined.

Mediation and moderation relationships formed key knowledge gaps in the current study. Strategic planning systems have been discerned to influence performance indirectly through mediation of organizational learning and moderation of strategy implementation. The effects of mediation and moderation unearthed deeper insights into understanding the mixed results from prior studies. Specifically, the indirect relationships facilitated an understanding of the independent influence of strategic planning systems on performance and generally the strategic planning performance relationships. In this study, strategic planning systems were the predictors, organizational learning the mediator, strategy implementation the moderator while firm performance was the criterion variable. Figure 2.1 indicates these relationships.

Figure 2.1: Conceptual Model



2.15 Hypotheses of the Study

To achieve the objectives of the study, different relationships between strategic planning systems, organizational learning, strategy implementation and performance were hypothesized and tested. The hypotheses developed to guide the study were stated as follows:

$H0_1$: Strategic planning systems have no significant influence on firm performance.

$H0_2$: Organizational learning has no significant influence on firm performance.

$H0_3$: Organizational learning has no significant mediating effect on the relationship between strategic planning systems and firm performance.

$H0_4$: Strategy implementation has no significant moderating effect on the relationship between strategic planning systems and firm performance.

$H0_5$: Strategic planning systems and strategy implementation have no significant joint influence on firm performance.

2.16 Chapter Summary

This chapter has reviewed the approaches that are available to studies regarding the constructs of strategic planning systems, organizational learning, strategy implementation and performance. They include the open systems theory, resource based view, dynamic capabilities theory, the 4i framework of organizational learning and institutional theory. The chapter also reviewed literature on the individual study constructs and their relationships with performance.

The chapter also discussed financial and non financial measures of performance. Literature reviewed indicated that many researchers propose the use of both financial and non financial measures to determine performance which this study has ably done. This perspective was propounded by Kaplan and Norton (1996). Empirical studies that related independently the constructs of strategic planning systems, organizational learning and strategy implementation to performance revealed positive relationships. Selected empirical studies were used to identify specific knowledge gaps. The chapter concluded by providing a conceptual model based on the knowledge gaps discerned from the literature together with relationships defined by the hypotheses of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology of the study. It gives a description of the methods and approaches which were adopted in conducting this study. They include the philosophical orientation of the study, the research design and the study population. Also elaborated are the type and sources of data, the methods of data collection that were used, reliability, validity tests, investigation of normality and the measurements of variables. The chapter ends with an elaboration of data analysis procedures and techniques that were used to achieve the objectives by testing specific hypothesis.

3.2 Research Philosophy

There are two main contrasting views regarding research philosophy. They are positivism and phenomenology. However, there are many other approaches that fall between them like realism and pragmatism. Phenomenology premises that knowledge is based on individual experiences, thus is subjective. It focuses on immediate experiences, personal knowledge and individual interpretations. It is based on personal knowledge, subjectivity, interpretation and takes a quantifiable approach. Realism adopts the objective view of reality existing independent of human thoughts but interpreted through social conditioning (Saunders, Lewis and Thornhill, 2009).

Positivism on the other hand takes the quantitative approach. Cooper and Schindler, (2006) posited that in positivistic approach, knowledge is presupposed to naturally exist based on real facts, objectivity, neutrality, measurement and validity of results. Similarly, Hargrove (2004) observed that in this research approach, humans are considered part of the natural world and are measured like other elements in the studies. A salient feature in positivism is that, prediction is based on existing theories. Further, Saunders, Lewis and Thornhill (2009) posited that positivistic research is undertaken in a value free way assuming that the researcher is independent and neither affects nor is affected by the subject of the study.

The other notable research orientation is pragmatism. This approach takes an integrative perspective. It views knowledge as either an objective or subjective phenomena as long as the output is acceptable knowledge in specific fields (Saunders, Lewis and Thornhill, 2009). Pragmatism integrates different research perspectives and mixed methods of research design are normally employed. In terms of epistemological approach, both objective and subjective phenomena are acceptable. The techniques used in data collection are mixed methods focusing on both qualitative and quantitative approaches.

This study was guided by the positivistic paradigm. The study investigated theoretical bases in strategic planning systems, organizational learning, strategy implementation and firm performance. The study started from hypothesized theories discerned from the previous studies. Literature review revealed positive and significant influence of strategic planning systems, organizational learning and strategy implementation on performance. The theories were tested using facts from primary and secondary data obtained from firms in EPZs in Kenya.

The study based on objective facts obtained directly from the respondents together with officially filed reports from EPZA. In line with positivistic approach, the study constructs and variables were broken down into measurable units. Further, a keen interest was taken on determining validity and reliability of the research. These facts justify positivistic approach as the most appropriate paradigm for this study.

3.3 Research Design

The study adopted a descriptive cross sectional survey. A research design refers to the entire framework about how the study was planned and conducted while specifying the procedures and techniques to be used (Mugenda and Mugenda, 2003). Descriptive cross sectional design helps in discovery of associations among different variables (Cooper and Schindler, 2006). It enabled the researcher to capture data at a given time of the study while minimizing temporal effect of the study variables so as to interpret the relationships among study variables and draw possible conclusions.

An appropriate research design provides confidence to scientific inquiry and ensures reliability and validity of the proposed study (Kerlinger, 2007). A cross sectional approach was preferred for this research not only because it facilitates data collection from different respondents at one point in time but also it provides standard data that facilitates comparison across different respondents. O'Sullivan and Abela (2007) argued that cross sectional approaches are robust in relationship studies and enhance the credence of results at a given point in time. Cross sectional survey designs have been used in previous local studies such as Aosa (1992), Awino (2010).

This study adopted data triangulation approach. Data triangulation refers to the use of different data collection techniques to enhance validity (Saunders, Lewis and Thornhill, 2009). Data was collected using both primary and secondary sources. Data triangulation in this study enabled the researcher to gain an accurate picture of the variables being studied. Each of these methods complimented one another by filling in data gaps which the other method is incapable of capturing. In this study triangulation also offered a basis of comparison. Lee and Lings (2008) argued that triangulation not only facilitates credibility of the study but also enables complementarity of different methods.

3.4 Population of the Study

The population of this study comprised all operational EPZ firms in Kenya. The EPZ provided a rich context for this study because firms are distributed in different sectors, a factor which enhances representation in regard to different business sectors. Further, the firms belong to a controlled environment which is defined by special incentives that give the firms fiscal, procedural and infrastructural advantages. Lastly, the EPZ firms by their very nature have a global orientation stemming from export business which enabled the study to achieve a global focus.

EPZ firms are distributed in different zones across the country. The following is the firm distribution per sector: textiles and apparels (28), horticulture (11), minerals and plastics (6), food processing (6), beverages, wines and spirits (5), pharmaceuticals (2), curios and handcrafts (2), construction, property management and others (7) and

commercial services (17). A list of all EPZ firms registered was provided by EPZA and contained 84 operational firms as indicated in Appendix 2 (EPZA, 2012).

3.5 Data Collection

This study collected and utilized both primary and secondary data. Primary data was collected through structured questionnaires while secondary data was collected through document review. Questionnaires were developed on a five point likert scale ranging from 1 indicating not at all to 5 indicating to a very great extent. The development of the research instrument was based on scientific and rigorous processes. Insights were gathered and utilized from several sources. Among them were literature reviews, forum discussions and preliminary reviews of data sets from EPZ firms. Further, the research instrument was developed from the pilot study and expert opinions during the study. The questionnaire method of data collection was preferred for this study because questionnaires could be administered simultaneously to many respondents.

Prior to data collection, an approval letter shown in Appendix 3 was obtained from the university authority and presented to EPZA to get permission to access all the EPZ firms for data collection. EPZA in turn issued a valid authority in form of a letter shown in Appendix 4 to allow the researcher to access EPZ firms for purposes of data collection. The two letters and the researchers own introduction letter in appendix 5 were attached to each questionnaire and given to respondents in all the EPZ firms. The questionnaire(s) shown in Appendix 1 were administered through drop and pick method. Secondary data which consisted of information regarding capital investments, sales and expenses were obtained from the quarterly performance returns filed at EPZA.

Respondents were members from the management teams of EPZ firms. Chief Executive Officers (CEO) and directors were preferred because they are the vision bearers within the firms. Strategic management literature reveals that top management decisions play a crucial role in defining the organizational position. Their decisions shape the destiny of the specific organizations (Jye and Castka, 2009). In a plausible extension of this argument, the top echelons theory posits that organizations are a reflection of its top management hence enhancing the credibility of top managers to

give credible information about the firms (Hambrick and Mason, 1984). Therefore, data collected for this study was credible.

3.6 Reliability and Validity Tests

Reliability means the extent to which results are consistent over time. It shows the degree to which an instrument measures the same way each time it is used. Embodied in reliability is the idea of replicability of results. Reliability checks internal consistency of questions against the test item. Reliability test for this questionnaire was done through Cronbachs' Alpha coefficients. The coefficients range from 0 to 1 and the higher the coefficient, the more reliable the scale. The overall Apha coefficient for the sample was put at recommended value of 0.70 (Nunnaly, 1978). This value normally indicates an excellent level of internal consistency for questionnaire. All the Alpha coefficients for the study were above 0.70. Hence in Nunnaly's (1978) words, the research instrument was reliable. The Alpha values for the research instrument are shown in table 3.1 below.

Table 3.1: Reliability Tests of Results

Questionnaire Section	Variable Name	Number of Items	Cronbachs' Alpha	Conclusion
2.1, 2.2, 2.3	Strategic Planning Systems	28	0.881	Reliable
3.1	Organizational Learning	12	0.919	Reliable
4.1	Strategy Implementation	10	0.940	Reliable
5.1, 5.2, 5.3	Organizational Performance	20	0.879	Reliable
Whole Instrument	All Variables	70	0.957	Reliable

All the items under study had Alpha coefficient value above 0.70 as recommended (Nunnaly, 1978). The whole instrument with 70 items had an overall Alpha of 0.957.This was followed by strategy implementation with an Alpha coefficient of 0.940. Organizational learning had Alpha coefficient of 0.919. Strategic planning systems which comprised of Planning resources, management participation and planning techniques had 28 items with an alpha coefficient of 0.881 while performance measured in terms of both financial and non financial measures had Alpha coefficient of 0.879. All the scales for the instrument were reliable.

The alpha coefficients for the instrument were all high as indicated by the figures in table 3.1. Reliability tests show internal consistency of questions against the test item. All the Alpha coefficients for the instrument were well above the recommended 0.70. Therefore, all the study questions in this research were consistent with the test items. Cooper and Schindler (2006) argued that Cronbachs' Alpha coefficient measures the degree to which the instrument items are homogeneous and reflect the same underlying construct(s).

Validity on the other hand relates to the ability of the research instrument to measure what it is meant to measure (Mugenda and Mugenda, 2003). Content validity measures the extent to which the instrument provides adequate coverage of the investigative questions guiding the study (Cooper and Schindler, 2006). Content validity for this study was determined through expert opinion and pilot study. Experts in strategic management who comprised of lecturers and practitioners were given the questionnaires to provide their opinion on the suitability of different measures and suggest possible ways of improving the items.

Notable suggestions which were received from the experts included removing negative questions from the research instrument, inclusion of service delivery where production had been exclusively used. This enabled the research instrument to capture data from both product and service based firms. Again, the ranges on return on investment and sales growth rates performance measures were expanded to include all possibilities. The instrument was modified to include negative growth and no growth. Questions which seemed difficult to the respondent like computing the firm's average exports by percentage over the last three years were simplified to focus only on average exports by destination for the previous year. All the comments were analyzed and used to improve the validity of the research instrument.

The pilot study was also used to measure content validity. A pilot study was carried out before rolling out the main study. The pilot study revealed a lot of important information within the data sets amongst the EPZ firms in Kenya. An example was data related to the number of employees. After the pilot study, the questionnaire was

modified to focus on three categories of employees namely expatriate employees, local employees and total employees.

3.7 Operationalization of Research Variables

The unit of analysis for this study was the firm and all the variables in focus are firm based. Scholars who have sought to determine performance in EPZ have used the firm as the unit of analysis (Hapisu, 2003; Nauman, 2006; Shah and Rivera, 2007). The independent variable selected for this study was strategic planning systems, mediating variable was organizational learning, moderating variable was strategy implementation while the dependent variable was firm performance. Strategic planning systems were conceptualized in terms of planning resources, management participation and planning techniques.

Earlier scholars on strategic planning systems considered both the contextual and design variables (Elbanna, 2008; Venkatraman and Ramanujam, 1987). Context is related to the environment. Ramanujam, Venkatraman and Camillus (1986) posited that contextual elements refer to those characteristics that define the business environment both internally and externally. On the other hand, design elements describe fundamental ideas about a specific practice (Ogbeide and Harrington, 2011). In this study, planning resources and management participation are internal contextual elements. Conversely, strategic planning techniques are the design elements in this study describing the practice of strategic planning.

Organizational learning was measured in accordance with Crossan, Lane and White, (1999) 4i framework which considers organizational learning in terms of individual, group and institutional levels. There is a consensus amongst scholars in literature indicating that individual learning is defined by intuition, group learning defined by interpretation and integration while institutional learning is defined by institutionalization of the norms, procedures and organizational culture (Fiol and Lyles, 1985; Crossan and Bedrow, 2003; Bontis, Crossan and Hulland, 2002). Many other scholars in organizational learning adopted the 4i framework (Crossan and Bedrow 2003; Bontis, Crossan and Hulland, 2002). Strategy implementation was measured in terms of action planning, coordination and institutional alignment. Many

frameworks have been proposed in strategy implementation which identifies the three tasks as major processes in strategy implementation (Okumu, 2003; Sterling, 2003; Kazmi, 2008).

Measurement of performance is still a debatable issue. Many scholars in strategic management propose a combination of both the financial and non financial measures of performance (Kaplan and Norton, 1996; Behn 2003; O'Regan, Sims and Gallear, 2008). This study adopted the balanced score card framework proposed by Kaplan and Norton (1996) which focuses on both the financial and the non financial measures of performance. Return on investment and sales growth rate were considered as the financial measures of the study while market/customer perspectives and internal business processes made up the non financial measures.

Table 3.2: Operationalization of Research Variables

Variables	Indicators	Measures		Questionnaire Section
Strategic Planning Systems	Planning resources	Amount of financial resources, quantity of time, number of business networks and contacts, number of working equipments for planning, number of personnel in planning department.		2.1
	Management Participation	Management communication in planning, management involvement in decision making, quantity of managerial actions, quality of managerial actions, management expertise used in strategic planning.		2.2
	Strategic planning techniques	Porter's Five Force Model	Threat of new entrants; economies of scale in production/service delivery, amount of capital requirements. Threat of substitute products; availability of substitutes, attributes of substitute products/services. Bargaining power of suppliers; availability of supplies in the market, ability to integrate forward. Bargaining power of buyers; buyer switching power, buyer knowledge about prices and costs. Rivalry within the industry; number of competitors in the industry, price cuts by rivals.	2.3
		SWOT	Strengths; level of product differentiation, number of strong business alliances established. Weaknesses; no clear strategic direction, capabilities not well matched with key success factors.	2.3

			Opportunities; demand for products/services, online sales. Threats; Competition, shifting consumer preferences.	
Organizational Learning	Individual learning	Individual competencies, individual capability at work, individual experiences, individual motivation to work.		3.1
	Group learning	Value of group work, group based conflict resolution, seeking everyone's point of view in groups, sharing group lessons.		3.1
	Institutional learning	Resultant structure, cultural values, production processes/service delivery, operational procedures, systems alignment.		3.1
Strategy Implementation	Action planning	Assigning responsibilities, indicating timelines, estimating resource requirements, determining expected output.		4.1
	Activity coordination	Timelines of activities, timely communication at different levels, effective conflict resolution.		4.1
	Institutional alignment	Structural alignment, cultural alignment, systems alignment.		4.1
Firm Performance	Financial indicators	Sales growth ratio. Return on investment ratio.		5.1, 5.2
	Non financial indicators	Customer perspectives; number of repeat customers, number of referrals from customers, number of compliments, number of complaints, market share, number of returned products, customer collaborations, customer retention, customer loyalty. Internal business processes; plant utilization, production efficiency, number of defective products, operational standards, frequency of machine breakdown, production innovation, creative techniques, quality control systems, established distribution networks.		5.3

3.8 Data Analysis

The unit of analysis for this study was the firm because all the study variables are of firm level. Data were analyzed at two stages, through descriptive statistics and specific tests of hypothesis. Cross tabulation was used to analyze demographic variations of the respondents and the firms. Descriptive statistics including measures of central tendencies, measures of dispersion, frequencies and percentages were computed to explore the underlying characteristics of firms and respondents. These statistics showed the basic characteristics of research variables.

The second stage of analysis focused on testing specific hypotheses of this study. Linear regression analysis was used to test hypotheses 1, 2 and 5. In regression analysis, the coefficient of determination (R^2) was used to indicate the change in performance explained by strategic planning systems and organizational learning. P-value and t statistic were used to determine the significance of the coefficients (Field, 2009). The F statistic was used to determine the model significance.

The influence of strategic planning systems on performance was tested using simple linear regression. Mediating effect of organizational learning in the relationship between strategic planning systems and firm performance was determined using Preacher and Hayes (2004) framework of mediation analysis as indicated in Table 3.3. The approach utilized Statistical Analysis System (SAS). Conversely, the moderating effect of strategy implementation on the relationship between strategic planning systems and performance was tested using moderated regression analysis, adopting Edwards and Lambert (2007) approach.

In determining the joint influence of strategic planning systems and strategy implementation on firm performance multiple regression analysis was done using two different models. In model one, performance was regressed against strategic planning systems and the results were interpreted in terms of explanatory powers and beta coefficients. In model two multiple linear regression analysis was done to determine the joint influence of strategic planning systems and strategy implementation on performance. R^2, p-values, beta coefficients and the F values were interpreted. Empirical conclusions were then made from the results.

Table 3.3: Objectives, Hypotheses and Statistical Tests

Objective	Hypotheses	Analysis Technique	Model Estimation	Output
1. To examine the influence of strategic planning systems on firm performance of firms in EPZs in Kenya.	H1: Strategic planning systems have significant influence on firm performance.	Simple linear regression Analysis	$Y= \alpha +\beta_1 X_1 + \varepsilon$	(R^2) shows variation in performance explained strategic planning systems. -β1 shows model elasticity. P- value shows significance of the whole model.
2. To investigate the influence of organizational learning on firm performance of firms in EPZs in Kenya.	H2: Organizational learning has a significant influence on firm performance.	Simple linear regression Analysis	$Y= \alpha + \beta_2 X_2 + \varepsilon$	(R^2) shows variation in performance explained by organizational learning. β2 shows unit change in performance explained by organizational learning. p- value shows model significance.
3. To determine the mediating effect of organizational learning on the relationship between strategic planning systems and firm performance of firms in EPZs in Kenya.	H3: Organizational learning has a significant mediating effect on the relationship between strategic planning systems and firm performance.	Simple and multiple linear regression analysis	$Y= \alpha +\beta_1 X_1 + \varepsilon$……i $M= \alpha +\beta_1 X_1 + \varepsilon$…...ii $Y= \alpha +\beta_1 X_1 + \beta_2 M_2 + \varepsilon$…….iii.	Step 1 shows direct relationship between SPS and performance. Step 2 shows relationship between OL (mediator) and performance. Step 3 shows the mediated effect of organizational learning.

4. To assess the moderating effect of strategy implementation on the relationship between strategic planning systems and firm performance of firms in EPZs in Kenya.	H4: Strategy implementation has a significant moderating effect on the relationship between strategic planning systems and firm performance.	Moderated linear regression analysis	$Y= \alpha + \beta_1X_1 + \varepsilon$…..i. $Y= \alpha + \beta_1X_1 + \beta_2X_3+ \beta_3XZ + \varepsilon$……..ii	Step 1 shows the direct influence of strategic planning systems on performance. Step 2 shows combined influence of strategic planning systems, moderating variable and the interaction term on performance. Moderation is observed only and only if the interaction term is significant.
5. To determine the joint influence of strategic planning systems and strategy implementation on firm performance of firms in EPZs in Kenya.	H5: Strategic planning systems and strategy implementation have a significant joint influence on firm performance.	Hierarchical Multiple linear regression Analysis	$Y= \alpha + \beta_1X_1 + \varepsilon$……i $Y= \alpha + \beta_1X_1 +\beta_2 X_2 + \varepsilon$……...ii.	Step 1 shows independent influence of strategic planning systems on performance. Step 2 shows the joint influence of strategic planning systems and strategy implementation on performance.

Y= Performance; α =Constant; X_1=Strategic Planning Systems; X_2 = Organizational Learning; X_3= Strategy Implementation; ε_i = Error Term

3.9 Common Methods Bias

Method biases in social research are the main sources of measurement error. Podsakoff, Mackenzie, Lee and Podsakoff (2003) argued that measurement error threatens the validity of the conclusions about the relationships between measures. They observed that common methods bias is widely recognized to have both random and systematic component. This type of bias occurs when different sets of data for the study are collected from the same source using the same technique. It leads to inaccurate responses hence results may not be valid. Biasness leads to inaccurate research output which in effect does not reflect the situation of the population of the study. It restricts the extent to which inferences can be made from the study findings.

Scholars have identified several procedural remedies to common methods variance. Lindel and Whiteney (2001) summarized potential sources of common methods biases as emanating from common rater effects, leniency biases, acquiescence biases and common scale formats. Similarly, Podsakoff, Mackenzie, Lee and Podsakoff (2003) in a study focusing on common method biases in behavioral research recommended several remedies to methods variance. They posited that social researchers can minimize methods bias by obtaining measures of predictors and criterion variables from different sources, adopting methodological separation of measurements, counter balancing the question order and improvement of scale items.

In this study, common methods bias was checked through use of multiple data collection techniques, sources and methodological separation of construct measurement. Data for the predictor variables were collected from primary sources while that of criterion variable were collected from secondary sources. Primary data was used to collect information directly from the respondents while secondary data obtained from document reviews was used to collect information about financial performance. Predictor variables were measured through the likert scale while financial performance used abstract figures. This enabled the researcher to achieve high level of accuracy hence the results from this study can safely be generalized to the study population.

3.10 Response Rate

Data analyzed for this study was collected from 40 firms making 62.5 percent response rate out of the 60 firms. Initially 84 firms had been targeted but 20 firms could not be included in the study due to various reasons. Four firms had closed down, four firms were in the process of closing down, three firms were infrastructural developers and did not engage in export business at all, four firms were seasonal and could not be reached during the study time, two firms were still setting up while one firm was in the process of degazetment. Further, two firms had operated for less than a year and could not be included in the study.

This response rate compared well with previous local and international studies. In earlier local doctoral studies in strategic management, Bagire (2012) had a response rate of 66 percent while Awino (2007) had 65 percent response rate. Conversely, Ramanujam and Venkatraman (1987) study on strategic planning systems done in the USA had a response rate of 34.5 percent while Elbanna (2008) study on strategic planning systems in Egypt had a response rate of 25 percent. Table 6 shows sector distribution of the firms that participated in this study.

Table 6 shows that most of the firms which responded to the study were from the Textiles and Apparels sector which constituted 35 percent of the total response. Firms from Food Processing and those engaged in multiple businesses were second and third in response. They were represented by 15 percent and 12.5 percent responses respectively. Firms from Wines and Spirits had the lowest response to the questionnaire making a contribution response of 2.5 percent.

Table 3.4: Sector Distribution of Respondent Firms

Firm Sector	Frequency	Percentage
Textiles and Apparels	14	35
Food Processing	6	15
Construction, Property and Other	5	12.5
Commercial - EPZ Support	4	10
Curios and Handicrafts	3	7.5
Horticulture	3	7.5
Minerals and Plastics	2	5
Pharmaceutical	2	5
Beverages, Wines and Spirits	1	2.5
Total	40	100

3.11. Pretesting for Regression Assumptions

Regression analysis was the main method used in the testing hypotheses of this study. As a prerequisite for regression analysis, pretests were carried out on the data sets to confirm whether the assumptions of regression were met before carrying out the main data analysis. Data was pre-tested for normality, linearity and multicolinearity. In research, when the assumptions are met, the model derived from the sample accurately represents the population of interest. Hence, the coefficients of the regression are said to be unbiased and therefore valid.

In this study, tests of normality were done using histograms while linearity was tested using scatter plots. Multicolinearity was tested using the Variance Inflation Factor (VIF). Further, correlation of the variables was done to confirm whether the predictor variables were not highly correlated as high correlation inflates the output. Correlation between the independent and the dependent variables was important and enabled the researcher to identify significant relationships.

3.11.1 Normality and Linearity of Data

Parametric tests are based on normal distribution of data. Field (2009) posited that a normal distribution is a situation where data is distributed symmetrically around the centre of all scores. It is characterized by a bell shaped curve. However, non normal data presents characteristics of skewness and kurtosis. Data that exhibits non normality characteristics may lead to inaccuracy of the results. In this study, normality of the data was checked using histograms.

Appendix 6 shows a histogram for financial performance. Financial performance for this study comprised of return on investment and sales growth rate. A composite measure of the financial ratios was computed and SPSS used to generate graphical representation of the frequency distribution of the data. The distribution of the sample data collected from EPZ firms showed a bell shaped curve as indicated in Appendix 6. It means that the data approximates normal distribution.

Appendix 7 shows Q-Q plots for financial performance. The Q-Q plots are graphical presentations for comparing probability distribution by plotting quantiles against each other. They provide visual comparison of sample quantiles to the corresponding theoretical quantiles. If the Q-Q plots lie close to the straight line, the data sets are interpreted to mean normal distribution. However, if the points significantly depart from the straight line, the distribution is assumed to be non normal and therefore called into question. The financial data of this study are represented by the Q-Q plot shown in Appendix 7 and 9. The data points lie approximately along the straight line indicating a normal positive distribution of data. Informed from the output of the Q-Q plot, the sample data from the collected from firms in EPZ were normal.

Appendix 8 shows histogram for empirical data from non financial performance. Non financial performance for this study comprised of internal business processes and market performance perspectives. A composite variable of non financial performance was computed in SPSS and consequently, graphical representation of the frequency distribution of the data generated in form of histograms. The distribution of the sample data for non financial performance is shown in Appendix 8. The resulting histogram indicated a bell shaped curve. The standard deviation was 0.986 on a sample of 36 firms. This is interpreted to mean that empirical data from the non financial performance indicators collected for the study approximates normal distribution. Further statistical tests could therefore be done.

Appendix 9 shows Q-Q plots for measures of non financial performance. The data points lay approximately along the straight line indicating normal positive correlation. The data from the empirical data for the non financial performance collected from EPZ firms were therefore normal and further statistical tests could be safely done.

The tests of normality were done using both the histograms and the Q-Q plots indicated normality of data. The dependent variables of the study in terms of both financial and non financial measures were confirmed to be normally distributed in EPZ firms. Since the data sets indicated normal distribution, then further tests were done and conclusions from the findings generalized to the population.

Linearity of data means that the values of the outcome variable for each increment of a predictor variable lies along a straight line. Linearity is an important association between the dependent and the independent variables. In this study, linearity was tested using scatter plots. The main independent variable which was strategic planning systems comprising of planning resources, management participation and planning techniques were plotted against all the performance measures of return on investments, sales growth rate, internal business processes and market performance.

The outputs from the data sets are indicated in the Appendices 10, 11, 12 and 13. The outcomes show a general linearity of the data sets although a few cases were distributed slightly far from the regression line. The relationship between strategic planning systems and internal business process performance showed the strongest linear relationships, followed by market perspectives. However, the relationship between strategic planning systems on return on investment and sales growth rates depicted fewer cases distributed along the regression line across all the data sets. As a result, financial data was transformed to Z scores before the analysis (Field, 2009).

3.11.2 Multicolinearity

Multicolinearity is the situation where two or more independent variables are closely related. It affects the individual prediction power of the variables making it difficult to tell the influence of one variable free from the influence of the other (Field, 2009). It reduces the importance of predictors by inflating the degree of prediction. In this study multicolinearity was checked using Variance Inflation Factor (VIF) as shown in all the coefficients tables.

The VIF was calculated as indicated in the coefficient tables of all the regression analysis. Myers (1990) posited that VIF above 10 indicates multicolinearity of the variables. The VIF for this study was well below 10 indicating no multicolinearity between the study variables as indicated in the coefficient tables. As indicated by the coefficients tables, the VIF figures for this study ranged from 1.02 to 3.51.

3.11.3 Correlations of Variables

Correlation of the study variables is an important test. It shows the degree of correlation between the variables. Correlation analysis of variables was done to establish if the independent variables were highly correlated hence posing the danger of inflating the outcomes of the individual predictive power. Rule of the thumb is 0.90 (Field, 2009). Coefficients above 0.90 are normally rejected due to inflated outcomes. Field (2009) posited that the coefficients range between 0.23 and 0.81. For this study, the coefficients were all below the upper limit of 0.90. Therefore, the independent variables were not highly correlated and further analysis could be safely undertaken.

Appendix 14 shows correlations of the variables. Correlation table enabled the researcher to have an overview about the relationships of the variables under study. The correlation matrix shows significant relationships between most of the variables. Worth noting from the correlation matrix is the fact that the relationship between the independent variables and the financial measures of performance were low while non financial measures had significant relationships. The table indicates the relationships between the independent and the dependent variables. For the independent variables, high coefficients are risky because they indicate multicolinearity. Conversely, high correlation between the independent and the dependent are good because they indicate the presence of the relationships under study.

2.13 Chapter Summary

This chapter has discussed the philosophical orientation adopted for this study. It has also highlighted the research design which enabled the study to be actualized. The population of the study was also discussed showing the study respondents, methods used to collect data and data collection methods used in the study and data sources.

The chapter showed how validity and reliability were determined. It also highlighted the main study variables and showed how operationalizations were done to achieve measurable units. The proposed data analysis techniques and interpretation of the output was also shown. The chapter also showed how the limitation of common methods bias was mitigated. The response rate was outlined and preliminary tests in terms of normality, linearity, multicolinearity and correlation of variables done.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter is divided into two main sections. Section one constitutes the demographic profiles of the respondents and EPZ firms while section two constitutes the tests of hypotheses. Respondent profiles are represented starting with gender, designation, education level and working duration of the respondents. On the other hand, firm profiles are based on the location, age, sector, size ownership and expatriate employment and export markets.

Demographic profiles were cross tabulated to obtain a comprehensive analysis. The findings were presented using frequency tables and percentages. The findings were from 40 EPZ firms which participated in this study. The second section of this chapter deals with hypothesis testing. The hypotheses that guided the study were tested and analyzed using various statistical techniques. The output from the statistical tests were presented and consequently interpreted. This section is arranged according to the objectives which guided the study.

4.3 Respondent Demographic Profiles

Respondent demographic profiles were tabulated to shed light on specific demographic characteristics. Respondents of this research study were analyzed in terms of gender, job designation, level of education and the working duration. This information enabled the researcher to discern the level of professionalism of the management teams working in EPZ firms. Further, the profiles of the firms operating in EPZ also enabled the researcher to gauge the ability of the EPZ in terms of attracting and retaining the best employees and professionals.

Male executives were the majority respondents representing 75 percent while female executives represented 25 percent of the total responses. Out of the male respondents, 27.5 percent were managing directors who formed majority of the respondents while human resource was the least category representing 7.5 percent. Overall, majority of the respondents were managing directors. The gender balance is important because it

stipulates the proportion of economic power distribution between men and women. Today in Kenya, gender balance is a question of constitutional concern. There has been the desire for gender balance both in the public and private sectors focusing on equal distribution of economic power.

Table 4.1: Respondent Gender and Designation

Designation	Gender Percentage		
	Male	Female	Total
Managing Directors	27.5	10	37.5
Accountants	25	0	25
Administrators	15	10	25
Human Resource	7.5	5	12.5
Total	75	25	100

Table 4.2 indicates that majority of the respondents had bachelors degree level of education represented by 47.5 percent while holders of doctorate level of education represented 2.5 percent. Of all the respondents who were degree holders 42.5 percent were male while only 5 percent were female. Level of education indicates literacy and ability of the respondents to make informed managerial decisions. It indicates the respondents capabilities in terms of decision making based on education and professional training.

Table 4.2: Respondents Gender and Level of Education

Level f Education	Gender Percentage		
	Male	Female	Total
Secondary level	5	0	5
Diploma level	15	12.5	27.5
Bachelors level	42.5	5	47.5
Masters level	10	7.5	17.5
Doctorate level	2.5	0	2.5
Total	75	25	100

Table 4.3 indicates that respondents constituting 42.5 percent had worked for a period between three to five years. Administration was the job category with employees with the most work experience. Participants in this category had work experience of 12 years and they represented by 2.5 percent. In the job category of managing directors and accountants, majority of the respondents had worked for a period between three to eight years which represented 25 percent.

Table 4.3: Respondent Designation and Work Experience

Work Experience in Years	Designation Percentage				
	Managing Directors	Accountants	Administrators	Human Resource	Total
Below 2	2.5	7.5	10	0	20
3 to 5	12.5	12.5	7.5	10	42.5
6 to 8	12.5	2.5	0	2.5	17.5
9 to 11	10	2.5	5	0	17.5
Above 12	0	0	2.5	0	2.5
Total	37.5	25	25	12.5	100

Long service is associated with experience and stability of the individual. Employees acquire professional stability and draw benefits from the experience curve. Employees with longer working experience could have learned from the past hence are able to predict outcomes based on established trends. Thus experience in the long run could facilitate success of the respective firms.

4.4 Profiles of Firms in Export Processing Zones

The profiles of the responding firms for this study included location, age, sector, size and export destination. These profiles were determined by factors related to the export business. According to EPZ (2010) report, EPZ firms receive different types of incentives from the government. The incentives are classified in terms of fiscal, procedural and infrastructural categories. While the fiscal and procedural incentives are policy related and apply uniformly to all the firms, the infrastructural incentives are location specific and vary depending on the specific zone (Chabari 2000). These variations arise from provisions of basic requirements like roads, electricity, water, sewerage, security, storage and warehousing facilities.

Table 4.4 shows that 35 percent of the firms belong to Textiles and Apparels sectors. In this sector, majority of the firms are concentrated in Athi River and Mombasa. Each region has a percentage representation of 15 percent. Food Processing sector is the second largest sector representing 15 percent of the total. The least sectors in terms of representation percentage were Minerals, Plastics and Pharmaceuticals. Location was key to firms operating within the EPZs. Although all zones were built according to international standards there was variation in sector provisions and

demand leading to preferences in specific location. Firms located their operations in different areas considering access to important inputs and export logistics.

Table 4.4: Firm Location in Relation to Sector

Firm Sector	Percentage of Firm Distribution						
	Athi River	Mombasa and Kilifi	Thika	Sameer	Sunflag and Others	Mavoko	Total
Textiles and Apparels	15	15	0	0	2.5	2.5	35
Beverages, Wines ,Spirits	0	0	0	0	2.5	0	2.5
Minerals and Plastics	2.5	2.5	0	0	0	0	5
Curios and Handicrafts	5.0	0	0	2.5	0	0	7.5
Horticulture	5	0	0	0	2.5	0	7.5
Pharmaceutical	2.5	0	2.5	0	0	0	5
Food Processing	7.5	2.5	5	0	0	0	15
Commercial - EPZ support	5	2.5	0	2.5	0	0	10
Construction, Property, other	5	2.5	0	2.5	2.5	0	12.5
Total	47.5	25	7.5	7.5	10	2.5	100

Table 4.5 indicates firm age in relation to different sectors. According to the results, majority of the firms had operated for a period between 6 to 10 years. Total firms in this category represented 50 percent of the total. Sectors with less operating periods were minerals and plastics, curios and handicrafts, horticulture and food processing. Those firms which had operated for a period below five years constituted 7.5 percent of the total. Older firms have experience curve benefits which could enable them to achieve competitiveness. Age of the firm is important in empirical studies of different organizations. It explains sustainability and performance. Long operating periods are associated with success and achievement of competitive advantage.

Table 4.5: Firm Age in Relation to Sector

Firm Sector	Percentage Age of Firm in Years				Total
	Below 5	6 to 10	11to 15	16 to 20	
Textiles and Apparels	5	12.5	10	7.5	35
Beverages, Wines, Spirits	0	2.5	0	0	2.5
Minerals and Plastics	0	2.5	2.5	0	5
Curios and Handicrafts	0	0	7.5	0	7.5
Horticulture	0	5	2.5	0	7.5
Pharmaceutical	0	2.5	0	2.5	5
Food Processing	0	12.5	2.5	0	15
Commercial Support	0	5	2.5	2.5	10
Construction, Property, Other	2.5	7.5	0	2.5	12.5
Total	7.5	50	27.5	15	100

Table 4.6 below indicates that locally owned firms were the majority constituting 42.5 percent while foreign firms were the second largest type of ownership constituting 40 percent of the total. Majority of the foreign and local owned firms had operated for a period between 6 to 10 years. Most enduring firms were foreign owned which had 7.5 percent of them having operated between 16 to 20 years. The study revealed that firm ownership is associated with sustainability and probably success. Foreign operated firms had operated for a longer duration of time compared to the local firms. Age is an indicator of cumulative experiences and each additional year of survival reveal significant evidence of capability.

Table 4.6: Firm Age in Relation to Ownership

Firm Age in Years	Percentage Company Ownership				
	Foreign	Local	Joint	Others	Total
5 and Below	5	2.5	0	0	7.5
Between 6 to 10	15	27.5	5	2.5	50
Between 11 to 15	12.5	7.5	7.5	0	27.5
Between 16 to 20	7.5	5	2.5	0	15
Total	40	42.5	15	2.5	100

Table 4.7 shows that expatriate employment was an important revelation of this study. It was observed that firms employed different numbers of expatriates according to the need. The findings showed that 60 percent of the firms employed expatriates while 40 percent did not. The highest percentage of expatriate employment was found to be in

locally owned firms which constituted 42.5 percent of all the expatriates employed. Expatriate employment is important mainly because of technical, managerial skill and technology transfer within the firms. This research established that EPZ firms employed expatriates in technical areas to facilitate technology and skill transfer.

Table 4.7: Firm Ownership and Expatriate Employment

Company Ownership	Percentage of Expatriate Employees					
	Without Expatriates	Below 10	Between 10 - 20	Between 20 – 30	Between 30 – 40	Total
Foreign	10	17.5	5	2.5	5	40
Local	25	7.5	10	0	0	42.5
Joint	5	10	0	0	0	15
Other	0	0	2.5	0	0	2.5
Total	40	35	17.5	2.5	5	100

Table 4.8 below shows that firms below five years employed 7.5 percent while those between six to ten years employed 50 percent of expatriates. Conversely, firms above 16 years of age employed 15 percent of the total number of expatriates. These research findings indicate the importance of expatriate employment in EPZ firms. The expatriate were employed for technical support in their processes and transfer of technology from the firms in the developed world to the EPZ firms.

Table 4.8: Firm Age and Expatriate Employment

Age in Years	Percentage Number of Expatriate employees					
	No Expatriates	Between 1 - 10	Between 10 - 20	Between 20 - 30	Between 30 - 40	Total
Below 5	0.00	2.50	5.00	0.00	0.00	7.50
6 to 10	25.00	10.00	12.50	0.00	2.50	50.00
11 to 15	10.00	15.00	0.00	2.50	0.00	27.50
16 to20	5.00	7.50	0.00	0.00	2.50	15.00
Total	40.00	35.00	17.50	2.50	5.00	100.00

Table 4.9 shows how destinations of firm's exports vary. Of all the firms studied, 33 percent export exclusively to the USA market while 24 percent export exclusively to the African market. The Asian market receives the least of the exclusive exports from the Kenyan EPZs. Diversity of the export market is an important revelation of the study. It could be an attempt by firms to sustain the export business throughout the year. Therefore, it could be beneficial to design more flexible planning systems and

focus more on the learning capabilities to be able to meet strict international standards.

Table 4.9: Export Processing Zones Export Destinations

Export Destinations	Percent of Exports					
	1 to 24	25 to 49	50 to 74	75 to 99	100	Total
USA	40	20	7	0	33	100
UK	42	25	8	8	17	100
Asia	40	40	7	7	7	100
China	38	0	38	0	25	100
Africa	41	24	0	12	24	100
Others	40	20	7	0	33	100

4.5 Descriptive Statistics of the Study Variables

Tests for descriptive statistics were performed using SPSS version 20. The descriptive results for strategic planning systems, organizational learning, strategy implementation and performance were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure ranges from 30 to 40. This depended on the number of valid complete questionnaires in each case.

Table 4.10 Summary of Descriptive Statistics

Description	N	Min	Max	Mean	SD
Planning Resources	40	1	5	3.630	0.877
Management Participation	40	1	5	4.030	0.852
Planning Techniques	40	1	5	3.413	1.126
Individual Learning	40	1	5	3.465	0.916
Group Learning	40	1	5	3.887	0.942
Institutional Learning	40	1	5	3.762	0.880
Action Planning	40	2	5	3.800	0.867
Activity Coordination	40	2	5	3.775	0.861
Institutional Alignment	40	2	5	3.600	0.869
Return on Investment	34	1	5	2.414	1.369
Sales Growth Rate	30	1	5	2.424	1.358
Internal Business Processes	40	1	5	3.922	0.933
Market/Customer Perspectives	40	1	5	3.906	0.880

The mean for strategic planning systems ranged from 4.413 to 4.030 while the standard deviation ranges from 0.852 to 1.126. It means that on average the firms utilized strategic planning to a moderate extent while the opinions of the responding firms deviate significantly especially on utilization of planning techniques.

Organizational learning and strategy implementation had mean score ranging between 4.465 and 3.600 while the standard deviation ranged from 0.861 to 0.942. It means that on average firms facilitate organizational learning and strategy implementation to a moderate extent. On the other hand the standard deviations indicate no significant variations. However, financial performance ranged from 2.414 to 3.922 while the standard deviation ranged from 0.880 to 1.369. It means that while the financial measures of performance are achieved only to a small extent, none financial measures were achieved to a great extent by EPZ firms.

4.6 Strategic Planning Systems and Performance

This study sought to establish the influence of strategic planning systems on performance of EPZ firms in Kenya. Drawing from literature review, this relationship was conceptualized to be mediated by organizational learning and moderated by strategy implementation. Strategic planning construct consisted of variables drawn from both the design and the contextual perspectives (Ramanujam and Venkatraman, 1987). For this study, strategic planning systems consisted of planning resources, management participation and planning techniques.

Performance which was the dependent variable was conceptualized in terms of the balanced score card perspectives (Kaplan and Norton, 1996) where both the financial and the non financial measures were considered. Financial measures for this study were return on investment and sales growth rate while non financial measures were internal business processes and market performance.

The first objective of the study was to determine the influence of strategic planning systems on the performance of EPZ firms in Kenya. Strategic planning systems were defined in terms of planning resources, management participation and planning techniques. To fulfill the objective, hypothesis one was further subdivided into four parts to adequately address the hypothesis. First, three parts addressed independent influence of planning resources, management participation and planning techniques. The last part addressed the joint influence of planning resources, management participation and planning techniques which was referred to as strategic planning systems.

4.6.1 Planning Resources and Performance

This sub-hypothesis was tested using the four performance measures of return on investments, sales growth rate, internal business processes and market performance as shown below. The hypothesis to be tested was:

$H0_{1a}$: Planning resources have no influence on firm performance

Table 4.11 shows regression results of the influence of planning resources on return on investment. The coefficient of determination was 0.546, which means that 54.6 percent of the variation in return on investment performance was explained by planning resources. The remaining 58.4 percent was explained by other factors not considered in the study. Table 4.12 shows the overall significance of the model with a p-value of 0.007 which was less than 0.05. The null hypothesis was rejected and concluded that planning resources have a significant influence on return on investment performance.

Table 4.11: Planning Resources and Return on Investment Performance

Model Summary				
Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.739	0.546	0.426	0.484
a) Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to planning activities b Dependent Variable: Return on Investment Performance				

Table 4.12: Analysis of Variance of Planning Resources and Return on Investment Performance

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.356	5	1.071	4.569	0.007
	Residual	4.454	19	0.234		
	Total	9.810	24			
a Dependent Variable: Return on Investment Performance b Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to strategic planning activities						

Table 4.13 shows that the beta coefficients for financial resources and planning equipments were positive while those of planning space, business networks and planning personnel were negative at $\alpha = 0.05$. Financial resources had a coefficient of 0.391 at a p-value 0.029, planning personnel had a coefficient of -0.521 with a p-value of 0.006 while planning equipments had coefficient of 0.670 with a p-value of 0.001 which were all less than $\alpha = 0.05$. It means that a unit change in financial resources causes an increase of 0.391 units in return on investments while a unit change in planning equipments causes an increase of 0.670 in return on investment performance within EPZ firms. However, a unit change in planning personnel causes negative change of 0.521 in return on investment performance.

Table 4.13: Coefficients of Planning Resources and Return on Investment Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-0.795	0.546		-1.456	0.162		
Fin Res	0.391	0.166	0.514	2.358	0.029	0.503	1.988
Pln Spc	-0.093	0.198	-0.112	-0.472	0.643	0.426	2.349
Net Con	-0.226	0.128	-0.358	-1.763	0.094	0.581	1.723
Pln Per	-0.521	0.169	-0.712	-3.075	0.006	0.446	2.242
Pln Eqp	0.670	0.177	0.940	3.785	0.001	0.388	2.581
a Dependent Variable: Return on Investment Performance							

KEY: Fin Res – Planning resources; Pln Spc - Planning Space; Net Con - Networks and contacts; Pln Per- Planning personnel; Pln Eqp- planning equipment.

The relationship in Table 18 was represented by the following equation:

$$\underset{\quad}{ROI} = \underset{(0.162)}{-0.795\ C} + \underset{(0.029)}{0.391\ FINRES} - \underset{(0.006)}{0.521\ PLNPER} + \underset{(0.001)}{0.670\ PLNEQP}$$

The regression equation shown above indicates that for every unit change in financial resources, there is an increase of KShs 0.391 in return on investment while a unit change in planning equipments causes an increase of KShs 0.670 in return on investment. However, a unit change in planning personnel causes a decrease of KShs 0.521 in return on investment performance.

Table 4.14 shows regression results of the influence of planning resources on sales growth rate performance. The coefficient of determination was 0.171, which means that only 17.1 percent of variation in sales growth rate was explained by planning resources. The remaining 82.9 percent was explained by other factors not considered in the study. Table 4.15 shows the overall significance of the model with a p-value of 0.687 which is greater than 0.05. According to the results, the null hypothesis was not rejected; therefore, planning resources do not have influence on sales growth rate performance.

Table 4.14: Planning Resources and Sales Growth Rate Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.414	0.171	-0.105	0.466

a) Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to planning activities
b) Dependent Variable: Sales Growth Rate Performance

Table 4.15: Analysis of Variance of Planning Resources on Sales Growth Rate Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.675	5	0.135	0.620	0.687
	Residual	3.268	15	0.218		
	Total	3.943	20			

a Dependent Variable: Sales Growth Rate Performance
b Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to strategic planning activities

Table 4.16 below shows the beta coefficients for financial resources, business networks, trade contacts, planning equipments, planning space and planning personnel. However, none of the beta coefficients was significant, which means that the independent influence of the variables do not explain the changes in sales growth rate performance.

Table 4.16: Coefficients of Planning Resources and Sales Growth Rate Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-0.453	0.576		-0.787	0.444		
Fin Res	0.091	0.175	0.173	0.523	0.609	0.503	1.988
Pln Spc	-0.201	0.209	-0.345	-0.958	0.353	0.426	2.349
Net Con	0.027	0.136	0.062	0.201	0.843	0.581	1.723
Pln Prs	-0.055	0.179	-0.108	-0.307	0.763	0.446	2.242
Pln Eqp	0.237	0.187	0.479	1.269	0.224	0.388	2.581
a Dependent Variable: Sales Growth Rate Performance							

KEY: Fin Res – Financial resources; Pln Spc - Planning Space; Net Con - Networks and contacts; Pln Prs- Planning personnel; Pln Eqp- planning equipment.

Table 4.17 shows that the coefficient of determination of planning resources and internal business process performance was 0.325. It means that 32.5 percent of internal process performance was explained by planning resources. The remaining 67.5 percent was explained by other factors not considered in the model. Table 4.18 shows the overall model significance with a p-value of 0.019 which is less than 0.05. Informed by the results, the null hypothesis was rejected. Therefore, planning resources have a significant influence on internal business process performance.

Table 4.17: Planning Resources and Internal Business Process Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.570	0.325	0.223	0.610
a Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to planning activities b Dependent Variable: Internal Business Processes Performance				

Table 4.18: Analysis of Variance of Planning Resources on Internal Business Process Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.913	5	1.183	3.179	0.019
Residual	12.278	33	0.372		
Total	18.191	38			

a Dependent Variable: Internal Business Processes Performance
b Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to strategic planning activities

Table 4.19 below shows the beta coefficients of financial resources, planning space, business networks, trade contacts, planning equipments and planning personnel. However, none of the beta coefficients apart from the constant was significant. It means that the independent influence of the variables do not explain the changes in internal business process performance.

Table 4.19: Coefficients of Planning Resources and Internal Business Process Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
Model	B	S.E	Beta			Tolerance	VIF
(Constant)	-2.051	0.546		-3.755	0.001		
Fin Res	0.083	0.166	0.101	0.499	0.621	0.503	1.988
Pln Spc	0.133	0.198	0.147	0.671	0.507	0.426	2.349
Net Con	0.058	0.129	0.084	0.450	0.656	0.581	1.723
Pln Prs	0.132	0.170	0.166	0.776	0.443	0.446	2.242
Pln Eqp	0.158	0.177	0.204	0.889	0.381	0.388	2.581
Dependent Variable: Internal Business Processes Performance							

KEY: Fin Res – Financial resources; Pln Spc - Planning Space; Net Con - Networks and contacts; Pln Per- Planning personnel; Pln Eqp- planning equipment.

Table 4.20 shows the coefficient of determination of planning resources and market performance was 0.265, which means that 26.5 percent of market performance was explained by planning resources while the remaining 73.5 percent was explained by other factors not considered in the model. Table 4.21 shows the overall model significance with a p-value of 0.06 which is greater than 0.05. The null hypothesis

was not rejected and concluded that planning resources do not have influence on market performance.

Table 4.20: Planning Resources and Market Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.515	0.265	0.154	0.478
a Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to planning activities b Dependent Variable: Market Performance				

Table 4.21: Analysis of Variance of Planning Resources Market Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.719	5	0.544	2.380	0.060
Residual	7.540	33	0.228		
Total	10.260	38			
a Dependent Variable: Market Performance b Predictors: (Constant), Working equipments in planning activities, Financial resources are allocated to planning, Business networks and contacts established, Personnel available for planning activities, Space is allocated to strategic planning activities					

Table 4.22 below shows the beta coefficients of explanatory variables for market performance. Business networks and contacts had a positive beta coefficient at $\alpha = 0.05$. Business networks and trade contacts had a coefficient of 0.209. It means that a unit change of business networks and trade contacts causes an increase of 0.209 on market performance.

Table 4.22: Coefficients of Planning Resources and Market Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-1.289	0.428		-3.011	0.005		
Fin Res	0.020	0.130	0.033	0.158	0.876	0.503	1.988
Pln Spc	0.119	0.156	0.175	0.764	0.450	0.426	2.349
Net Con	0.209	0.101	0.406	2.070	0.046	0.581	1.723
Pln Prs	0.105	0.133	0.177	0.790	0.435	0.446	2.242
Pln Eqp	-0.103	0.139	-0.178	-0.741	0.464	0.388	2.581
Dependent Variable: Market Performance							

KEY: Fin Res – Financial resources; Pln Spc - Planning Space; Net Con - Networks and contacts; Pln Prs- Planning personnel; Pln Eqp- planning equipment.

The relationship was represented by the following equation:

Market Performance = - 1.289C + 0.209 NETCON
(0.005) (0.046)

The regression equation shown above indicates that a unit change in business networks and trade contacts causes an increase of 0.209 units in market performance. However, the value of market performance when the planning resources have a value of zero was -1.289. It means that without planning resources, market performance will decrease by 1.289.

4.6.2 Management Participation and Performance

Management participation was regressed against the four measures of performance; return on investment, sales growth rate, internal business process and market performance and the results of the regression are indicated below.

$H0_{1b}$: Management participation has no influence on performance

Table 4.23 shows that the coefficient of determination of management participation on return on investment performance was 0.239. It means that 23.9 percent of return on investment performance was explained by management participation and the remaining 76.1 percent was explained by other factors not considered in the model. Table 4.24 shows the overall significance of the model with a p-value of 0.349 which was more than 0.05 and therefore the null hypothesis was not rejected. Therefore, management participation does not have an influence on return on investment performance.

Table 4.23: Management Participation and Return on Investment Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.489	0.239	0.039	0.626

a Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning activities
b Dependent Variable: Return on Investment Performance

Table 4.24: Analysis of Variance of Management Participation on Return on Investment Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.348	5	0.470	1.195	0.349
	Residual	7.463	19	0.393		
	Total	9.810	24			

a Dependent Variable: Return on Investment Performance
b Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning activities

Table 4.25 shows the beta coefficients of management communication, managerial time used in planning, management expertise had negative beta coefficients while management involvement and managerial influence of strategic choices had positive beta coefficients. However, none of the beta coefficients was significant which means that the independent variables do not explain the changes in return on investment performance.

Table 4.25: Coefficients of Management Participation and Return on Investment Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	0.615	0.830		0.742	0.467		
Mgt Com	-0.236	0.208	-0.307	-1.138	0.269	0.549	1.823
Mgt.Invol	0.229	0.206	0.302	1.112	0.280	0.542	1.846
Mgt.Tim	-0.026	0.238	-0.037	-0.109	0.915	0.349	2.867
Mgt.Infl	0.284	0.229	0.383	1.240	0.230	0.420	2.380
Mgt.Expt	-0.391	0.202	-0.495	-1.935	0.068	0.611	1.636

a Dependent Variable: Return on Investment

Key: Mgt Com - management communication; Mgt Inv - Management involvement in strategic planning; Mgt Tim - Management time used in planning; Mgt Infl - management influence on strategic choices, Mgt Exp- management expertise in planning

Table 4.26 below shows that, the coefficient of determination of management participation and sales growth rate was 0.185, which means that 18.5 percent of the sales growth rate was explained by management participation. The remaining 81.5 percent was explained by other factors not considered in the model. Table 4.27 shows the overall model significance with a p-value of 0.644 which is more than 0.05 and the null hypothesis was not rejected. Therefore, management participation does not have an influence on sales growth rate performance.

Table 4.26: Management Participation and Sales Growth Rate Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.431	0.185	-0.086	0.462

a Predictors: (Constant), Management expertise used in planning process, Management communication during the planning, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning.
b Dependent Variable: Sales Growth Rate Performance

Table 4.27: Analysis of Variance of Management Participation Sales Growth Rate Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.731	5	0.146	0.683	0.644
	Residual	3.212	15	0.214		
	Total	3.943	20			

a Dependent Variable: Sales Growth Rate Performance
b Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning.

Table 4.28 below shows the beta coefficients of management communication, managerial time spent on planning, managerial involvement in decision making, managerial influence on strategic choices and managerial expertise used in decision making and none of the coefficients was significant which means that the independent variables do not explain changes in sales growth rate performance.

Table 4.28: Coefficients of Management Participation and Sales Growth Rate Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	0.263	0.671		0.392	0.701		
Mgt Com	0.142	0.168	0.267	0.847	0.410	0.549	1.823
Mgt.Invol	-0.204	0.167	-0.388	-1.226	0.239	0.542	1.846
Mgt.Tim	0.309	0.192	0.634	1.607	0.129	0.349	2.867
Mgt.Infl	-0.179	0.185	-0.347	-0.964	0.350	0.420	2.380
Mgt.Expt	-0.135	0.163	-0.247	-0.829	0.420	0.611	1.636
a Dependent Variable: Sales Growth Rate							

Key: Mgt Com - management communication; Mgt Inv - Management involvement in strategic planning; Mgt Tim - Management time used in planning; Mgt Infl - management influence on strategic choices, Mgt Exp- management expertise in planning

Table 4.29 below shows that R^2 of management participation and internal business processes performance was 0.378 and this means that 37.8 percent of the variation in internal business process performance was explained by management participation. The remaining 62.2 percent was explained by other factors not considered in the model. Table 4.30 shows the overall model significance with a p-value of 0.006 which was less than 0.05 and therefore the null hypothesis was rejected and concluded that management participation has a significant influence on internal business process performance.

Table 4.29: Management Participation and Internal Business Process Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.615	0.378	0.284	0.586
a Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning activities b Dependent Variable: Internal Business Processes Performance				

Table 4.30: Analysis of Variance of Management Participation and Internal Business Process Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.876	5	1.375	4.010	0.006
Residual	11.316	33	0.343		
Total	18.191	38			
a Dependent Variable: Internal Business Processes Performance b Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning activities					

Table 4.31 below shows the beta coefficients for managerial time used in planning, management communication, managerial involvement in decision making, managerial influence on strategic choices and management expertise in planning processes. Managerial influence used in strategic choices had positive coefficient of 0.350 and a p-value of 0.048 which was less than $\alpha = 0.05$. The relationships in Table 4.31 are represented by the following equation:

Internal Business Process Performance = - 2.623C + 0.350 MGTINFL
(0.000) (0.048)

The regression equation shown above indicates that a unit change in managerial influence on strategic choices causes a change of 0.350 units in internal business process performance. On the other hand the constant was -2.623, which means that without management participation, the value of internal business process performance was predicted to be negative 2.623.

Table 4.31: Coefficients of Management Participation and Internal Business Process Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	-2.623	0.616		-4.258	0.000		
Mgt Com	0.083	0.154	0.100	0.539	0.594	0.549	1.823
Mgt.Invol	0.279	0.153	0.340	1.822	0.077	0.542	1.846
Mgt.Tim	-0.267	0.177	-0.352	-1.514	0.140	0.349	2.867
Mgt.Infl	0.350	0.170	0.436	2.058	0.048	0.420	2.380
Mgt.Expt	0.183	0.150	0.214	1.219	0.232	0.611	1.636
a Dependent Variable: Internal Business Processes Performance							

Key: Mgt Com - management communication; Mgt Inv - Management involvement in strategic planning; Mgt Tim - Management time used in planning; Mgt Infl - management influence on strategic choices, Mgt Exp- management expertise in planning

Table 4.32 shows that the coefficient of determination for the relationship between management participation and market performance was 0.231 and this means that 23.1 percent of market performance was explained by management participation. The remaining 76.9 percent was explained by other factors not considered in the model. Table 4.33 shows the overall model significance with a p-value of 0.106, which is more than 0.05 and the null hypothesis was therefore not rejected and concluded that management participation does not have an influence on market performance.

Table 4.32: Management Participation and Market Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.481	0.231	0.115	0.489

a Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning.
b Dependent Variable: Market Performance

Table 4.33: Analysis of Variance of Management Participation on Market Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.375	5	0.475	1.988	0.106
Residual	7.885	33	0.239		
Total	10.26	38			

a Dependent Variable: Market Performance
b Predictors: (Constant), Management expertise used in planning process, Management communication during the planning process, Management involvement in strategic decision making, Management influences on strategic choices, Time is spent by managers on planning.

Table 4.34 below shows the beta coefficients of management participation measured by management expertise used in planning process, management communication during the planning process, management involvement in strategic decision making, management influences on strategic choices and the time spent by managers on planning activities and none of the coefficients was significant which means that the independent variables did not explain changes in market performance.

Table 4.34: Coefficients of Management Participation and Market Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	-1.509	0.514		-2.935	0.006		
Mgt Com	0.097	0.129	0.154	0.750	0.459	0.549	1.823
Mgt.Invol	0.017	0.128	0.028	0.137	0.892	0.542	1.846
Mgt.Tim	0.028	0.147	0.049	0.190	0.850	0.349	2.867
Mgt.Infl	0.042	0.142	0.070	0.296	0.769	0.420	2.380
Mgt.Expt	0.190	0.125	0.296	1.517	0.139	0.611	1.636
a Dependent Variable: Market Performance							

Key**:** Mgt Com - management communication; Mgt Inv - Management involvement in strategic planning; Mgt Tim - Management time used in planning; Mgt Infl - management influence on strategic choices, Mgt Exp- management expertise in planning

4.6.3 Planning Techniques and Performance

The following results of regression analysis show the influence of planning techniques on performance. This study used two types of planning techniques in strategic management; SWOT framework and Porter's five forces model. Planning techniques were regressed on four performance measures of return on investment, sales growth rate, internal business processes and market performance and the results are as indicated below. The hypothesis to be tested was:

$H0_{1c}$: Planning techniques have no influence on performance

Table 4.35 shows that the coefficient of determination of planning techniques and return on investment performance was 0.179 meaning that 17.9 percent of return on investment was explained by planning techniques. The remaining 82.1 percent was explained by other factors not considered in the model. Table 4.36 shows the overall significance of the model with a p-value of 0.140 which is more than 0.05 and therefore the null hypothesis was not rejected and concluded that planning techniques have no influence on return on investments performance.

Table 4.35: Planning Techniques and Return on Investment Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of estimate
1	0.423	0.179	0.097	0.608
a Predictors: (Constant), SWOT, Porter's 5 Forces b Dependent Variable: Return on Investment Performance				

Table 4.36: Analysis of Variance of Planning Techniques on Return on Investment Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.607	2	0.804	2.177	0.140
Residual	7.385	20	0.369		
Total	8.993	22			
a Dependent Variable: Return on Investment Performance b Predictors: (Constant), SWOT, Porter's 5 Forces					

Table 4.37 indicates the beta coefficients of SWOT model and Porter's five force model. Porter's five force model had a positive coefficient while SWOT model had negative coefficients. Porters five force model had a coefficient of 0.549 and means that a unit change in the use of Porter's five force model leads to an increase of 0.549 in return on investment performance. The relationship in table 4.37 was represented by the following equation:

Return on Investment Performance = - 0.925C + 0.549 Porter's five forces
(0.256) (0.053)

The regression equation shown above indicates that a unit change in the application of Porter's five forces causes an increase of 0.549 in return on investment performance. It means that firms which analyze their industry environment using the five competitive forces focusing on substitute products, new entrants, power of customers, power of suppliers and rivalry within the existing firms achieve an increase of 0.549 of their return on investment performance.

Table 4.37: Coefficients of Planning Techniques and Return on Investment Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-0.925	0.792		-1.168	0.256		
Porter's 5 Forces	0.549	0.267	0.532	2.058	0.053	0.614	1.628
SWOT	-0.258	0.256	-0.261	-1.009	0.325	0.614	1.628
a Dependent Variable: Return on Investment							

Table 4.38 indicates that the coefficient of determination in the relationship between planning techniques on sales growth rate was 0.014. It means that only 1.4 percent of sales growth rate performance was explained by planning techniques. The remaining 98.6 percent was explained by other factors not considered in the model. Table 4.39 shows the overall significance of the model with a p-value of 0.891 which was more than 0.05. The null hypothesis was not rejected and concluded that planning techniques have no influence on sales growth rate performance.

Table 4.38: Planning Techniques and Sales Growth Rate Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.119	0.014	-0.109	0.468
a Predictors: (Constant), SWOT, Porter's 5 Forces Model b Dependent Variable: Sales Growth Rate Performance				

Table 4.39: Analysis of Variance of Planning Techniques and Sales Growth Rate Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.051	2	0.025	0.116	0.891
	Residual	3.498	16	0.219		
	Total	3.548	18			
a Dependent Variable: Sales Growth Rate Performance b Predictors: (Constant), SWOT, Porter's 5 Forces						

Table 4.40 indicates the beta coefficient for SWOT and Porter's five forces model in explaining sales growth rate performance and none of the coefficients was significant which means that the independent the variables does not explain changes in sales growth rate performance.

Table 4.40: Coefficients of Planning Techniques and Sales Growth Rate Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	0.007	0.674		0.010	0.992		
Porter's 5 Forces	0.079	0.227	0.110	0.348	0.732	0.614	1.628
SWOT	-0.104	0.218	-0.151	-0.477	0.640	0.614	1.628
a Dependent Variable: Sales Growth Rate Performance							

Table 4.41 shows that the coefficient of determination in the relationship between planning techniques and internal business processes performance was 0.368. It means that 36.8 percent of the variation in internal business process performance was explained by planning techniques. The remaining 63.2 percent was explained by other factors not considered in the study. Table 4.42 shows the overall significance of the model with a p-value of 0.001 which was less than 0.05. The null hypothesis was rejected and concluded that planning techniques have a significant influence on internal business process performance.

Table 4.41: Planning Techniques and Internal Business Process Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.607	0.368	0.330	0.566
a Predictors: (Constant), SWOT, Porter's 5 Forces Model b Dependent Variable: Internal Business Process Performance				

Table 4.42: Analysis of Variance of Planning Techniques on Internal Business Process Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.172	2	3.086	9.622	0.001
	Residual	10.584	33	0.321		
	Total	16.755	35			
a Dependent Variable: Internal Business Process Performance b Predictors: (Constant), SWOT, Porter's 5 Forces						

Table 4.43 shows the beta coefficients of Porter's five forces model and that of the SWOT model. The beta coefficient of Porter's five forces model was positive

meaning that a unit change in the application of Porter's five forces causes a positive change in internal business process performance. The relationship in Table 4.48 was represented by the following equation:

Internal Business Process Performance = -2.326 C + 0.678 Porter's five forces
(0.000) (0.002)

The regression equation shown above indicates that a unit change in the application of Porter's five forces causes an increase of 0.678 in internal business process performance. It means that firms which seek to analyze industry environment using Porter's five forces focusing on new entrants, substitute products, power of customers, power of suppliers and rivalry within the industry achieve an increase of 0.678 in internal business process performance. However, the value of internal business process performance when the planning techniques have a value of zero was -2.326 and means that without planning techniques, internal business process performance was predicted to be negative at 2.326.

Table 4.43: Coefficients of Planning Techniques and Internal Business Process Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-2.326	0.585		-3.974	0.000		
Porter's 5 Forces	0.678	0.197	0.607	3.439	0.002	0.614	1.628
SWOT	0.000	0.189	0.000	-0.002	0.999	0.614	1.628
a Dependent Variable: Internal Business Process Performance							

Table 4.44 shows that the coefficient of determination of planning techniques and market performance was 0.170. It means that 17.0 percent of market performance was explained by planning techniques and the remaining 83 percent was explained by other factors not considered in the study. Table 4.45 shows the overall significance of the model with a p-value of 0.042 which is less than 0.05 and therefore the null hypothesis was rejected and concluded that planning techniques have significant influence on market performance.

Table 4.44: Planning Techniques and Market Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.412	0.170	0.121	0.487
a Predictors: (Constant), SWOT, Porter's 5 Forces b Dependent Variable: Market Performance				

Table 4.45: Analysis of Variance of Planning Techniques on Market Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.650	2	0.825	3.477	0.042
Residual	8.069	34	0.237		
Total	9.720	36			
a Dependent Variable: Market Performance b Predictors: (Constant), SWOT, Porter's 5 Forces					

Table 4.46 below shows the beta coefficients of Porter's five forces and SWOT model. However, none of the coefficients was significant which means that the independent variables did not explain changes in market performance.

Table 4.46: Coefficients of Planning Techniques on Market Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-1.205	0.497		-2.427	0.021		
Porter's 5 Forces	0.051	0.167	0.061	0.307	0.761	0.614	1.628
SWOT	0.299	0.160	0.371	1.862	0.071	0.614	1.628
a Dependent Variable: Market Performance							

Qualitative data collected during this research indicated that there are different paths to strategic planning and competitiveness within EPZ firms. Responding firms listed variety of other planning techniques used by their firms to achieve competitiveness. The other planning techniques which were listed by the firms were analyzed and grouped according to emerging themes. The planning techniques were either grouped as internal or external planning tools. Internal planning tools constituted of those tools used in the analysis of internal competencies including core competence analysis, accounting budgets, focus group analysis, value chain analysis among others. The external planning tools constituted of those techniques which were used in industry

analysis and the general task environmental analysis including PEST analysis,Scenarion analysis, competitive analysis, industry analysis, bench marking, analysis of critical factors and learning curve among others.

The listed tools and techniques are summarized in terms of the key emerging themes as was applied by Bagire, (2012). This approach enabled the researcher to identify internal and external techniques identified by the firms during the study. According to the qualitative data, financial metrics and accounting budgets were among the most commonly used internal planning techniques in strategic planning while Porter's five forces model and Political, Economic, Social, Technological and Legal (PESTL) model were among the most commonly used planning techniques by EPZ firms.

4.6.4 Strategic Planning Systems and Performance

This study focused on strategic planning systems which comprised of planning resources, management participation and planning techniques. The three planning systems were jointly regressed against, return on investment, sales growth rate, internal business process and market performance. The regression results are shown below and the hypothesis to be tested was:

$H0_{1d}$: Strategic planning systems have no influence on performance

Table 4.47 indicates that the coefficient of determination of strategic planning systems and return on investment performance was 0.209, which means that 20.9 percent of return on investment performance was explained by strategic planning systems. The remaining 79.3 percent was explained by other factors not considered in the model. Table 4.48 shows the overall model significance with a p-value of 0.207 which is more than 0.05 and therefore the null hypothesis was not rejected and concluded that strategic planning systems do not have an influence on return on investment performance.

Table 4.47: Strategic Planning Systems and Return on Investments Performance

Model Summary						
R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics		
				R Square Change	F Change	Sig. F Change
0.457	0.209	0.084	0.612	0.209	1.670	0.207

Table 4.48: Analysis of Variance of Strategic Planning Systems on Return on Investment Performance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.876	3	0.625	1.670	0.207
Residual	7.117	19	0.375		
Total	8.993	22			

Table 4.49 shows the beta coefficients for planning resources, planning techniques and management participation. However, none of the coefficients was significant which means that the independent variables did not explain changes in return on investment performance.

Table 4.49: Coefficients of Strategic Planning Systems and Return on Investment Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
Model	B	S.E	Beta			Tolerance	VIF
(Constant)	0.039	0.128		0.305	0.764		
Plan Res	0.320	0.225	0.396	1.424	0.171	0.539	1.854
Mgt Prt	-0.357	0.211	-0.437	-1.696	0.106	0.627	1.594
Plan Tcq	0.307	0.334	0.233	0.917	0.370	0.643	1.554
a Dependent Variable: Return on Investment Performance							

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq-Planning techniques

Table 4.50 below shows that R^2 of strategic planning systems and sales growth rate was 0.104, which means that 10.4 percent of sales growth rate was explained by strategic planning systems. The remaining 89.6 percent was explained by other factors not considered in the model. Table 4.51 shows the overall significance of the model with a p-value of 0.639 which is more than 0.05. The null hypothesis was not rejected and concluded that strategic planning systems do not have an influence on sales growth rate performance.

Table 4.50: Strategic Planning Systems and Sales Growth Rate Performance

Model Summary						
				Change Statistics		
R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	F Change	Sig. F Change
0.322	0.104	-0.076	0.461	0.104	0.577	0.639

Table 4.51: Analysis of Variance of Strategic Planning Systems on Sales Growth Rate Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.367	3	0.122	0.577	0.639
Residual	3.181	15	0.212		
Total	3.548	18			
a Dependent Variable: Sales Growth Rate Performance b a Predictors: (Constant), Planning tools and techniques, Management participation, Planning resources					

Table 4.52 shows the beta coefficient for planning resources, planning techniques and management participation. However, none of the coefficients was significant which means that the independent influence of the variables does not explain changes in sales growth rate performance.

Table 4.52: Coefficients of Strategic Planning Systems and Sales Growth Rate Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	-0.081	0.106		-0.763	0.458		
Plan Res	0.246	0.187	0.438	1.315	0.208	0.539	1.854
Mgt Prt	-0.108	0.175	-0.190	-0.614	0.548	0.627	1.594
Plan Tcq	-0.142	0.278	-0.155	-0.510	0.618	0.643	1.554
a Dependent Variable: Sales Growth Rate							

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq-Planning techniques

Table 4.53 shows that the R^2 of strategic planning systems and internal business process performance was 0.519. It means that 51.9 percent of the variation in internal business process performance was explained by strategic planning systems. The remaining 48.1 percent was explained by other factors not considered in the study.

Table 4.54 shows the overall model significance with a p-value of 0.000 which is less than 0.05 and therefore the null hypothesis was rejected and concluded that strategic planning systems have a significant influence on business process performance.

Table 4.53: Strategic Planning Systems and Business Process Performance

Model Summary						
			Std. Error of Estimate	Change Statistics		
R	R Square	Adjusted R Square		R Square Change	F Change	Sig. F Change
0.721	0.519	0.474	0.502	0.519	11.532	0.000

Table 4.54: Analysis of Variance of Strategic Planning Systems on Internal Business Process Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.704	3	2.901	11.532	0.000
	Residual	8.051	32	0.252		
	Total	16.755	35			
a Dependent Variable: Internal Business Process Performance						
a Predictors: (Constant), Planning tools and techniques, Management participation, Planning resources						

Table 4.55 shows the beta coefficient for planning resources, planning techniques and management participation. Planning techniques had positive coefficients. The above relationships are represented by the following equation:

Internal Business Process Performance = - 0.037C + 0.623 Planning techniques
(0.662) (0.007)

The regression equation shown above indicates that a unit change in the application of planning techniques causes an increase of 0.623 in internal business process performance. In essence, it means that firms which analyze their business environment using SWOT model which focuses on strengths, weaknesses, opportunities and threats together with Porter's five force model focusing on new entrants, substitute products, power of the customers, power of suppliers and rivalry within the industry achieve an increase of 0.623 in internal business process performance.

Table 4.55: Coefficients of Strategic Planning and Business Processes Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	-0.037	0.084		-0.441	0.662		
Plan Res	0.168	0.146	0.192	1.151	0.258	0.539	1.854
Mgt Prt	0.199	0.137	0.225	1.452	0.156	0.627	1.594
Plan Tcq	0.623	0.217	0.438	2.868	0.007	0.643	1.554
a Dependent Variable: Internal Business Process Performance							

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq-Planning techniques

Table 4.56 shows that the coefficient of determination in the relationship between strategic planning systems and market performance was 0.287, this means that strategic planning systems explain 28.7 percent of the variation in market performance and the remaining 71.3 percent was explained by other factors not considered in the model. Table 4.57 shows the overall significance of the model with a p-value of 0.01 which is less than 0.05. The null hypothesis was rejected and concluded that strategic planning systems have a significant influence on market performance.

Table 4.56: Strategic Planning Systems and Market Performance

Model Summary						
				Change Statistics		
R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	F Change	Sig. F Change
0.535	0.287	0.222	0.458	0.287	4.422	0.010

Table 4.57: Analysis of Variance of Strategic Planning Systems on Market Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.787	3	0.929	4.422	0.010
	Residual	6.933	33	0.210		
	Total	9.720	36			
b Dependent Variable: Market Performance						
a Predictors: (Constant), Planning tools and techniques, Management participation, Planning resources						

Table 4.58 shows the beta coefficients of strategic planning systems namely, planning resources, management participation and planning techniques. However, none of the coefficients was significant which means that the independent influence of the variables does not explain changes in market performance.

Table 4.58: Coefficients of Strategic Planning Systems and Market Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	0.000	0.076		0.003	0.998		
Plan Res	0.117	0.132	0.178	0.888	0.381	0.539	1.854
Mgt Prt	0.169	0.123	0.254	1.368	0.181	0.627	1.594
Plan Tcq	0.225	0.196	0.210	1.148	0.259	0.643	1.554
b Dependent Variable: Market Performance							

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq-Planning techniques

4.7 Organizational Learning and Performance

The second objective of the study was to investigate the influence of organizational learning on performance of EPZ firms in Kenya. This objective was achieved through testing hypothesis two using regression models. Organizational learning was measured in terms of the individual learning, group learning and institutional learning. The hypothesis to be tested was:

$H0_2$: Organizational learning has a significant influence on firm performance

Organizational learning was regressed upon the four measures of performance of return on investment, sales growth rate, internal business process and market performance.

Table 4.59 shows that the coefficient of determination of organizational learning and return on investment performance was 0.080. It means organizational learning explain only 8.0 percent of variation in return on investment performance and the remaining 82 percent was explained by other factors not considered in the study. Table 4.60 shows the overall significance of the model with a p-value of 0.619 which was greater

than 0.05. The null hypothesis was not rejected and concluded that organizational learning has no influence on return on investment performance.

Table 4.59: Organizational Learning and Return on Investment Performance

Model Summary						
R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics		
				R Square Change	F Change	Sig. F Change
0.282	0.080	-0.052	0.656	0.080	0.606	0.619
a Predictors: (Constant), Institutional learning, Individual learning, Group learning b Dependent Variable: Return on Investment Performance						

Table 4.60: Analysis of Variance of Organizational Learning and Return on Investment Performance

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0.781	3	0.26	0.606	0.619
Residual	9.029	21	0.430		
Total	9.810	24			
a Predictors: (Constant), Institutional learning, Individual learning, Group learning b Dependent Variable: Return on Investment Performance					

Table 4.61 shows the beta coefficients of individual, group and institutional learning. However, none of the coefficients was significant which means that the independent variables did not explain changes in return on investment performance.

Table 4.61: Coefficients of Organizational Learning and Return on Investment Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S. E	Beta			Tolerance	VIF
(Constant)	0.047	0.131		0.362	0.721		
Ind. Learning	-0.057	0.228	-0.066	-0.251	0.804	0.628	1.591
Grp. Learning	-0.284	0.268	-0.388	-1.059	0.302	0.327	3.059
Inst. Learning	0.365	0.272	0.495	1.340	0.194	0.321	3.112
a Dependent Variable: Return on Investment Performance							

Key: Ind. - individual; Grp. -group; Inst. - Institution

Table 4.62 shows that the coefficient of determination of organizational learning and sales growth rate performance was 0.230 which means that 23 percent of sales growth rate performance was explained by organizational learning and the remaining 77 percent was explained by other factors not considered in the model. Table 4.63 shows

the overall significance of the model with a p-value of 0.206 which is more than 0.05. The null hypothesis was not rejected and concluded that organizational learning has no relationship with sales growth rate performance.

Table 4.62: Organizational Learning and Sales Growth Rate Performance

Model Summary						
R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
				R Square Change	F Change	Sig. F Change
0.480	0.230	0.094	0.4225	0.230	1.693	0.206
a Predictors: (Constant), Institutional learning, Individual learning, Group learning b Dependent Variable: Sales Growth Rate Performance						

Table 4.63: Analysis of Variance of Organizational Learning on Sales Growth Rate Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.907	3	0.302	1.693	0.206
Residual	3.036	17	0.179		
Total	3.943	20			
a Predictors: (Constant), Institutional learning, Individual learning, Group learning b Dependent Variable: Sales Growth Rate Performance					

Table 4.64 shows that the beta coefficients of individual, group and institutional learning and none of the coefficients was significant which means that the independent variables did not explain changes in market performance.

Table 4.64: Coefficients of Organizational Learning and Sales Growth Rate Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-0.087	0.092		-0.942	0.359		
Ind. Learning	0.296	0.161	0.494	1.841	0.083	0.628	1.591
Grp. Learning	-0.060	0.189	-0.118	-0.318	0.754	0.327	3.059
Inst. Learning	0.043	0.192	0.083	0.222	0.827	0.321	3.112
a Dependent Variable: Sales Growth Rate Performance							

Key: Ind. - individual; Grp. -group; Inst. - Institution

Table 4.65 indicates that the coefficient of determination of organizational learning and internal business process performance was 0.414 which means that organizational learning explain 41.4 percent of the variation in internal business process performance. The remaining 58.6 percent was explained by other factors not considered in the model. Table 4.66 shows the overall significance of the model with

a p-value of 0.000 which is less than 0.05 and therefore the null hypothesis was rejected and concluded that organizational learning has a significant influence on internal business process performance.

Table 4.65: Organizational Learning and Internal Business Process Performance

Model Summary						
R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics		
				R square Change	F Change	Sig. F Change
0.644	0.414	0.363	0.552	0.414	8.020	0.000

Table 4.66: Analysis of Variance of Organizational Learning on Internal Business Process Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	7.340	3	2.447	8.020	0.000
Residual	10.373	34	0.305		
Total	17.713	37			
a Predictors: (Constant), Institutional learning, Individual learning, Group learning b Dependent Variable: Internal Business Process Performance					

Table 4.67 shows the beta coefficients for individual learning, group learning and institutional. However, none of the coefficients was significant which means that the independent influence of the variables does not explain changes in internal business process performance.

Table 4.67: Coefficients of Organizational Learning and Internal Business Process Performance

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
	B	S.E	Beta			Tolerance	VIF
(Constant)	-0.023	0.090		-0.255	0.800		
Ind. Learn	0.258	0.155	0.276	1.670	0.104	0.628	1.591
Grp. Learn	0.100	0.182	0.126	0.548	0.587	0.327	3.059
Inst. Learn	0.263	0.185	0.329	1.423	0.164	0.321	3.112
a Dependent Variable: Internal Business Process Performance							

Key: Ind.learn – individual learning; Grp learn. – group learning; Inst learn. – Institution learning

Table 4.68 shows that the R^2 of organizational learning and market performance was 0.316, this means that 31.6 percent of the market performance was explained by organizational learning. The remaining 68.4 percent was explained by other factors

not considered in the model. Table 4.69 shows the overall significance of the model with a p-value of 0.004 which is less than 0.05 and therefore the null hypothesis was rejected and concluded that organization learning has a significant influence on internal business process performance.

Table 4.68: Organizational Learning and Market Performance

Model Summary						
R	R Square	Adjusted R Square	Std. error of the Estimate	Change Statistics		
				R Square Change	F Change	Sig. F Change
0.562	0.316	0.256	0.448	0.316	5.236	0.004

Table 4.69: Analysis of Variance of Organizational Learning on Market Performance

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.157	3	1.052	5.236	0.004
Residual	6.833	34	0.201		
Total	9.990	37			
a Predictors: (Constant), Institutional learning, Individual learning, Group learning b Dependent Variable: Market Performance					

Table 4.70 indicates the beta coefficients of individual learning, group learning and institutional learning. The relationships are represented by the following equation:

Market Performance = 0.004C + 0.251 Individual learning
(0.957) (0.050)

The regression equation shown above indicates that a unit change in individual learning causes an increase of 0.251 in market performance. It means that firms which facilitate individual abilities to generate new insights, allow them to takes actions which are experimental in nature together with motivating them achieve an increase of 0.251 in market performance.

Table 4.70: Coefficients of Organizational Learning and Market Performance

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
(Constant)	0.004	0.073		0.055	0.957		
Ind. Learning	0.251	0.126	0.358	2.003	0.050	0.628	1.591
Grp. Learning	0.122	0.147	0.204	0.824	0.416	0.327	3.059
Inst. Learning	0.045	0.150	0.074	0.298	0.768	0.321	3.112
a Dependent Variable: Market Performance							

Key: Ind. - individual; Grp. -group; Inst. - Institution

4.8 Organizational Learning, Strategic Planning Systems and Performance

The third objective of the study was to determine the mediating effect of organizational learning on the relationship between strategic planning systems and performance of EPZ firms in Kenya. A mediated effect is an indirect effect where the mediator variable affects the relationship between the predictor and the dependent (Preacher and Hayes, 2004). A variable may be called a mediator if it accounts for the relation between the predictor and the criterion (Baron and Kenny, 1986). Mediation analysis in this study was conducted to assess the effect of strategic planning systems on performance through organizational learning. This objective was achieved by testing hypothesis three, which was:

$H0_3$: Organizational learning has no mediating effect on the relationship between strategic planning systems and firm performance

Hypothesis three tested the mediating effect of organizational learning on the relationship between strategic planning systems and performance. The test of mediating effect was done using Preacher and Hayes (2004) approach which is a modified improvement of Baron and Kenny (1986). Preacher and Hayes (2004) posited that in estimating mediation models. Using Baron and Kenny approach poses specific limitations as they argued that it is possible to observe a significant change between X and Y upon the additional mediator when actually there is no significant change leading to erroneous conclusion that mediation is present when in actual sense there is no mediation - such a mistake leads to Type 1 error in research.

Consequently, it is also possible when using Baron and Kenny (1986) approach to observe a large change in X and Y path upon additional mediator without observing a drop in statistical significance leading to Type II error in research. Preacher and Hayes (2004) argued that the solution lies in performing a test of no difference between total effect C and the direct effect C^1 using SAS macros tool. This is done by testing the indirect effect of X (strategic planning systems) on Y (performance) through M (organizational learning). The mediated relationships are presented as YX, MX and YMX as shown in Tables 4.71, 4.72, 4.73 and 4.74.

Hayes (2009) further observed that simulation studies have shown that, amongst the methods of testing mediation variable, the causal steps approach (suggested by Baron and Kenny, 1986) is amongst the lowest in predictive power. He argued that "the causal steps approach is not based on quantification of the very thing it is attempting to test – the mediation effect" pp. 410. In this modified approach, descriptive statistics are shown together with correlation coefficients between the mediated relationships. Correlation coefficients confirm the association between the predictor and the mediation variable before the actual test of mediation is done. The mean was 0 while the standard deviation was 1 due to the standardization of the variables (Hayes, 2004). Standardization is recommended because it reduces multicolinearity between the variables and facilitates observation of accurate results. This test is mandatory and a precursor to testing the mediation effect.

First, a direct effect between performance and strategic planning systems (YX) was established in descriptive statistics. A direct effect between organizational learning and strategic planning systems (MX) was determined. Lastly, the indirect effect of strategic planning systems to performance through organizational learning (YM.X) was also established. From the output, the beta coefficients and significance of the models were interpreted.

Table 4.71, shows mediation results using return on investment as the dependent variable. While path *b* was significant at p-value of 0.0003, path *a* and path *b* were not significant as shown in the table. The null hypothesis was not rejected. Therefore, organizational learning has no significant mediating effect on the relationship between strategic planning systems and return on investment performance.

Table 4.71: Mediation of Organization Learning on Strategic Planning Systems and Return on Investment Performance

Variables in Simple Mediation Model					
Y	Z Return on Investment (criterion)				
X	Z Strategic Planning Systems (predictor)				
M	Z Organizational Learning (mediator)				
Descriptive Statistics and Pearson Correlations					
Name of Variable	Mean	SD	1	2	3
1. Z Return on Investment	0	1	1		
2. Z Strategic Planning Systems	0	1	0.2040	1	
3. Z Organizational Learning	0	1	0.1207	0.5440	1
Sample Size 40					
Direct and Total Effects					
	Coefficient	S. E	t-Value	Sig.	
a (YX)	0.2040	0.1588	1.2847	0.2067	
b (MX)	0.5440	0.1361	3.9967	0.0003	
c (YM.X)	0.0138	0.1918	0.0719	0.9430	

The mediated relationship was not significant which means that the organizational learning does not mediate the relationship between strategic planning systems and return on investment performance.

Output from Table 4.72, shows no significant relationship in the first and third model. However, the second model was significant showing a strong association between the strategic planning and organizational learning. Informed by the results, the null hypothesis was not rejected. Therefore, organizational learning has no significant mediating effect on the relationship between strategic planning systems and return on investment performance.

Table 4.72: Mediation of Organization Learning on Strategic Planning Systems and Sales Growth Rate Performance

Variables in Simple Mediation Model					
Y	Z Sales Growth Rate (criterion)				
X	Z Strategic Planning Systems (predictor)				
M	Z Organizational Learning (mediator)				
Descriptive Statistics and Pearson Correlations					
	Mean	SD	1	2	3
1. Z Sales Growth Rate	0	1	1		
2. Z Strategic Planning Systems	0	1	0.1381	1	
3. Z Organizational Learning	0	1	0.1672	0.5440	1
Sample Size 40					
Direct and Total Effects					
	Coefficient	S. E	t-Value	Sig	
a (YX)	0.1381	0.1607	0.8593	0.3956	
b (MX)	0.5440	0.1361	3.9967	0.0003	
c (YM.X)	0.1308	0.1929	0.6780	0.5020	

The mediated relationship was significant which means that the organizational learning does not mediate the relationship between strategic planning systems and sales growth rate performance.

Output from Table 4.72 above, shows no significant relationship in the first and third model. However, the second model was significant showing a strong association between the strategic planning and organizational learning. Informed by the results, the null hypothesis was not rejected. Therefore, organizational learning has no significant mediating effect on the relationship between strategic planning systems and sales growth rate performance.

The outputs from Table 4.73 below show that paths a, b and c are statistically significant based on t statistic and p-values. Path a had p–value of 0.000, path b had p-value of 0.0003 while path c had p-value of 0.0057 which were less than 0.05. The null hypothesis was rejected and concluded that organizational learning has a significant mediating effect in the relationship between strategic planning systems and internal business process performance.

Table 4.73: Mediation of Organizational Learning on Strategic Planning Systems and Internal Business Process Performance

Variables in Simple Mediation Model						
Y	Z Internal Business Process Performance (criterion)					
X	Z Strategic Planning Systems (predictor)					
M	Z Organization Learning (mediator)					
Descriptive Statistics and Pearson Correlations						
		Mean	SD	1	2	3
1. Z Internal Business Process Performance		0	1	1		
2. Z Strategic Planning Systems		0	1	0.7032	1	
3. Z Organizational Learning		0	1	0.6419	0.5440	1
Sample Size 40						
Direct and Total Effects						
	Coefficient	S.E	t-Value	Sig		
a (YX)	0.7032	0.1153	6.0965	0.0000		
b (MX)	0.5440	0.1361	3.9967	0.0003		
c (YM.X)	0.3685	0.1254	2.9371	0.0057		

Key: IBPP = Internal Business Process Performance; OL = Organizational Learning.

The relationships in Table 4.73 are represented by the following equations:

IBPP = 0.703 Strategic Planning Systems……..... (i)
(0.000)

OL = 0.544 Strategic Planning Systems……..... (ii)
(0.000)

IBPP = 0.369 Organizational Learning * Strategic Planning Systems …….. (iii)
(0.006)

The first equation shows that a unit change in strategic planning systems lead to a change of 0.703 in internal business process performance. Similarly, the second equation shows that a unit change in strategic planning systems cause a change of 0.544 in organizational learning. The third equation which represents the mediated relationship indicates that strategic planning systems make positive contributions to internal business process performance through organizational learning. Hence, a unit change in the mediated relationship of strategic planning systems and organizational learning causes a change of 0.369 in internal business process performance. Therefore, organizational learning is a significant mediator in the relationship between strategic planning systems and internal business process performance.

Table 4.74 below indicates that all the paths a, b, and c were significant. Initial tests shown in the first step using the Pearson's correlation coefficients of all the paths were high. Path a had p-value of 0.0011, Path b had p-value of 0.0003 while path c had p-value of 0.0258 which were all less than 0.05. The null hypothesis was rejected and concluded that organizational learning has a significant mediating effect in the relationship between strategic planning systems and market performance.

Table 4.74: Mediation of Organization Learning on Strategic Planning Systems and Market Performance

Variables in Simple Mediation Model					
Y	Z Market Performance(criterion)				
X	Z Strategic Planning systems (predictor)				
M	Z Organization Learning (mediator)				
Descriptive Statistics and Pearson Correlations					
	Mean	SD	1	2	3
1. Z Market Performance	0	1	1		
2. Z Strategic Planning systems	0	1	0.4982	1	
3. Z Organizational Learning	0	1	0.5306	0.5440	1
Sample Size 40					
Direct and Total Effects					
	Coefficient	S. E	t-Value	Sig(two)	
a (YX)	0.4982	0.1407	3.5420	0.0011	
b (MX)	0.5440	0.1361	3.9967	0.0003	
c (YM.X)	0.3686	0.1587	2.3227	0.0258	

Key: Mrkt Perf = Market Performance.

The relationships in Table 4.74 were represented by the following equations:

Market Performance = 0.498 Strategic Planning Systems……..... (i)
(0.001)

Organizational Learning = 0.544 Strategic Planning Systems……..... (ii)
(0.000)

Mrkt Perf = 0.369 Organizational Learning * Strategic Planning Systems…….. (iii)
(0.025)

The first equation shows that a unit change in strategic planning systems lead to a change of 0.498 in market performance. Similarly, the second equation shows that a unit change in strategic planning systems cause a positive change of 0.544 in organizational learning. The third equation which represents the mediated

relationship indicates that strategic planning systems make contributions to market performance through organizational learning. Hence, a unit change in the mediated relationship of strategic planning systems and organizational learning causes a change of 0.369 in market performance. Therefore, organizational learning is a significant mediator in the relationship between strategic planning systems and market performance.

4.9 Strategy Implementation, Strategic Planning Systems and Performance

The study conceptualized strategy implementation as a moderator in the relationship between strategic planning systems and firm performance. This hypothesis was tested using the procedure suggested in the literature (Dawson, 2013). A moderator is a variable which affects the association between independent and dependent variables. Moderated effects in regression models capture the effect of an independent variable on the dependent variable as a function of a third variable. The dependence on a third variable is referred to as the interaction effect. According to Hayes, Glynn and Huge (2012), an interaction effect describes a situation in which the effect of an independent variable on the dependent is conditional upon the value of another variable, usually termed a moderator variable (Hayes, Glynn and Huge, 2012). This study used regression models to test and specify the moderation effect. Where moderation was significant, Dawson (2013) graphical approach was used to probe interaction effects and display interactive relationships. This objective was achieved by testing hypothesis four, which was:

$H0_4$: Strategy implementation has no moderating effect on the relationship between strategic planning systems and firm performance

The test of moderation was done at three different levels. Dawson (2013) argued that in order to test for moderation effect, three different statistical tests are mandatory. In step one, the direct effect between the independent and the dependent variables is tested and confirmed for significance. If the output from step one is significant, one proceeds to step two. Step two tests multiple relationships between the independent, moderator, interaction term and the dependent variables. If in step two the results show model significance and the interaction term is significant, then one proceeds to

step three which involves, plotting, probing and determining the interaction effects. Dawson (2013, pp. 2) posited that interaction effect is at the heart of testing moderation. He argued that "interaction is tested only and only if the interaction term is significant".

In the moderation effect, step one shows the output of the direct relationship between strategic planning systems and performance presented by the equation; $Y = \beta_0 + \beta_1 X + \varepsilon$. Where Y is performance, β_0 is the intercept/constant; β_1 is the coefficient of strategic planning systems, x is strategic planning systems while ε is the error term. Step 2 shows the output of the moderation, together with the interaction term represented by equation; $Y = \beta_0 + \beta_1 X + \beta_1 Z + \beta_3 XZ + \varepsilon$. Where Y is performance, X is strategic planning systems, Z is the moderator while XZ is the interaction term created by multiplying the predictor and the moderator.

In Table 4.75, model one showed R^2 of 0.076 while the introduction of the moderator in model two showed a coefficient of determination was 0.199. It means that the moderation effect of strategy implementation on the relationship between strategic planning systems and return on investment performance explain 19.9 percent of return on investment performance. The remaining 80.1 percent were explained by other factors not considered in the model. Further, the interaction term which defines moderation was not significant. In both the steps one and two for return on investment the adjusted R was notably negative.

Table 4.76 shows the overall significant of the model with moderated effect indicating a p-value of 0.680 which was greater than 0.05. The null hypothesis was thus not rejected and concluded that strategy implementation did not have a moderating effect in the relationship between strategic planning systems and return on investment performance.

Table 4.75: Moderation of Strategy Implementation on Strategic Planning Systems and Return on Investment Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.276	0.076	-0.129	1.062
2	0.446	0.199	-0.101	1.049

Table 4.76: Analysis of Variance of Strategy Implementation on Return on Investment Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.677	4	0.419	0.371	0.826
	Residual	20.323	18	1.129		
	Total	22	22			
2	Regression	4.386	6	0.731	0.664	0.680
	Residual	17.614	16	1.101		
	Total	22	22			
a Dependent Variable: Zscore(CompROI)						
b Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees						
c Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees, InteractSPSSSI, CompSI						

Table 4.77 shows beta coefficients of the moderation of strategy implementation in the relationship between strategic planning systems and performance. Model one shows that the coefficients of the control variables and the independent variable. Model two shows the relationships with the moderator and the interaction term. However, none of the coefficients was significant which means that the independent variables did not explain changes in return on investment performance. Further, the interaction term was not significant, therefore no further probing of the interaction effect was required.

Table 4.77: Coefficients of Moderation of Strategy Implementation on Strategic Planning Systems and Return on Investment Performance

Coefficients								
		Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
		B	S.E	Beta			Tolerance	VIF
1	(Constant)	6.22E-17	0.222		0.000	1.000		
	Co. Own	-0.052	0.240	-0.052	-0.219	0.829	0.894	1.119
	Tot. Emp	0.233	0.267	0.233	0.873	0.394	0.721	1.386
	Exp Emp	0.088	0.229	0.088	0.386	0.704	0.981	1.020
	CompSPS	0.038	0.252	0.038	0.149	0.883	0.810	1.235
2	(Constant)	0.191	0.254		0.749	0.465		
	Co. Own	-0.057	0.237	-0.057	-0.242	0.812	0.892	1.121
	Tot Emp	0.294	0.272	0.294	1.081	0.296	0.676	1.479
	Exp.Empl	0.031	0.230	0.031	0.136	0.894	0.947	1.056
	CompSPS	-0.126	0.312	-0.126	-0.405	0.691	0.516	1.940
	CompSI	0.252	0.356	0.215	0.708	0.489	0.546	1.833
	SPS x SI	-0.639	0.435	-0.347	-1.467	0.162	0.894	1.119
a Dependent Variable: Return on Investment								

Key**:** Co.Own - Company ownership; Tot.Emp - Total employees, ExpEmp – expatriate employees; CompSPS - composite strategic planning systems, CompSI - Composite strategy implementation; SPS x SI Interaction term.

Table 4.78 below shows that in model one, the coefficient of determination was 0.302 while model two with introduction of the moderator and the interaction term, the coefficient of determination was 0.426. It means that the moderation effect of strategy implementation on the relationship between strategic planning systems and sales growth rate performance explain 42.6 percent of variation in sales growth rate performance. The remaining 57.3 percent was explained by other factors not considered in the model. Table 4.79 shows the overall significant of the model with a p-value of 0.836 which is more than 0.05. The null hypothesis was not rejected and concluded that strategy implementation did not have a moderating effect in the relationship between strategic planning systems and sales growth rate performance.

Table 4.78: Moderation of Strategy Implementation on Strategic Planning Systems and Sales Growth Rate Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.302	0.091	-0.169	1.081
2	0.426	0.182	-0.228	1.108

Table 4.79: Analysis of Variance of Strategy Implementation on Sales Growth Rate Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.639	4	0.410	0.351	0.839
	Residual	16.361	14	1.169		
	Total	18	18			
2	Regression	3.267	6	0.545	0.444	0.836
	Residual	14.733	12	1.228		
	Total	18	18			
a Dependent Variable: Zscore(CompSGR)						
b Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees						
c Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees, InteractSPSSSI, CompSI						

Table 4.80 shows the coefficients of the explanatory variables in model one and those of the explanatory variables together with the moderator and interaction term in model two. In addition, Table 4.80 shows the coefficients of strategic planning systems with the control variables in model one while model two shows the relationships with the moderator and the interaction term.

However, none of the coefficients was significant which means that the independent influence of the variables does not explain changes in sales growth rate performance. Further, the interaction term was not significant, therefore no further probing of the interaction effect was required.

Table 4.80: Coefficients of Moderation of Strategy Implementation on Strategic Planning Systems and Sales Growth Rate

Coefficients								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
1	(Constant)	-4.61E-17	0.248		0.000	1.000		
	Co. Own	0.254	0.269	0.254	0.944	0.361	0.894	1.119
	Tot. Emp	0.249	0.300	0.249	0.829	0.421	0.721	1.386
	Exp Emp	0.003	0.257	0.003	0.013	0.990	0.981	1.020
	CompSPS	0.022	0.283	0.022	0.078	0.939	0.810	1.235
2	(Constant)	0.072	0.296		0.242	0.813		
	Co. Own	0.240	0.277	0.240	0.869	0.402	0.892	1.121
	Tot Emp	0.233	0.318	0.233	0.733	0.478	0.676	1.479
	Exp.Empl	-0.011	0.268	-0.011	-0.039	0.969	0.947	1.056
	CompSPS	-0.226	0.364	-0.226	-0.620	0.547	0.516	1.940
	CompSI	0.455	0.416	0.387	1.095	0.295	0.546	1.833
	SPS x SI	-0.240	0.508	-0.131	-0.473	0.645	0.894	1.119
a Dependent Variable: Sales Growth Rate								

Key: Co.Own - Company ownership; Tot.Emp - Total employees, ExpEmp – expatriate employees; CompSPS - composite strategic planning systems, CompSI - Composite strategy implementation; SPS x SI Interaction term.

Table 4.81 below shows that the coefficient of determination in model one was 0.502 while in model two with the introduction of the moderator and the interaction term the coefficient of determination was 0.598. It means that moderated relationship between strategic planning systems and internal business process performance explain 59.8 percent of variation in internal business process performance. The remaining 40.2 percent was explained by the other factors not considered in the model. Table 4.82 shows the overall significance of the model with a p-value of 0.000 which is less than 0.05. The null hypothesis was rejected and concluded that strategy implementation had a significant moderating effect in the relationship between strategic planning systems and internal business process performance.

Table 4.81: Moderation of Strategy Implementation on Strategic Planning Systems and Internal Business Process Performance

Model Summary				
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.708	0.502	0.437	0.750
2	0.773	0.598	0.515	0.696

Table 4.82: Analysis of Variance of Strategy Implementation on Internal Business Process Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.558	4	4.390	7.802	0.000
	Residual	17.442	31	0.563		
	Total	35	35			
2	Regression	20.94	6	3.490	7.198	0.000
	Residual	14.06	29	0.485		
	Total	35	35			
a Dependent Variable: Zscore(CompInternalbusprocesses)						
b Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees						
c Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees, InteractSPSSSI, CompSI						

Table 4.83 shows the coefficients of explanatory variables in model one while model two shows the relationship with the moderator and the interaction term. In model two, strategic planning systems had a positive coefficient while the interaction term had a negative coefficient.

Table 4.83: Coefficients of Moderation of Strategy Implementation on Strategic Planning Systems and Business Process Performance

Coefficients								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
1	(Constant)	1.07E-17	0.125		0.000	1.000		
	Co. Own	0.136	0.134	0.136	1.015	0.318	0.894	1.119
	Tot. Emp	-0.016	0.149	-0.016	-0.104	0.918	0.721	1.386
	Exp Emp	-0.032	0.128	-0.032	-0.247	0.807	0.981	1.020
	CompSPS	0.709	0.141	0.709	5.028	0.000	0.810	1.235
2	(Constant)	0.162	0.135		1.204	0.239		
	Co. Own	0.130	0.125	0.130	1.046	0.304	0.892	1.121
	Tot Emp	0.031	0.143	0.031	0.219	0.828	0.676	1.479
	Exp.Empl	-0.079	0.121	-0.079	-0.654	0.518	0.947	1.056
	CompSPS	0.544	0.164	0.544	3.318	0.002	0.516	1.940
	CompSI	0.264	0.187	0.224	1.407	0.170	0.546	1.833
	SPS x SI	-0.543	0.229	-0.295	-2.373	0.025	0.894	1.119
a Dependent Variable: Internal Business Processes Performance								

Key: Co.Own - Company ownership; Tot.Emp - Total employees, ExpEmp – expatriate employees; CompSPS - composite strategic planning systems, CompSI - Composite strategy implementation; SPS x SI Interaction term.

The relationships were represented by the following equation:

Internal Business Process Performance = 1.07C + 0.709 SPS ……. (i)
(1.00) (0.000)

Internal Business Process Performance = 0.162C + 0.544 SPS – 0.543 SPS x SI…(ii)
(0.239) (0.002) (0.025)

The regression equation shown above indicates that in the relationship which is not moderated, a unit change in strategic planning systems causes an increase of 0.709 in internal business process performance while in a moderated relationship, a unit change in strategic planning systems causes an increase of 0.544 in internal business process performance. It means that an appropriate configuration of planning resources, management participation and application of planning techniques causes an increase of 0.544 in internal business process performance. Conversely, the interaction between strategic planning systems and strategy implementation causes a decrease of 0.543 in internal business process performance. The interaction term was significant therefore further probing of the interaction effect was done using Dawson approach.

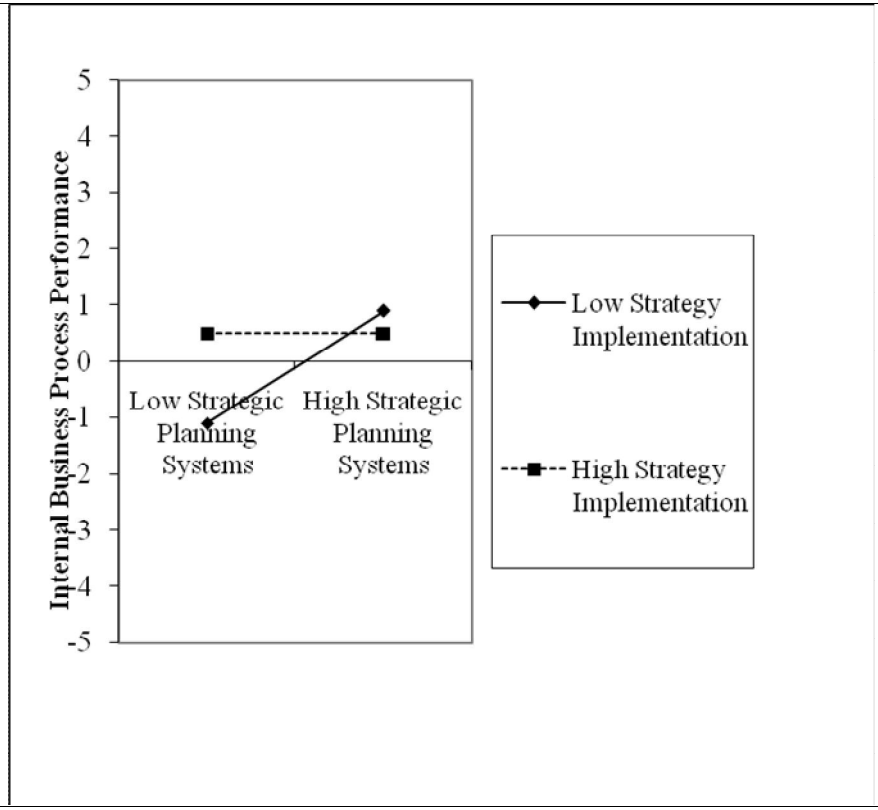
Figure 4.1 below indicates the interaction between strategic planning systems and internal business process performance moderated by the level of strategy implementation. The coefficient of the interaction term was -0.543, while the predictor coefficient was 0.544. The moderator had a coefficient of 0.264 while the intercept had 0.162. The interpretation of the graph is done according to Dawson (2013) recommendation. The negative coefficient of the interaction term (-0.543) indicates that the association between strategic planning systems and internal process performance is not always positive. It could move from negative to positive depending on the effectiveness of strategic planning systems.

Similarly, the results from Figure 4.1 indicate that if strategic planning systems are low regardless of the levels of strategy implementation, it leads to negative internal business process performance. However, from the diagram, it shows that an increase of strategic planning systems causes an increase of internal business process performance. Therefore, high levels of strategic planning systems lead to the achievement of not only high but also positive internal business process performance.

The study revealed that internal process performance depends both on strategic planning systems and strategy implementation. Therefore, the development of firm capabilities through action planning, coordination and institutional alignment are beneficial to firms because they lead to positive performance achievements.

Figure 4.1: Two Way Interaction Plot of Strategic Planning Systems and Strategy Implementation on Internal Business Process Performance

Name of Independent Variable:	Strategic Planning Systems
Name of Moderator	Strategy Implementation
Unstandardised Regression Coefficients	
Independent Variable	0.544
Moderator	0.264
Interaction	-0.543
Intercept/Constant	0.162
Dependent Variable	
Non Financial Performance	
Control Variables	
Company Ownership	
Company Size	
Number of Expatriates	
Sample Size	40
Number of Control Variables	3



This Worksheet Plots Two-Way Interaction effects for Standardised Variables.

Source: www.jeremydawson.co.uk/slopes.htm.

Table 4.84 shows that the coefficient of determination was 0.347 in model one while model two with the moderator and the interaction term had a coefficient of determination of 0.452. It means that the moderation effect of strategy implementation on the relationship between strategic planning systems and market performance explain 45.2 percent of variation in market performance. The remaining 54.8 percent was explained by other factors not considered in the model. Table 4.85 shows the overall significance of the model with a p-value of 0.004 which is less than 0.05. The null hypothesis was rejected and concluded that strategy implementation had a significant moderating effect in the relationship between strategic planning systems and market performance.

Table 4.84: Moderation of Strategy Implementation and Strategic Planning Systems on Market Performance

Model Summary				
	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.589	0.347	0.265	0.857
2	0.672	0.452	0.343	0.810

Table 4.85: Analysis of Variance of Strategy Implementation and Market Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.479	4	3.12	4.244	0.007
	Residual	23.521	32	0.735		
	Total	36	36			
2	Regression	16.276	6	2.713	4.126	0.004
	Residual	19.724	30	0.657		
	Total	36	36			
a Dependent Variable: Zscore(Compocustomerperspectives)						
b Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees						
c Predictors: (Constant), Zscore(CompSPS), Zscore: Expatriate employees, Zscore: Company ownership, Zscore: Total employees, InteractSPSSSI, CompSI						

Table 4.86 below shows coefficients of explanatory variables in model one while model two shows the coefficients of explanatory variables together with the moderator and the interaction term.

The regression equation was represented as:

Market Performance = 0.048C + 0.511 Strategy Implementation
(0.759) (0.024)

The regression equation indicates that, a unit change in strategy implementation causes an increase of 0.511 in market performance. It means that unit changes in action planning, activity coordination and institutional alignment causes an increase of 0.511 change in market performance within EPZ firms. Although the moderator was significant at $\alpha = 0.05$, the interaction term was not significant. Therefore, no further probing of the interaction effect was done.

Table 4.86: Coefficients of Strategy Implementation, Strategic Planning Systems and Market Performance

Coefficients							
		Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	
		B	S.E	Beta			VIF
1	(Constant)	-9.88E-17	0.141		0.000	1.000	
	Co. Own	0.035	0.151	0.035	0.229	0.820	1.119
	Tot. Emp	-0.171	0.168	-0.171	-1.014	0.318	1.386
	Exp Emp	-0.229	0.144	-0.229	-1.590	0.122	1.020
	CompSPS	0.601	0.159	0.601	3.783	0.001	1.235
2	(Constant)	0.048	0.155		0.310	0.759	
	Co. Own	0.018	0.143	0.018	0.128	0.899	1.121
	Tot Emp	-0.204	0.164	-0.204	-1.240	0.225	1.479
	Exp.Empl	-0.234	0.139	-0.234	-1.688	0.102	1.056
	CompSPS	0.328	0.188	0.328	1.744	0.091	1.940
	CompSI	0.511	0.215	0.435	2.376	0.024	1.833
	SPS x SI	-0.161	0.263	-0.087	-0.611	0.546	1.119
a Dependent Variable: Zscore(Compmarket perspectives)							

Key: Co.Own - Company ownership; Tot. Emp - Total employees, ExpEmp – expatriate employees; CompSPS - composite strategic planning systems, CompSI - Composite strategy implementation; SPS x SI Interaction term.

4.10 Strategic Planning Systems, Strategy Implementation and Performance

Objective five was to determine the joint influence of strategic planning systems and strategy implementation on performance of EPZ firms in Kenya. This objective was tested using multiple linear regression of hierarchical nature. Hierarchical approach was used to establish model one which measured the independent influence of strategic planning systems on performance and then model two which measured the

joint influence of strategic planning systems and strategy implementation on performance. Objective five was achieved by testing hypothesis five, which was:

$H0_5$: Strategic planning systems and strategy implementation have no joint influence on firm performance

To achieve objective five, strategic planning systems and strategy implementation were regressed upon the four performance measures of return on investments, sales growth rate, internal business processes and market performance as indicated below. Table 4.86 shows the coefficient of determination for strategic planning systems independently in model one and strategic planning systems jointly with strategy implementation in model two.

In model one the R^2 was 0.209 while in model two showing the joint influence the R^2 was 0.547. It means that jointly, strategic planning systems and strategy implementation explain 54.7 percent of variation in return on investment performance. The remaining 45.3 percent was explained by other factors not considered in the model. Table 4.88 shows the overall significance of the model with a p-value of 0.029 which is less than 0.05. The null hypothesis was rejected and concluded that jointly strategic planning systems and strategy implementation have a significant influence on return on investment performance.

Table 4.87: Strategic Planning Systems and Strategy Implementation on Return on Investment Performance

Model Summary							
	R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics		
					R Square Change	F Change	Sig. F Change
1	0.457	0.209	0.084	0.612	0.209	1.670	0.207
2	0.739	0.547	0.377	0.504	0.338	3.976	0.207

Table 4.88: Analysis of Variance of Joint Strategic Planning Systems and Strategy Implementation and Return on Investment

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.876	3	0.625	1.670	0.207
Residual	7.117	19	0.375		
Total	8.993	22			
Regression	4.916	6	0.819	3.215	0.029
Residual	4.077	16	0.255		
Total	8.993	22			

a Predictors: (Constant), techniques, Management participation, Planning resources
b Predictors: (Constant), Planning techniques, Management participation, Planning resources, Action planning, Institutional alignment, Coordination c Dependent Variable: Return on Investment Performance

Table 4.89 below shows the beta coefficients of strategic planning systems in model one while it shows the coefficients of strategic planning systems jointly with strategy implementation in model two. Action planning had a negative coefficient while institutional alignment had a positive coefficient. It means that a unit change in action planning causes a positive change in return on investment while a unit change in institutional alignment causes a positive change in return on investment performance.

Table 4.89: Coefficients of Strategic Planning Systems and Strategy Implementation on Return on Investment Performance

Coefficients								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
1	(Constant)	0.039	0.128		0.305	0.764		
	Plan Res	0.320	0.225	0.396	1.424	0.171	0.539	1.854
	Mgt Prt	-0.357	0.211	-0.437	-1.696	0.106	0.627	1.594
	Plan Tcq	0.307	0.334	0.233	0.917	0.370	0.643	1.554
2	(Constant)	0.041	0.106		0.386	0.705		
	Plan Res	0.250	0.195	0.310	1.281	0.218	0.485	2.061
	Mgt Prt	-0.389	0.206	-0.476	-1.890	0.077	0.446	2.241
	Plan Tcq	0.242	0.306	0.184	0.789	0.442	0.521	1.920
	Act Pln	-0.520	0.205	-0.698	-2.537	0.022	0.374	2.673
	Crd	0.023	0.215	0.034	0.108	0.915	0.285	3.514
	Inst.algn	0.587	0.211	0.811	2.786	0.013	0.335	2.988

a Dependent Variable: Return on Investment Performance

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq - Planning techniques; Act Pln - Action planning; Crd - Coordination; Inst Algn - institutional alignment.

The relationships were represented by the following equation:

ROI = 0.041C – 0.520 Action Planning + 0.587 Institutional alignment
(0.705) (0.022) (0.013)

The regression equation shown above indicates that a unit change in action planning causes an decrease of 0.520 in return on investment performance. It means that the assignment of responsibilities to planning teams, timely indication of the activities to be undertaken and adequate estimation of resource requirements causes a decrease of 0.520 in return on investment performance. Conversely, structural adjustment, cultural adjustment and systems adjustment causes an increase of 0.587 in return on investment performance.

Table 4.90 shows the coefficient of determination for strategic planning systems independently in model one and strategic planning systems jointly with strategy implementation in model two. In model one R^2 was 0.104 while in model two the R^2 was 0.328. It means strategic planning systems jointly with strategy implementation explain 32.8 percent of sales growth rate performance. The remaining 67.2 percent was explained by other factors not considered in the model. Table 4.91 shows the overall significance of the model with a p-value of 0.480 in model two which is greater than 0.05. The null hypothesis was not rejected and concluded that the joint influence of strategic planning systems and strategy implementation has no influence on sales growth rate performance.

Table 4.90: Strategic Planning Systems and Strategy Implementation on Sales Growth Rate Performance

Model Summary							
					Change Statistics		
	R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	F Change	Sig. F Change
1	0.322	0.104	-0.076	0.460	0.104	0.577	0.639
2	0.573	0.328	-0.007	0.445	0.225	1.339	0.308

Table 4.91: Analysis of Variance of Strategic Planning Systems, Strategy Implementation on Sales Growth Rate Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.367	3	0.122	0.577	0.639
	Residual	3.181	15	0.212		
	Total	3.548	18			
2	Regression	1.165	6	0.194	0.978	0.480
	Residual	2.383	12	0.199		
	Total	3.548	18			
a Predictors: (Constant), techniques, Management participation, Planning resources b Predictors: (Constant), Planning techniques, Management participation, Planning resources, Action planning, Institutional alignment, Coordination c Dependent Variable: Sales Growth Rate Performance						

Table 4.92 below shows the coefficients of strategic planning systems in model one while it shows the coefficients of strategic planning systems jointly with strategy implementation in model two. However, none of the coefficients was significant which means that the independent influence of the variables does not explain changes in sales growth rate performance.

Table 4.92: Coefficients of Strategic Planning Systems and Strategy Implementation on Sales Growth Rate Performance

Coefficients								
		Unstandardized Coefficients		Standardize Coefficients			Collinearity Statistics	
	Model	B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
1	(Constant)	-0.081	0.106		-0.763	0.458		
	Plan Res	0.246	0.187	0.438	1.315	0.208	0.539	1.854
	Mgt Prt	-0.108	0.175	-0.190	-0.614	0.548	0.627	1.594
	Plan Tcq	-0.142	0.278	-0.155	-0.510	0.618	0.643	1.554
2	(Constant)	-0.075	0.103		-0.728	0.481		
	Plan Res	0.290	0.191	0.517	1.524	0.154	0.485	2.061
	Mgt Prt	-0.320	0.201	-0.565	-1.595	0.137	0.446	2.241
	Plan Tcq	-0.377	0.299	-0.414	-1.262	0.231	0.521	1.920
	Act Pln	0.009	0.200	0.018	0.045	0.965	0.374	2.673
	Crd	0.252	0.210	0.531	1.198	0.254	0.285	3.514
	Inst.algn	0.088	0.206	0.176	0.430	0.675	0.335	2.988
	a Dependent Variable: Sales Growth Rate Performance							

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq - Planning techniques; Act Pln - Action planning; Crd - Coordination; Inst Algn - institutional alignment.

Table 4.93 below shows the coefficient of determination for strategic planning systems independently in model one and strategic planning systems jointly with strategy implementation in model two. In model one, R^2 was 0.519 while in model two the R^2 was 0.576. It means that strategic planning systems jointly with strategy implementation explain 57.6 percent of variation in internal business process performance. The remaining 42.4 percent was explained by other factors not considered in the model. Table 4.94 shows the overall significance of the model with a p-value of 0.000 as shown in model two which is less than 0.05. The null hypothesis was rejected and concluded that the joint influence of strategic planning systems and strategy implementation has a significant influence on internal business process performance.

Table 4.93: Strategic Planning Systems and Strategy Implementation on Internal Business Processes Performance

Model Summary							
					Change Statistics		
	R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	F Change	Sig. F Change
1	0.721	0.519	0.474	0.501	0.519	11.532	0.000
2	0.759	0.576	0.488	0.495	0.056	1.276	0.301

Table 4.94: Analysis of Variance of Strategic Planning Systems, Strategy Implementation on Internal Business Process Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.704	3	2.901	11.532	0.000
	Residual	8.051	32	0.252		
	Total	16.755	35			
2	Regression	9.643	6	1.607	6.554	0.000
	Residual	7.112	29	0.245		
	Total	16.755	35			

a Predictors: (Constant), techniques, Management participation, Planning resources
b Predictors: (Constant), Planning techniques, Management participation, Planning resources, Action planning, Institutional alignment, Coordination
c Dependent Variable: Internal Business Process Performance

Table 4.95 shows the coefficients of strategic planning systems in model one while it shows the coefficients of strategic planning systems jointly with strategy implementation in model two. Planning techniques had a positive beta coefficient which means that a unit change in the application of planning techniques causes an increase on internal business process performance.

Table 4.95: Coefficients of Strategic Planning Systems and Strategy Implementation on Internal Business Process Performance

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.	Collinearity Statistics	
		B	S.E	Beta			Tolerance	VIF
1	(Constant)	-0.037	0.084					
	Plan Res	0.168	0.146	0.192	1.151	0.258	0.539	1.854
	Mgt Prt	0.199	0.137	0.225	1.452	0.156	0.627	1.594
	Plan Tcq	0.623	0.217	0.438	2.868	0.007	0.643	1.554
2	(Constant)	0.036	0.083		-0.440	0.663		
	Plan Res	0.255	0.152	0.291	1.677	0.104	0.485	2.061
	Mgt Prt	0.093	0.160	0.105	0.580	0.567	0.446	2.241
	Plan Tcq	0.601	0.238	0.423	2.525	0.017	0.521	1.920
	Act Pln	-0.160	0.159	-0.199	-1.004	0.324	0.374	2.673
	Crd	0.326	0.168	0.441	1.945	0.062	0.285	3.514
	Inst.algn	-0.136	0.164	-0.174	-0.830	0.413	0.335	2.988
a Dependent Variable: Internal Business Process Performance								

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq - Planning techniques; Act Pln - Action planning; Crd - Coordination; Inst Algn - institutional alignment.

The relationships are represented by the following equation:

Internal Business Process Performance = 0.036C + 0.610 Planning techniques
(0.663) (0.017)

The regression equation shown above indicates that a unit change in planning techniques causes an increase of 0.610 in internal business process performance. It means that firms which apply Porter's five forces techniques in industry analysis and SWOT technique in the analysis of the internal and external environment achieve an increase of 0.610 in internal business process performance.

Table 4.96 shows the coefficient of determination of strategic planning systems independently in model one and strategic planning systems jointly with strategy implementation in model two. In model one, R^2 was 0.287 while in model two, R^2 was 0.384. It means that jointly, strategic planning systems with strategy implementation explain 38.4 percent of variation in market performance. The remaining 61.6 percent was explained by other factors not considered in the model. Table 4.97 shows the overall significance of the model with a p-value of 0.017 in model two which is less than 0.05. The null hypothesis was therefore rejected and concluded that the joint influence of strategic planning systems and strategy implementation has a significant influence on market performance.

Table 4.96: Strategic Planning Systems and Strategy Implementation on Market Performance

Model Summary							
					Change Statistics		
	R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	F Change	Sig. F Change
1	0.535	0.287	0.222	0.458	0.287	4.422	0.010
2	0.619	0.384	0.260	0.446	0.097	1.574	0.216

Table 4.97: Analysis of Variance of Strategic Planning Systems, Strategy Implementation on Market Performance

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.787	3	0.929	4.422	0.010
	Residual	6.933	33	0.210		
	Total	9.720	36			
2	Regression	3.730	6	0.622	3.113	0.017
	Residual	5.990	30	0.200		
	Total	9.720	36			
a Predictors: (Constant), Techniques, Management participation, Planning resources b Predictors: (Constant), Planning techniques, Management participation, Plan ning resources, Action planning, Institutional alignment, Coordination c Dependent Variable: Market Performance						

Table 4.98 shows the coefficients of strategic planning systems in model one while it shows the coefficients of strategic planning systems jointly with strategy implementation in model two. However, none of the coefficients was significant which means that the independent variables did not explain market changes.

Table 4.98: Coefficients of Strategic Planning Systems and Strategy Implementation on Market Performance

Coefficients								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	S.E	Beta	t-Value	Sig.	Tolerance	VIF
1	(Constant)	0.000	0.076		0.003	0.998		
	Plan Res	0.117	0.132	0.178	0.888	0.381	0.539	1.854
	Mgt Prt	0.169	0.123	0.254	1.368	0.181	0.627	1.594
	Plan Tcq	0.225	0.196	0.210	1.148	0.259	0.643	1.554
2	(Constant)	0.004	0.074		0.056	0.955		
	Plan Res	0.129	0.135	0.196	0.951	0.349	0.485	2.061
	Mgt Prt	0.036	0.142	0.055	0.255	0.800	0.446	2.241
	Plan Tcq	0.073	0.212	0.068	0.344	0.733	0.521	1.920
	Act Pln	-0.111	0.142	-0.183	-0.782	0.441	0.374	2.673
	Crd	0.156	0.149	0.281	1.044	0.305	0.285	3.514
	Inst.algn	0.179	0.146	0.304	1.225	0.230	0.335	2.988
a Dependent Variable: Market Performance								

Key: Plan Res - Planning resources; Mgt Prt - Management Participation; Plan Tcq - Planning techniques; Act Pln - Action planning; Crd - Coordination; Inst Algn - institutional alignment.

4.11 Chapter Summary

The chapter focused on the data analysis and interpretations of the study. It also focused on the interpretations of the data findings. Demographic profiles both at the respondent and firm levels were analyzed. Respondent profiles focused on the respondent designation, level of education, gender and work experience while firm profiles focused on firm location, age, sector, ownership expatriate employment and export destination.

This chapter has shown how specific hypothesis for the study were tested and subsequently interpreted. The chapter showed how direct relationships in hypotheses one and two were tested using simple regression. It also showed how indirect relationships in terms of the mediating effect and moderating effect were tested and interpreted. Further, it showed how the joint influence between strategic planning systems and strategy implementation was tested using multiple regression models.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

In this chapter, the results of the study were discussed and meaningful patterns derived. In discussing the results confirmatory patterns with previous studies were indentified while inconsistencies were highlighted. The discussion was then narrowed down to the research gaps which had been identified during the literature review. The sections are arranged according to the objectives and hypotheses of the study.

5.2 Strategic Planning Systems and Firm Performance

Empirical findings of this study on the relationship between independent strategic planning systems and different performance measures yielded mixed results. Performance was measured in terms of the balanced scorecard perspectives (Kaplan and Norton, 2001). Financial performance was measured in terms of return on investment and sales growth rate while non financial performance was measured in terms of the internal business processes and market perspectives. This approach is meaningful and contributes to the unconcluded debate about performance measurement (Pun and White, 2005; Hubbard, 2009).

5.2.1 Planning Resources and Firm Performance

Resources are assets that firms own and control on a semi permanent basis. Performance is a function of how well the managers build their organizations around resources that are valuable, rare, inimitable and non substitutable. There is a general agreement among the resource based view scholars that resources are pertinent in the achievement of superior performance by stating that resources used facilitate and enhance organizational effectiveness. Helfat and Petaraf (2003) posited that firms which configure resources according to the dictates of the context achieve better performance. Ramanujam, Venkatraman and Camillus (1986) emphasized the role of planning resources in the achievement of better performance. Resource based view scholars settled for a strong relationship between resources and firm performance (Barney, 2001; Newbert, 2007).

This study established a significant relationship between planning resources with both financial and non financial performance. Studies on organizational resources have a long history in strategic management in terms of determining competitive advantage. This basic concern has surfaced in the resource based view of the firm which has directed attention to important resource endowments of firms within industries (Wernerfelt, 1984; Barney, 1991). According to the resource based theorists, differences in performance arise from differences in resource endowments within different firms. In a plausible extension of the resource based theories, Kraatz and Zajac (2001) posited that resources which are scarce, valuable and imperfectly imitable are capable of creating sustained performance differences among competing firms. In essence, the resources and capabilities need to feature prominently in strategic planning.

The results of this study reveal that planning resources have a significant influence on both the financial and non financial performance of EPZ firms in Kenya. Although Hapisu (2003) study did not focus on resources, it established a positive link between strategic planning and competitive advantage in Kenyan EPZ firms. Shah and Rivera (2007) study which was done in Trinidad established a positive link between EPZ firms and environmental performance. Therefore, the findings of this study are consistent with past studies. This study findings established a positive associations between planning resources and performance, are in line with the past studies. Penrose (1959) strongly emphasized the role of resources in promoting performance sustainability and successful growth of the firm. In her view, resources are the primary factors determining firm growth. Like Penrose (1959), Kraatz and Zajac (2001) argued that organizational resources are valuable bundles of options for future strategic choices.

Ramanujam and Venkatraman (1987) study established that planning resources have a dominant impact on planning system effectiveness. Planning system effectiveness was measured in terms of system capability, objective fulfillment and relative competitive performance. Helfat (1998) study of the US petroleum industry provided empirical support for this perspective. She established that petroleum firms with certain types of

resources engaged in more coal gasification research hence making them highly adaptable and more likely to achieve performance benefits. Consequently, this study established a significant positive relationship between planning resources with return on investment and internal business process performance. A theoretical contribution of this study is establishment that planning resources are valuable bundles of endowments which determine how well a firm achieves the ultimate performance. For EPZ which was the context of this study, these resource endowments are inherent in the financial resources available to the firm, business networks and trade contacts which the firms make with external partners together with physical assets to facilitate production and service delivery.

Strategy researchers have increasingly become aware of the uniqueness, inimitability, historically and heterogeneously accumulated resources that differentiate firms but little attention has been focused on planning resources. This study's empirical findings provide evidence of performance being a function of planning resource endowments. Ramanujam, Venkatraman and Camillus (1986) emphasized that planning in an organization cannot be successful unless adequate resources are committed to the activity. Consistent with prior research, this study established that resources not only enhance internal and external growth of the firm but also was a function of both financial and non financial performance in EPZ firms (Ramanujam and Venkatraman, 1987; Kraatz and Zajac, 2001).

5.2.2 Management Participation and Performance

Management participation is pertinent in the achievement of better performance. Lines (2004) defined management participation as a conscious and intended effort by managers at different levels in an organization to provide visible and extra roles in the organizations with a view of increasing their output in different areas of performance. Extant literature has reported mixed empirical findings on the independent influence of management participation on firm performance. Dayson and Foster (1982), Curries and Procter (2005) established that performance is influenced by what happens at middle level management. On the contrary, Lines (2004) and Elbanna (2008) reported no significant relationships between management participation and firm performance.

This study reported mixed findings on the relationship between management participation and different measures of performance. The results indicated positive and significant influence of management participation only on internal business process performance. Conversely, no significant association was established between management participation with return on investment, sales growth rate and market performance. These findings are in line with prior studies that focused on management participation. Dayson and Foster (1982) study done in UK established a direct relationship between participation and effectiveness. They concluded that an effective planning system facilitates achievement of effectiveness. An important observation from this study was that an effective planning process was one which harnesses positive tendencies of participation while at the same time mitigating the negative ones. Ogbeide and Harington (2011) established a significant positive influence of management participation on overall profits and financial success.

Significant relationships between management participation and internal business process performance are in line with Holocomb, Holmes and Connelly (2009) study which demonstrated that managers are an important source of value creation. The findings also provided insights into the arguments that managerial actions determine a firm success. An important contribution of this study to the resource based perspective in line with (Newbert, 2007) offer support for the view that although resources may provide performance advantages, realizing the benefit depends on the way managers bundle, deploy and synchronize resources. This study shows that indeed the managerial ability to synchronize different processes within the organization is critical to the realization of better performance. The finding was consistent with the view that the manager's abilities to build, integrate, manage and configure organizational resources are routed in managerial cognition (Eggers and Kaplan, 2013)

Performance measures focusing on return on investment, sales growth rate and market performance in this study established no significant relationships. These results were in line with Elbanna (2008) study which showed no significant relationship between management participation and performance. The finding was surprising given the

frequently made claim that management involvement is positively associated with performance (Floyd and Wooldridge, 1997; Ketokivi and Gastner, 2004). A possible explanation of the findings according to Elbanna (2008) is that management participation could be moderated by other variables not considered in the study. In a plausible extension of this argument, Lines (2004) argued that the effects of management participation if any would not be stable across all possible conditions because a number of contextual factors such as organizational culture have been hypothesized to moderate the relationship between participation and outcomes.

In essence, there is still much to learn and explore about the nature and influence of management participation in strategic planning performance. The financial measures considered for this study were return on investment and sales growth rate. The findings were not significant and they were rather contradictory to the expectation. Actual figures were used in computing sales growth rate and return on investment. From the filed returns, it was noted with concern that some companies did not file the returns consistently leading to variety of missing data could explain the outcomes.

5.2.3 Planning Techniques and Firm Performance

Utilization of planning techniques in strategic planning is a fundamental indication of the extent to which planning practice has been formalized in organizations. Elbanna (2008) posited that some firms may practice strategic planning through the use of formal plans while others utilize techniques without formal plans. Whichever way a firm chooses, it all amounts to strategic planning. This discussion justifies the choice planning techniques in this study as an important measure of the planning practice. The findings of this study established that planning techniques significantly influenced internal business processes and market performance while the influence was not significant on return on investment and sales growth rate performance. These findings partially support past empirical studies.

This study established significant relationships with non financial performance measures. Ramanujam and Venkatraman (1987) in a study focusing on fortune 500 manufacturing and service companies established that, although planning techniques

do influence organizational effectiveness, contextual elements had overriding influence on performance. Similarly, Elbanna (2008) established that planning practice which was defined in terms of use of planning techniques was significantly associated with effectiveness. He argued that the use of strategic planning techniques was an indication of the formalization of strategic planning process. Further, he observed that even firms without written strategic plans practice strategic planning through the use of appropriate planning techniques.

Prior empirical studies that focused on the strategic planning techniques sought to establish whether firms use the techniques in planning (Aldehayatt and Khattab, 2011; Ghamdi, 2005). A consensus arising from the studies is that planning techniques benefit organizations by enabling them to discern changes and establish market trends. Ghamdi (2005) investigated Saudi Arabian organizations and highlighted the importance of planning techniques. He posited that the most commonly and widely used techniques were analysis of critical success factors, followed by benchmarking. Aldehayatt and Khattab (2011) study established that planning techniques were used by firms in Egypt and financial analysis technique was the most commonly used tool in UK, Greece, Jordan and Egypt. These empirical findings are in line with the results of this study which established that the most commonly used planning techniques from qualitative data were financial matrix and financial budgets.

Large foreign firms utilize strategic planning techniques more often than small local ones. Stonehouse and Pembertone (2002) study reported that the use of strategic planning techniques was linked to large organizations in the UK. This was because larger firms were more likely to plan more often on the long term. They observed that lack of awareness of the relevant planning techniques may be the fundamental reason for underutilization of the techniques by the managers in small firms. In a plausible extension of the foregoing argument, Dincer,Tatoglu and Glaister (2006) study done in a transition economy of Turkey supported the view that foreign firms used planning more often than local firms. The findings of this study are in line with the above studies because it confirmed the utilization of variety of planning techniques.

From the research findings, it is evident that a greater use of strategic planning techniques for the analysis of the business environment improves organizational performance. In line with these findings, Stonehouse and Pembertone (2002) study established that use of external and internal techniques of analysis enhanced not only the organizations ability to learn but also strategic thinking and reduction of failure rates among Small and Medium Enterprises (SMEs). They also established that planning techniques appeared to be overriding in determining planning effectiveness. This study attempted to link the use of planning techniques to firm performance in order to fill the established knowledge gap for this study.

This study revealed that other planning techniques were used in strategic planning and the achievement of competitiveness within EPZ firms. The other planning techniques were classified in terms of internal techniques, external techniques and those which are used in both internal and external. Variety of planning techniques which were listed by firms operating within EPZs was indicative of internal as well as the external orientation of firms in achieving competitiveness. These results are in line with Ghamdi (2005) study which established that firms in Saudi Arabia utilize both internal and external planning techniques. This is contrary to the findings of this study which established that most commonly used technique was financial budgets. Ghamdi (2005) observed that the most widely used techniques were analysis of critical success factors, followed by benchmarking.

Planning techniques have been used widely by different organizations. Several studies which focused on strategic planning techniques sought to establish whether the firms employ planning techniques in strategic planning (Ghamdi, 2005; Gunn and William, 2007; Aldehayyat and Khattab, 2011). However, few studies focused on the relationship between strategic planning techniques and firm performance (Amran and Kulatilaka, 1999; Stonehouse and Pembertone, 2002; Dincer, Totaglu and Glaister, 2006). This study focused on linking the application of planning techniques to the achievement of firm performance. Since this study revealed that firms within EPZs have strong orientation to the internal as well as external environment, it indicates that both the internal and external environment are major determinants of performance.

Previously, Aldehayyat and Khattab (2011) study on planning techniques in Jordanian hotels indicated that the most commonly used planning technique was the financial analysis. Stonehouse and Pembertone (2002) posited that financial analysis was one of the most commonly used tools in UK, Greece, Egypt and Bahrain. The above findings are in line with the results of this study, where qualitative data indicated that the most commonly used planning techniques were the financial budgets and financial matrices. Financial perspective is one of the widely used measures of firm performance and it explains why most firms despite an attempt to consider other measures of performance still rely heavily on the financial techniques.

The findings of this study indicated less focus on the internal analysis techniques using tools like core capability analysis and value chain analysis. Possible explanation for greater external orientation would be focus on achieving competitiveness in the export markets which was their core business. These results were consistent with Glaister and Falshaw's (1999) study of UK companies and Dincer, Totaglu and Glaister (2006) study of Turkish companies which found that companies in both countries gave considerable attention to external analysis. External orientation enables firms to compete better within the business environment by discovering business trends, changing customer preferences and profiling competitor strategic moves.

5.2.4 Joint Strategic Planning Systems on Performance

The debate on the value of planning resources, planning techniques and management participation cannot be underestimated. This study considered the joint influence of planning resources, management participation together with planning techniques on performance. This study established significant influence of strategic planning systems on non financial performance while it established no significant relationships with financial performance. These results are in partial agreement with past findings. Ramanujam and Venkatraman (1987) study indicated that organizational context of planning had dominant impact on planning system effectiveness. According to them, the context of planning comprised of the tools and techniques of planning. Elbanna (2008) established that both strategic planning practice and management participation jointly enhanced the effectiveness of strategic planning in Egyptian firms.

The results of the study indicated the overriding importance of considering the influence of strategic planning systems on performance rather than considering isolated variables. This study established significant relationship between strategic planning systems and internal business processes on the one side and market performance on the other. In theoretical perspective, the planning systems were resource bundles which firms acquire for growth. This approach was initiated by Ramanujam, Venkatraman and Camilus (1986) and developed by Ramanujam and Venkatraman (1987).

Firm configuration of strategic planning systems varies in line with environmental dynamisms. Mclarney (2003) in a study that explored environmental turbulence, strategic planning and process effectiveness, demonstrated that in different levels of environmental turbulence, strategic planning function devotes more resources to the planning function and pays more attention to internal and external facets. Further, he also observed that in turbulent environment firms employ more planning techniques together with encouraging greater integration to enhance goal achievement. On the same note, Jennings and Disney (2006) posited that a firm's planning systems need to achieve a balance between adaptation and integration. From the strategic planning perspective, this study has made contribution to the resource based theory and dynamic capabilities theory in terms of ascertaining that achievement of economies of scale and capital endowment are sets of resources while differentiation of products/services together with strategic alliances are dynamic capabilities which firms use to achieve competitiveness.

The findings of positive and significant influence of strategic planning systems on non financial performance are in line with past studies. According to the study findings, the joint influence of planning resources, management participation and planning techniques significantly influence internal business process performance and market performance. Ketokivi and Castner (2004) posited that integrative mechanisms enhance a deeper understanding of associations between different variables. Strategic management literature reveals that certain characteristics of the strategic planning systems have integrative role as espoused by this study. Elbanna (2008) integrated

management participation and strategic planning practice to explain strategic planning effectiveness. He established that the joint influence of planning practice which was defined in terms of application of planning techniques and management participation significantly influenced planning effectiveness. In terms of the methodological contribution, this study has shown that an integration of planning resources, management participation and planning techniques into the process of strategic planning enhance the achievement of sustained firm performance.

5.3 Organizational Learning and Performance

Informed by the extant literature, organizational learning is a prima facie to improved performance. Strategy development has been described as a social learning process where actions are natured and promoted by managers until they become part of the organizational official strategy (Andersen, 2000). The findings of this research indicate a positive and significant influence of organizational learning on non financial performance measures. Organizational learning in this study was measured in terms of individual learning, group learning and institutional learning exemplified in the 4i framework of intuition, interpretation, integration and institutionalization (Crossan, Lane and White, 1999). Crossan and Bedrow (2003) posited that the comprehensive nature of the 4i framework connects the facets of organizational learning which had often remained unconnected.

This study established a relationship between organizational learning and none financial performance. Similarly, Bontis, Crossan and Hulland (2002) study which was done in mutual fund companies in Canada supported the premise that there exist a positive and significant relationship between organizational learning and business performance. In the foregoing study, business performance was computed as a composite variable from subjective measures of performance. In line with the above findings, Bustinza, Molina and Aranda (2011) study established that development of dynamic capabilities in service companies in Spain resulted into improved firm performance. The results of the non financial performance measures of this study agreed with the past findings. However, the results of the financial performance measures contradict with past findings. Possible reasons could be that the financial performance measures are moderated by other factors not considered in this study.

Generally, organizational learning is considered a necessary although not a sufficient precursor to sustained performance. The begging question then remains, how then does learning foster performance since it is context specific. This study focused on EPZ context in Kenya. From the findings of the study, a combination of individual, group and institutional learning positively influenced internal business process performance and market performance. In line with these findings, Morgan and Berthon (2008) study which focused on bioscience industry in the UK, established that exploitative and exploration innovation strategies which are greatly rooted in organizational learning significantly explained improvements in business performance. Similarly, Amiri at al (2010) argued that organizational learning leads to improvements in business performance which explain both financial and non financial performance. They observed that market orientation leads to exploitative learning while generative learning leads to explorative innovation.

Dynamic capability theory states that the mechanisms which firms learn and use to accumulate new skills become the basis of competitive advantage. This study espoused that the source of competitive advantage are rooted in dynamic capabilities which lay in the organization ability to learn. Helfat (1997) observed that dynamic capabilities enable firms not only to create new products and services but also to effectively respond to the changing market conditions. Thus, learning enables firms to explore as well as exploit different resource endowments.

This study demonstrated that learning capabilities are created at the individual, group and institutional levels. One of the theories that form the basis of this study is dynamic capabilities theory. This empirical work contributes positively to this theory by confirming that learning capabilities at different levels form dynamic capabilities, which in the long run enable the organization to achieve sustained performance. From these findings, learning capabilities are a source of competitive advantage in the Kenyan EPZ firms. This study demonstrates that learning abilities at different levels generate competitive advantage thereby increasing a firm's flexibility in adapting to the external environment hence fostering performance.

5.4 Mediation of Organizational Learning on the Relationship Between Strategic Planning Systems and Performance

Strategic planning systems produce specific outcomes through which planning objectives are achieved (King, 1983). Accelerating the speed at which individuals, groups and institutions learn, strategic planning systems could be configured correctly to achieve better firm performance. Barney (2001) discussed extensively the role of planning resources. He explained that resources which are scarce, inimitable and un-substitutable enable firms to position themselves within the environment. Management actions at different levels generate affective, emotional and lead to convergence of strategic priorities which facilitate the achievement of outcomes (Holocomb, Holmes and Connelly, 2009). Further, literature indicates that planning techniques enable the managers to adapt to the changing trends and integrate capabilities into tangible value.

It is expected that through correct configuration of strategic planning systems, firms learn and enhance their ability to perform better. Crossan, Lane and White (1999) argued that intuition which happens at the individual level facilitates formulation of the mental maps enabling cognition. They observed that what is learned at individual level is interpreted and shared within work groups and finally the group meanings are acculturated into the systems, culture and structures. Hsu and Fang (2009) observed that through the absorptive and transformative learning, strategic planning systems achieve product and service development. They concluded that organizational learning capability is a significant mediator in the relationship between intellectual capital and product development performance.

This study puts forth strong evidence that organizational learning mediates the relationship between strategic planning system and non financial performance. The study demonstrated that it is not just enough to align the strategic planning systems to firm performance but also to make them capable of learning and interpreting changes within the environment. Tippins and Sohi (2000) study demonstrated that organizational learning plays a significant role in mediating the effects of information technology competency on firm performance. They observed that it is through learning that strategic planning systems become flexible enough to facilitate

achievement of sustained competitive advantage. Thus, organizational learning becomes a critical and necessary capability through which firms achieve competitive advantage. Nasir and Sisnuhadi (2013) investigated the mediating role of organizational learning in the relationship between quality management based on ISO 9000 and organizational performance in Indonesia and Malaysia and concluded that organizational learning mediates between quality management and performance.

The output of this study shows that there is evidence of significant mediation of organizational learning in the relationship between strategic planning systems and firm performance. The findings extend the knowledge frontiers within the open systems theory through equifinality. Kreitner (2007) posited that equifinality refers to the ability of the firm to achieve a single solution using different means. In this case, managers can utilize varying bundles of resources and dynamic capabilities to achieve competitive advantage. This study added to the open systems theory by confirming that information flow into and outside the organization enable the firm to achieve an equilibrium state. On the same note, Bustinza, Molina and Aranda (2010) observed that the main sources of competitive advantage are skills and routines which emanate from learning.

Skills and routines enable firms to create new products, processes and respond to changing market conditions (Helfat et al, 2007). This study shows that dynamic capabilities are produced through mechanisms of collective learning. Through the mediation effect, this research indicated that the achievement of competitive advantage by EPZ firms through the use of resource bundles depends on the level of organizational learning. Nasir and Sisnuhadi (2013) observed that it is evident that managers through resource transformation and participation play a critical role in aligning the firm's capabilities with external environment which ultimately lead to better performance.

This study established a significant mediating effect of organizational learning in the relationship between strategic planning systems and none financial performance measures. Strategic planning systems were defined in terms of planning resources,

management participation and application of planning techniques. The use of planning techniques in strategic planning defines the basis upon which organizational learning through individuals, groups and systems occurs. Without planning technique intervention, new ideas may not get the support required hence compromising strategic coherence.

This study established that organizational learning mediates the relationship between strategic planning systems and market performance. These findings are indicative of the fact that strategic planning systems are critical and when designed in a way that cultivates and promotes learning processes, they foster superior performance. This finding supports Schauffer and Wallauer (2003) study which concluded that strategic planning is in fact a learning process. Therefore, strategic planning and organizational learning are mutually dependent social processes. Hence, there is greater need to integrate the two processes into a one single process for the benefit of all the organizations seeking sustained performance (Hsu and Fang, 2009).

5.5 Strategic Planning Systems, Strategy Implementation and Performance

Arguably, strategy implementation is an indispensable factor that shapes and determines the success and failure of organizations. Strategic planning systems are the mechanisms of planning. Many previous studies have linked strategic planning systems to performance either independently or jointly (Dayson and Foster, 1982; Ramanujam and Venkatraman, 1987; Elbanna, 2008). However, the results have been inconsistent, fragmented and confusing. These studies recommended considering other additional factors in the relationship. They argued that the empirical inconsistencies suggest possibility of moderated relationships. This study attempted to fill this gap by examining the moderating effect of strategy implementation in the relationship between strategic planning systems and performance.

Strategy implementation forms a critical link in strategic management process. Some empirical studies focused on the problems that lead to failure of strategy implementation (Alexander, 1985; Beer and Eisenstat, 2000; Sterling , 2003) while others focused on the attributes associated with successful strategy implementation

(Peng and Litteljohn, 2001; Aaltonen and Ikavalko, 2002). This study considered the moderating influence of strategy implementation in the relationship between strategic planning systems and firm performance. It confirmed that strategy implementation moderates the relationship between strategic planning systems and internal business process performance on the one side and market performance on the other. Miller, (2002) posited that organizations fail to implement up to 70 percent of their intended strategies. Similarly, Mankins and Steele (2005) observed that 40 percent of the planned value was never achieved due to implementation challenges. In addition, Aosa (1992) strongly recommended that companies need to establish a link between strategy formulation and strategy implementation.

Alexander (1995) found that compensation systems did not hinder strategy implementation while on the contrary Aaltonen and Ikavalko (2002) established that indeed compensation systems were the most problematic issue in strategy implementation. There is a consensus amongst prior scholars that strategy implementation plays a vital role in strategic management. Jalali (2012) study concluded that strategy implementation influences export performance directly. Further, he concluded that strategy implementation acts and as a moderating variable between organizational characteristics, export commitment, environmental characteristics and export performance.

This study examined potential moderating effect of strategy implementation in the relationship between strategic planning systems and performance. Control variables included were company ownership, firm size and expatriate employment. Company ownership determines resources endowment and capabilities among firms while size determines formalization of strategic orientation of firms and the extent of planning while expatriate employment on the other hand is an indicator of skill transfer from firms in the developed world to those in developing world.

This study focused on the moderation effect of strategy implementation on the relationship between strategic planning systems and performance. The moderation effect of strategy implementation in internal business process performance and market

performance were statistically significant. However, those of return on investment and sales growth rate were not significant. The results are partially in line with previous studies. Ogbeide and Harrington (2011) study reported interaction effects where management participation led to greater action plan success. Similarly, Newbert (2007) observed that scholars employing dynamic capability approach seek to confirm the degree to which specific resource levels improve a firm's competitive position. In line with previous studies, this study tested and confirmed the interaction effect of strategy implementation on the relationship between strategic planning systems and internal business process performance.

Strategy implementation is a social-psychological process within organizations. Ogbeide and Harrington (2011) asserted that to achieve success in strategy implementation, firms could apply relevant approaches to the process. This study confirmed the interaction of strategic planning systems and strategy implementation in determining internal business process performance. This study concluded that the achievement of internal business process performance depends on the level of strategic planning systems and the capabilities created by strategy implementation.

Since the interaction term between strategic planning systems and strategy implementation was negative, it means that the interaction between strategic planning systems and strategy implementation could lead to negative performance depending on the level. In essence, low levels of strategic planning systems and low levels of implementation mechanisms lead to negative internal business process performance while high levels of the attributes lead to high and positive internal business process performance. Carlopio and Harvey (2012) observed that failure to recognize and act on these facts, contribute to high strategy implementation failure rates.

5.6 Joint Strategic Planning Systems and Strategy Implementation on Performance

Strategic planning systems are the mechanisms used in strategic planning. Empirical research during the past decades proved that strategic planning is an essential prerequisite in firm performance. Although this has not been the case, positive

planning performance studies out-number the negative ones. Miller and Cardinal (1994) using meta-analysis found that strategic planning positively influence performance. They argued that methodological flows were responsible for the inconsistencies reported in earlier studies.

This study sought to address the knowledge gap created by the reviewed studies which focused either on strategic planning or strategy implementation independently in explaining performance (Miller and Cardinal, 1994; Schauffer and Willauer, 2003; Atkinson, 2006). The study sought to determine the joint influence of strategic planning systems and strategy implementation on performance. The results of this analysis revealed that strategic planning systems jointly with strategy implementation have a positive and statistically significant influence on both financial and non financial performance. An important observation was that the coefficients of determination rose greatly when strategy implementation was added to the model. Importantly, in step 2 on adding strategy implementation, the results changed from being insignificant to statistically significant.

Many past studies in strategic planning focused on the planning processes or the contents of strategic planning (Armstrong, 1982; Grant, 2003; Jennings and Disney, 2006). Conversely, those focusing on strategy implementation revolved around the implementation problems (Alexander, 1985; Aaltonen and Ikavalko, 2002) and or the attributes of successful strategy implementation (Beer and Eisenstat, 2000). This study focused on strategic planning systems namely, planning resources, management participation and planning techniques jointly with strategy implementation. In addition, the study established significant results on both the financial and none financial performance measures. These findings confirm the views which emphasize the importance of both strategy formulation and strategy implementation in strategic management (Aosa, 1992).

The finding that the joint influence of strategic planning systems and strategy implementation led to significant financial and non financial performance could be regarded as an empirical contribution of the study to the existing body of literature. An important theoretical contribution of this research is the empirical support it

provides to the resource based theory and dynamic capabilities theory. In this study, strategic planning systems could be regarded as resource bundles which are critical, rare, inimitable and non substitutable and enable the firm to achieve competitive advantage. Strategy implementation on the other hand constitutes different capabilities through action planning, resource allocation activity coordination and integration of functional areas.

One of the key findings of this study was lack of significant influence of planning systems and strategy implementation on sales growth rate performance. This finding proved the study methodology right because if the approach was financial versus non financial performance, the significant role that the joint influence has on return on investment performance would have been missed. These findings are in line with Tegarden, Sarason and Banbury (2003) who observed that focusing on financial measures alone is too narrow. They suggested an approach which encompasses both financial and non financial performance measures. Further, they observed that availability of resources and successful implementation of strategy ensures that the right level of operational flexibility is achieved to boost performance.

Strategic implementation has a valuable link with planning resources. Step one of the results of this study showed that when strategic planning systems were jointly examined with strategy implementation, the performance perspectives of return on investment, internal business process and market perspectives become significant. These findings are in line with previous research findings. Dayson and Foster (1982) established a direct relationship between planning resources and strategy implementation represented by the integration of planning function. They observed that in participative environments, the planning function is well integrated into the decision making process which facilitates organizational effectiveness.

Resource based theorists (Teece et al, 1997; Newbert, 2007) observed that firms posses and exploit resources which are rare, valuable, inimitable and un substitutable to achieve superior performance. Jennings and Disney (2006) concluded that firms planning systems need to achieve adaptation and integration in the processes. They

defined adaptation as promotion of creativity and identification of opportunities. Similarly, integration was defined as coordination of internal resources which are the functions of strategy implementation. This study established that the joint influence of strategic planning systems together with strategy implementation enhances the achievement of better performance. The findings were in line with Ogbeide and Harrington (2011) whose study supported the notion that greater level of involvement by management was related to strategy implementation success and in turn financial performance.

5.7 Chapter Summary

The chapter discussed the findings of the study. This was done in accordance with the study objectives and the subsequent hypotheses which guided the study. Important confirmatory patterns from the findings were established while inconsistencies were highlighted.

The main research gaps which had been identified were shown and the research findings used to fill the knowledge gaps explained. Generally, the study established that the findings partially agreed at the same time partially disagreed with the past studies. The differences were attributed to methodological, contextual and conceptualization variations.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter summarizes the results of the study based on the objectives. In this chapter, conclusions are drawn and recommendations given in view of the research question. Implications of the research findings based on theory, policy and practice are given. Also highlighted are the limitations of the study and the proposed areas for future research in strategic management.

6.2 Summary of the Findings

This study focused on investigating the influence of strategic planning systems, organizational learning and strategy implementation on performance of firms in EPZs Kenya. The specific objectives of this study were to examine the independent influence of strategic planning systems and organizational learning on performance. The study also sought to determine the mediating effect of organizational learning on the relationship between strategic planning systems and performance and assess the moderating effect of strategy implementation on the relationship between strategic planning systems and performance. Finally, the study endeavored to determine the joint influence of strategic planning systems and strategy implementation on performance of firms in EPZs Kenya.

In line with the conceptual and empirical literature reviewed, a model which formed the framework that guided this study was developed. The model linked strategic planning systems, organizational learning and strategy implementation with performance. This link was established both directly and through mediation and moderation effects. Based on the relationships discerned, hypotheses were formulated and tested using simple, multiple and moderated linear regression analysis.

6.2.1 Strategic Planning Systems and Performance

Strategic planning systems were analyzed in terms of the planning resources, management participation and planning techniques. Planning resources significantly influenced return on investments, internal business process performance and market performance. However, the results showed no significant influence on sales growth rate performance. Return on investment had the highest significant predictive power of 54.6 percent followed by internal business process performance of 32.5 percent and lastly, market performance of 26.5 percent. The results confirmed that planning resources significantly influences performance.

Management participation significantly influenced only internal business process performance. It had a significant predictive power of 37.8 percent on internal business process performance. Conversely, the rest of the performance measures which included, return on investment, sales growth rate and market performance were not significantly influenced. These results are in line with past studies which focused on management participation and performance and reported mixed results. A possible explanation of the mixed findings has been attributed to other factors which moderate the relationship. Differences in the managerial hierarchy in terms of the top, middle and lower cadre could be possible explanations of the mixed findings.

Planning techniques had significant influence on the non financial performance measures while the financial performance measures were not significant. Internal business process performance and market performance were significantly influenced by planning techniques. They had significant predictive powers of 36.8 percent and 17 percent for internal business process and market performance respectively. Return on investment and sales growth rate were not significantly influenced by strategic planning techniques. Since the planning techniques influenced both business processes and market performance, it is safe to conclude that planning techniques are important predictors of both the internal and external performance.

Finally, the joint influence of all the strategic planning systems under study showed significant predictions of non financial performance measures. Worth noting is the fact that the results of the joint influence of all the three strategic planning systems had higher explanatory powers than the independent influence of each of the planning systems. These results point to the importance of planning system configuration in the achievement of better performance. Jointly, planning resources, management participation and strategic and techniques significantly predicted 51.9 percent of internal business process performance.

6.2.2 Organizational Learning and Performance

This study measured organizational learning at three levels of individual, group and the institution. According to the findings of this study, organizational learning significantly influenced non financial performance while on the other hand, the relationships with financial measures were not significant. Organizational learning predicted 41.4 percent of internal business process performance while it predicted 31.6 percent of market performance. However, organizational learning did not show significant influence on return on investment and sales growth rate performance.

The three levels of organizational learning are linked by the four psychological processes of intuition, interpretation, integration and institutionalization. These processes constitute important dynamic capabilities through which organizations achieve better performance. Through the processes, organizations acquire attributes which enable them to adapt to changing trends within the business environment. Learning constitutes dynamic capabilities which facilitate the achievement of competitive advantage. Further, learning capabilities enable the organization to integrate different sub-processes hence facilitate better performance. Firms within EPZs acquire learning capabilities which enable them to remain competitive both locally and globally. Locally, the firms survive industry based competition while globally they effectively compete with international firms in the export markets.

6.2.3 Strategic Planning Systems, Organizational Learning and Performance

In this study, mediation was defined by the relationship where strategic planning systems influenced performance through organizational learning. The results of the study showed that organizational learning significantly mediated the relationship between strategic planning systems and non financial performance measures. Internal business process performance had coefficients of 0.7032, 0.5440 and 0.3685 for paths a, b and c, respectively which provided good explanatory power. On the other hand, market performance had coefficients of 0.4982, 0.5440 and 0.3686 for paths a, b, and c. Path a represented the direct relationship of strategic planning systems on performance. Path b represented the relationship between the mediator and the predictor. Path c represented the relationship where the strategic planning systems influenced performance through organizational learning.

Mediation tests did not show significant influence of strategic planning systems on financial performance measures. The mediated relationships were not significant both for return on investment and sales growth rate performance. An important observation was that the relationship between the predictor (strategic planning systems) and the mediator (organizational learning) was significant. Since the mediation effect of organizational learning was significant on internal business processes and market performance, the study concluded that organizational learning is a significant mediator in non financial performance.

6.2.4 Strategic Planning Systems, Strategy Implementation and Performance

Strategy implementation moderated the relationship between strategic planning systems and non financial performance. The results of internal business processes, showed 50.2 and 59.8 percent explanatory powers in the first and the second models, respectively. The coefficient of the moderator was 0.264, the independent variable was 0.544 while the interaction term was -0.543 with a significant p-value of 0.025 which was less than $\alpha = 0.05$. Further probing of the interaction effect was done using Dawson's interaction plots and established that the influence of strategic planning systems on internal business process performance depends on the level of strategy implementation.

Similarly, strategy implementation significantly moderated the relationship between strategic planning systems and market performance. In this relationship, explanatory power of 34.7 percent and 45.2 percent were reported in the first and the second models. The coefficient of the moderator was significant hence moderation effect was proved in the relationship between strategic planning systems and market performance. However, the interaction term was not significant hence further probing of the interaction effect was not done (Dawson, 2013).

Strategy implementation was not a significant moderator in the relationship between strategic planning systems and financial performance measures. The results of the relationships in first and the second model for return on investment and sales growth rate performance were not significant. Therefore, for the return on investment and sales growth rate performance neither moderation nor interaction was confirmed.

6.2.5 Joint Strategic Planning Systems, Strategy Implementation and Performance

Strategic planning systems and strategy implementation significantly influenced both the financial and the non financial performance. The joint influence of strategic planning systems and strategy implementation had significant influence on return on investment, internal business processes and market performance. However, the influence on sales growth rate performance was not statistically significant. Additionally, the relationship had seemingly low coefficients of determination and the adjusted R^2 was negative. In the analysis, the first model focused on the independent influence of strategic planning systems while second model focused on the joint influence of both strategic planning systems and strategy implementation.

The explanatory power of the joint influence of strategic planning systems and strategy implementation was 54.7 percent, 57.6 percent and 38.4 percent on return on investment, internal business process and market performance, respectively. Informed by the results, joint influence of strategic planning systems and strategy implementation influences the achievement of both the financial and non financial performance. The study confirmed that indeed strategy implementation is a critical link between strategy formulation and the achievement of superior performance.

6.2.6 Summary of Tests of Hypotheses

A summary of the findings of objective one are presented in Table 6.1 while those of objectives two, three, four and five are presented in Table 6.2. In testing objective one, each individual planning system was tested against all the four measures of performance. Further, the joint influence of all the three planning system was also tested. In objective two, three, four and five composite measures of organizational learning and strategy implementation were computed and regressed against all the four performance measures.

Table 6.1: Summary of Objective One Findings

Objective	Hypothesis	Sub-Hypothesis	Performance Measure	Test Results
1. To examine the influence of strategic planning systems on performance of firms in EPZs in Kenya.	H_1: Strategic planning systems have no significant influence on firm performance.	H_{1a}: Planning resources have no influence on firm performance	Return on investment	Rejected
			Sales growth rate	Failed to reject
			Internal business processes	Rejected
			Market performance	Failed to reject
		H_{1b}: Management participation has no influence on performance	Return on investment	Failed to reject
			Sales growth rate	Failed to reject
			Internal business processes	Rejected
			Market performance	Failed to reject
		H_{1c}: Planning techniques have no influence on performance	Return on investment	Failed to reject
			Sales growth rate	Failed to reject
			Internal business processes	Rejected
			Market performance	Rejected
		H_{1d}: There is no joint influence of strategic planning systems on performance	Return on investment	Failed to reject
			Sales growth rate	Failed to reject
			Internal business processes	Rejected
			Market performance	Rejected

Table 6.2: Summary of Objectives Two to Five Findings

Objective	Hypothesis	Performance Measure	Test Result
2. To investigate the influence of organizational learning on performance of firms in EPZs in Kenya.	H_2: Organizational learning has no influence on firm performance.	Return on investment	Failed to reject
		Sales growth rate	Failed to reject
		Internal business processes	Rejected
		Market performance	Rejected
3. To determine the mediating effect of organizational learning on the relationship between strategic planning systems and performance of firms in EPZs in Kenya.	H_3: Organizational learning has no mediating effect on the relationship between strategic planning systems and firm performance.	Return on investment	Failed to reject
		Sales growth rate	Failed to reject
		Internal business processes	Rejected
		Market performance	Rejected
4. To assess the moderating effect of strategy implementation on the relationship between strategic planning systems and performance of firms in EPZs in Kenya.	H_4: Strategy implementation has no moderating effect on the relationship between strategic planning systems and firm performance.	Return on investment	Failed to reject
		Sales growth rate	Failed to reject
		Internal business processes	Rejected
		Market performance	Rejected
5. To determine the joint influence of strategic planning systems and strategy implementation on performance of firms in EPZs in Kenya.	H_5: Strategic planning systems and strategy implementation have no joint influence on firm performance.	Return on investment	Rejected
		Sales growth rate	Failed to reject
		Internal business processes	Rejected
		Market performance	Rejected

6.3 Conclusion

This thesis has established the nature and extent of the relationship between strategic planning systems and firm performance. Based on the outcomes, this study draws conclusion on three strands in terms of theory, context and processes. The study confirmed hypothesized significant influence of planning resources on firm performance on the one hand and the joint influence of strategic planning systems and strategy implementation on performance on the other hand. These empirical affirmations are important specifically in an attempt to confirm that resource bundles which are rare, scarce valuable and non imitable together with dynamic capabilities which are value laden facilitate the achievement of sustained performance.

Organizational learning was proved to be a significant mediator in the relationship between strategic planning systems and non financial performance while strategy implementation significantly moderated in the relationship. Confirmation of the mediation and moderation effects of organizational learning and strategy implementation supports the overriding views of the resource based view and dynamic capabilities theory. It offers an alternative view of evaluating strategic planning systems. In this regard, organizational learning and strategy implementation are dynamic capabilities that are value laden and facilitate the achievement of superior performance. The dynamic capabilities are acquired through continuous interactions in multilevel processes aligned to the external environment. Thus, the results support the theoretical foundations of the study.

The choice of EPZ context of this study was found rewarding. While many studies had focused on either the manufacturing sectors or service sectors, this study focused on a unique EPZ context. This context enabled the researcher to establish and document important empirical affirmations not only in regard to a regulated environment but also in view of the export sector. The EPZs are regulated environments with special economic incentives focusing on the fiscal, procedural and infrastructural aspects. Further, the context has an export orientation which makes the findings of this study relevant from the global perspective. In Kenya, performance of EPZ firms draws interest beyond the firm because they form the basis of achieving Vision 2030.

Finally, this study provides an opportunity for the unending contrasting views of the planning school on one side and the learning school on the other. The results of this study showed that indeed, planning and learning are two sides of the same coin. This study confirmed the view from the extant literature that strategy development is as a result of both the planned and the emergent processes. This study confirmed that organizational learning mediates while strategy implementation moderates the relationship between strategic planning systems and performance. In this regard, strategic planning requires both the learning capabilities and strategy implementation mechanisms. Therefore, strategic planning of the next generation organizations need to be designed as learning processes within organizations.

6.4 Implications of the Study

From the results of hypothesis testing, this study has brought forth important findings which enhanced the understanding of the link between strategic planning systems and performance of EPZ firms. Both qualitative and quantitative results point to key areas in theory, policy and practice.

6.4.1 Theoretical Implications

This study makes a contribution to the resource based theory by supporting the perspective that a firm's competitive advantage is a function of scare, valuable and inimitable resources which are embedded within the planning systems. This study established that strategic planning systems are valuable resource bundles. From the study, financial resources, business contacts and networks, economies of scale and product differentiation were singled out as scarce, rare, inimitable and valuable resources that facilitated competitive advantage in EPZ firms.

Another theoretical contribution is to the dynamic capability theory which posits that transformation of firm resources is achieved through dynamic capabilities inherent in learning, integration and configuration. By showing that organizational learning mediates the relationship between strategic planning systems and performance on the one hand and that strategy implementation moderates the same relationship is proof that learning and implementation are valuable dynamic capabilities.

The results of this study shows evidence of equifinality as posited by the open systems theory. Through the mediation role of organizational learning and the moderation role of strategy implementation, this study demonstrates that sustained performance is a function of both organizational learning and successful strategy implementation. The research output clearly shows that organizational learning and strategy implementation are two sides of the same coin.

6.4.2 Policy Implications

The importance of understanding how planning resources, management participation organizational learning and strategy implementation which was the overall objective of this study becomes better appreciated. This is in light of the significant percentage of capital investment ploughed to the firms in EPZs by both the local entrepreneurs and multinational companies. Further, the importance attached to the achievement of Vision 2030 requires the ultimate success of EPZ firms which are the vehicles through which the vision will be achieved.

This study contributes to business and public policy by providing evidence of the correlation between planning systems and the performance. The EPZs have become instruments of economic policy development in developing countries seeking to gain advantages from the growing integration of the global economy. In essence, policy makers need to consider the alignment of policy recommendations and important firm attributes to enhance the achievement of better performance. In Kenya, the policy makers will utilize the findings of the study to advice firms operating within EPZs on appropriate configuration of planning systems to facilitate better performance.

6.4.3 Implications for Practice

Despite the plethora of writings on strategic issues, managers still appear unaware of the use of specific frameworks in strategic planning. The findings of this study raise two conclusions which have practical implications. The study supports the fact that strategic planning techniques are important to the achievement of performance. The EPZ firms utilized SWOT analysis and Porter's five forces to achieve enhanced performance. Hence, it is worth recommending the use of appropriate planning techniques as an important element in organizational success.

Managers within an organization matter in determining firm success. An effective planning system requires an infusion of adequate resources to the planning efforts as well as knowledge of relevant planning techniques. High level of involvement is required not only from the management but also at the three distinctive levels of individual, group and institution. The research findings indicate that participatory management approaches are important as they enhance strategy implementation success and performance. The results of this study showed a preference towards an external orientation and less attention to internal orientation. The management needs to note that scanning environment for competitive advantage should focus on both the internal and external orientations.

Some respondents in the qualitative data still mentioned SWOT model and other industry analysis techniques that comprise Porter's five forces model. This is a clear indication that the managers are oblivious of the specific measures of different planning techniques. There is a dire need of managers being trained in specific planning techniques to facilitate their effective use. Therefore, managerial training programs designed for firms within EPZs need to focus on corporate planning and corporate policy with special attention to the utilization of planning techniques.

The current results of the study indicate that organizational learning is a multilevel construct which occur at individual, groups and institutional levels. Companies should therefore balance their investments at all the three levels to facilitate learning capabilities. In essence, managers need to re-focus their efforts to all levels of learning because organizational learning system is widespread involving everyone in the organization. The findings in this study suggest that all the three levels of learning are critical to the overall firm performance.

6.4.5 Recommendations

Based on the study findings, the following are key recommendations to the stakeholders in the EPZ sector. There is greater need to consider both financial and non financial performance measures in their strategic plans and subsequent reporting. Reliance on limited performance interpretations has practical gaps which lead to the

performance of the sector being questioned and misrepresented. The government of Kenya through its departments and officials should refine the operational space of EPZs through a review of the current legal provisions and policy framework to benefit newly established firms to the maximum.

EPZ firms should embrace the right configuration of strategic planning systems. Such configuration will improve the performance of the sector and consequently open opportunities for transformation of resources into valuable dynamic capabilities which fosters performance. Firms operating within EPZ firms need to focus on both the strategic planning and organizational learning as the two processes are complementary and enhance sustainability of the firms. Further, Strategy implementation should be considered key in the performance agenda. This is because some of the best strategies fail to achieve the intended objectives due to implementation failure. Top managers need to get involved in strategy implementation to build commitment among employees.

6.5 Limitations of the Study

The study of this magnitude would not have been accomplished without methodological, operational and technical limitations. However, these did not grossly affect the research design, output and the subsequent development of the thesis. The researcher contends that they did not affect the credence of the results presented in this thesis report. Efforts were successfully made to minimize the negative effect of the challenges as highlighted in this section.

This study was limited in terms of scope. The study focused on Export Processing Zones (EPZs) context. It means therefore that the findings ate limited to the export processing zones and could not be generalized to other manufacturing sectors which operate outside the designated Zones. Cross sectional research design adopted for this study caused a challenge to the results of the study. The results are limited by cross sectional data which have inherent inability to predict causal relationships. In regard to this view, longitudinal data would be better suited to prove causal relationships.

The researcher tried to minimize these adverse effects by utilizing the averages for the last five years in evaluating performance measurements. There were dire resource limitations during the entire period of the research ranging from time, finances and technical support during the data analysis and thesis development. This study focused on all EPZ firms in Kenya. Export processing zones are spread throughout the country in Athi River, Nairobi industrial area, Ruaraka, Mombasa, Malindi, Kilifi, Thika, Eldoret, Nakuru, Kerio Valley and Muranga. Due to the geographic spread of the zones, it was extremely costly to conduct the research specifically in the zones which are far from the major towns. Such challenges lowered the response rate and slowed down the pace of data collection and project completion.

6.6 Suggestions for Future Research

The findings of this study indicate several and possible research extensions. The analysis of planning techniques entail a variety of other tools focusing on internal as well as external as listed by firms. Future studies could also focus on other types of tools including but not limited to core competence analysis, value chain analysis, scenario analysis, focus group analysis, competitive analysis, PEST analysis and benchmarking. Future studies could adopt longitudinal approach and focus on collecting both qualitative and quantitative data based on time series.

The findings from research on management participation in different settings are largely inconclusive. These findings have revealed that indeed participation is a much more complex issue than has often been held both as a theoretical construct and empirical phenomena. An interesting finding of this study that could yield future research is the non significant relationships between the three perspectives of performance namely, return on investment, sales growth rate and market performance. Future studies could focus on the moderated relationships between management participation and performance. Possible moderators could be organizational culture, power politics and company size.

This study established that the joint influence of strategic planning systems and strategy implementation dominantly influence both the financial and non financial performance. However, the study did not examine the relative importance of the dimensions across different contexts such as large versus small firms or across different industries such as clothing and apparels, food processing or pharmaceuticals. Future research could be designed to expand the assessment of planning systems to include other contextual systems like functional coverage and resistance to planning.

An interesting and potentially important question to future research is whether the external environmental affects strategic planning system performance. This is because high environmental uncertainty and varying degrees of munificence achieves varying degrees of performance advantages. Future studies could reveal important empirical linkages if environmental variations could be considered in the research model. The debate between learning and planning schools has been outstanding in management research. As a result therefore, since the research has established that planning and learning are two sides of the same coin, future research need to focus on integrating strategic planning and organizational learning in research approach.

6.7 Chapter Summary

This chapter summarizes the results of the study in accordance with the objectives. The results indicated that the hypotheses were partially supported. The conclusions were drawn based on policy, theory and practice. Further the recommendations drawn from the conclusions were given. The chapter also highlighted the implications of the study. Major limitations were highlighted and mitigation explained.

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APPENDICES

Appendix 1: Questionnaire

SECTION ONE

DEMOGRAPHIC DATA

Kindly answer the questions below as precisely as possible. Where you do not understand ask for clarification from the researcher.

1.1 Respondent Particulars

Please indicate your designation……..……..…..……..

Indicate your gender. Male [ ] Female [ ]

What is the highest level of education you have attained?.....

Secondary level	[ ]	Masters degree level	[ ]
Diploma level	[ ]	PhD/Doctorate degree level	[ ]
Bachelors degree level	[ ]	Other levels	[ ]

If your answer is other levels, please specify……...……...

How long in years have you worked in this firm?.....

Below 2	2-5	5- 8	8-11	11-15	Above 15

1.2 Firm Specific Information

In which of the following zone is your firm located? Mark against the zone.

Athi River Zone		Sunflag – Industrial Area	
Mombasa Zone		Mavoko Zone	
Thika Zone		Kilifi Zone	
Ruaraka Zone		Laikipia Zone	
Sammeer Park Zone		Other (Please specify)	

How long in years has your firm been in operation?

Less than 2 years	[ ]	Between 2 and 5 years	[ ]
Between 5 and 8 years	[ ]	Between 8 and 13 years	[ ]
Between 13 and 15 years	[ ]	Above 15 years	[ ]

Which sector does your firm belong to? ...…..……..……..……

Textiles/Apparels	[ ]	Horticulture	[ ]
Beverages/Wines/Spirits	[ ]	Pharmaceutical	[ ]
Minerals/Plastics	[ ]	Food Processing	[ ]

Curios/Handicrafts [ ] Commercial - EPZ support [ ]

Construction, Property Management and Others [ ]

How many employees does your firm have in the following categories?

Local Employees	Expatriates Employees	Total Employees

How is your company owned?

Foreign Ownership [ ] Joint Ownership [ ]

Local Ownership [ ] Other Ownerships [ ]

If your answer is other, please explain……..…….…….....

……..

……...……...

Indicate your firm's average export market by percentage during last year to the following destinations.

Export Destination	Percentage Exports
USA	
UK	
Asia	
China	
Africa	
Other	

SECTION TWO

STRATEGIC PLANNING SYSTEMS

2.1 Indicate to what extent the following strategic planning resource activities are adequately done in your firm.

1 = Not at all 2 =Small extent 3=Moderate extent 4 =Great extent 5=Very great extent

	Planning Resource Measures	1	2	3	4	5
1	Adequate financial resources are allocated to planning					
2	Enough space is allocated to strategic planning activities					
3	Many business networks and contacts are established					
4	Adequate personnel are available for planning activities					
5	Allocation of working equipments to planning activities					

2.2 Indicate to what extent the management participates in the planning process.

1 = Not at all 2 =Small extent 3=Moderate extent 4 =Great extent 5=Very great extent

	Management Participation Measures	1	2	3	4	5
1	Management communicates during the planning process					
2	Management is involved in strategic decision making					
3	Working time is spent by managers on planning activities					
4	Management influences strategic choices					
5	Management expertise is used in the planning process					

2.3 Indicate to what extent the following techniques are used in strategic planning and determination of competitiveness in your firm.

1 = Not at all 2 =Small extent 3=Moderate extent 4 =Great extent 5=Very great extent

	Planning Techniques Measures	1	2	3	4	5
1	Economies of scale are used in production/service delivery					
2	High capital is required for business start up					
3	Substitutes are readily available and are attractively prized					
4	Substitute attributes are comparable to our products/services					
5	Materials/inputs are readily available from many suppliers					
6	Suppliers have a possibility of integrating forward					
7	Buyers have the ability to switch to other products/services					
8	Buyers have knowledge about the product/service costs					
9	Competitors in the industry have been increasing in number					
10	Competitors use price cuts to boost sales volumes					
11	We differentiate our products/services from our rivals					
12	We use strategic alliances to access international markets					
13	There is clarity of strategic direction of our firm					
14	Our resources have been matched to key success factors					
15	There is a rising buyer demand for our products/services					
16	We have available online marketing to make quick sales					
17	There is rising level of competition in the industry					
18	There is shifting consumer preferences in targeted markets					

What other strategic planning techniques are used in your firm in planning and determining competitiveness? Kindly list…..

……..……

……..

……..……

……..……

……..……

……..……

SECTION THREE

ORGANIZATIONAL LEARNING

3.1 To what extent is individual, group and institutional learning embraced in your firm.

1 = Not at all 2 =Small extent 3=Moderate extent 4 =Great extent 5=Very great extent

	Organizational Learning Measures	1	2	3	4	5
1	Individuals generate many new insights					
2	Individuals take actions that are experimental in nature					
3	Individuals are motivated to carry out assigned tasks					
4	Individuals are aware of critical issues that affect their work					
5	Our organization value group work output					
6	We have effective conflict resolution when working in groups					
7	Different points of views are encouraged in group work					
8	Lessons learned from one group are shared by other groups					
9	Our organizational structure results from what we learn					
10	Our cultural values is as a result of our different ideas					
11	Group resolutions are used to improve production/service delivery process					
12	Systems are in line with critical issues affecting our business					

SECTION FOUR
STRATEGY IMPLEMENTATION

4.1 Indicate to what extent the following strategy implementation activities are done in your firm.

1 = Not at all 2 =Small extent 3=Moderate extent 4 =Great extent 5=Very great extent

	Strategy Implementation Measures	1	2	3	4	5
1	Responsibilities are assigned to implementation teams					
2	Activities to be undertaken are indicated timely					
3	Resource requirements are estimated for different activities					
4	Expected outputs are determined for all the activities					
5	Planning activities are done at the right time					
6	Communication at all levels is done timely					
7	Conflicts are resolved effectively in our firm					
8	Structure is adjusted to facilitate information movement					
9	Culture is adjusted to reflect firm aspirations					
10	Systems are adjusted to facilitate harmonious operations					

SECTION FIVE
FIRM PERFORMANCE

5.1 Indicate your firm's sales growth rate for the past five years.

Sales Growth Rate	**2008**	**2009**	**2010**	**2011**	**2012**
Below 0%					
1 - 33%					
34 - 66%					
67 - 99 %					
Above 100%					

5.2 Indicate your firm's return on investment for the last five years.

Return on Investment	2008	2009	2010	2011	2012
Below 0%					
1 - 33%					
34 - 66%					
67 - 99 %					
Above 100%					

5.3 To what extent has your firm achieved the following non financial performance measures?

1 = Not at all 2 =Small extent 3=Moderate extent 4 =Great extent 5=Very great extent

	None financial Performance Measures	1	2	3	4	5
1	Our firm gets repeat customers					
2	Our customers normally refer friends and relatives to us					
3	We receive compliments from our customers					
4	Customer complaints have been diminishing					
5	Our customers are delighted when we contact them					
6	We have a growing market share					
7	Products returned from customers have been reducing					
8	Our established customers collaborate with the firm					
9	We have the ability to retain our customers					
10	Our customers are loyal to our products/services					
11	Our firm utilizes the plant to full capacity					
12	We achieve efficiency in production/service delivery					
13	Minimum products/services are found to be defective					
14	We meet the set operational standards in our firm					
15	Machine/service delivery breakdowns have been minimized					
16	Our production/service delivery processes are innovative					
17	Creative techniques are used in production/service delivery					
18	Value addition is embraced in our supply chain					
19	We have an effective internal quality control system					
20	The firm has established distribution networks					

THANK YOU FOR PARTICIPATING

Appendix 2: Firms in Export Processing Zones in Kenya

No.	Company Name	Licensed Activity	Location
1	AAA Growers EPZ Ltd	Manufacturing – Horticultural	Forest Gate EPZ-Laikipia
2	Africa Apparel EPZ Ltd.	Manufacturing – Garments -Ladies	Sunflag , Nairobi
3	Algerasi Group EPZ K. Ltd	Manufacturing of sesame paste	Changamwe, Mombasa
4	All Fruit EPZ Ltd	Manufacturing – frozen fruit juice	Changamwe, Mombasa
5	Alpha Logistics EPZ Ltd	Developer/operator and Service.	Alpha Logistics, Mombasa
6	Alltex EPZ Ltd.	Manufacturing – Garments	EPZ – Athi River
7	Asante Gifts & Souvenirs EPZ Ltd	Manufacturing – Handicrafts	Athi River EPZ (Incubator I)
8	Ashton Apparel EPZ Ltd,	Developer/ Operator & Garments	Ashton EPZ - Mombasa
9	Avenue Fresh Produce EPZ Ltd	Manufacturing – fruits & vegetables.	Athi River EPZ – (Incubator)
10	Blue Sky Films EPZ Ltd.	Service - Film Production	Athi River EPZ – Athi River
11	Botanical Extracts EPZ Ltd.	Manufacturing – Plant Extract	Athi River EPZ – Athi River
12	Capital Industrial Park EPZ Ltd.	Service - Leasing industrial buildings	Athi River EPZ – Athi River
13	Celebrity Fashions K. EPZ Ltd.	Manufacturing – Garments	Athi River EPZ – Athi River
14	De La Rue Currency, Security Print	Developer/ Operator & Manufacturing -	EPZ – Ruaraka, Nairobi
15	Earth Oil Kenya Proprietary EPZ	Manufacturing – Plant extracts	Athi River EPZ – Athi River
16	Erdemann (EPZ) Ltd.	Manufacturing – wines and spirits	Erdemann - Mavoko
17	ET Elasto Tech (EPZ) Ltd.,	Commercial – O-rings	German Kilifi EPZ - Kilifi
18	Forest Gate EPZ (K) Ltd	Developer / Operator	Laikipia EPZ
19	Future Garments EPZ Ltd	Manufacturing – Garments	Athi River EPZ - Athi River
20	Ginger Ink Films EPZ	Service – Film & TV	Athi River EPZ - Athi

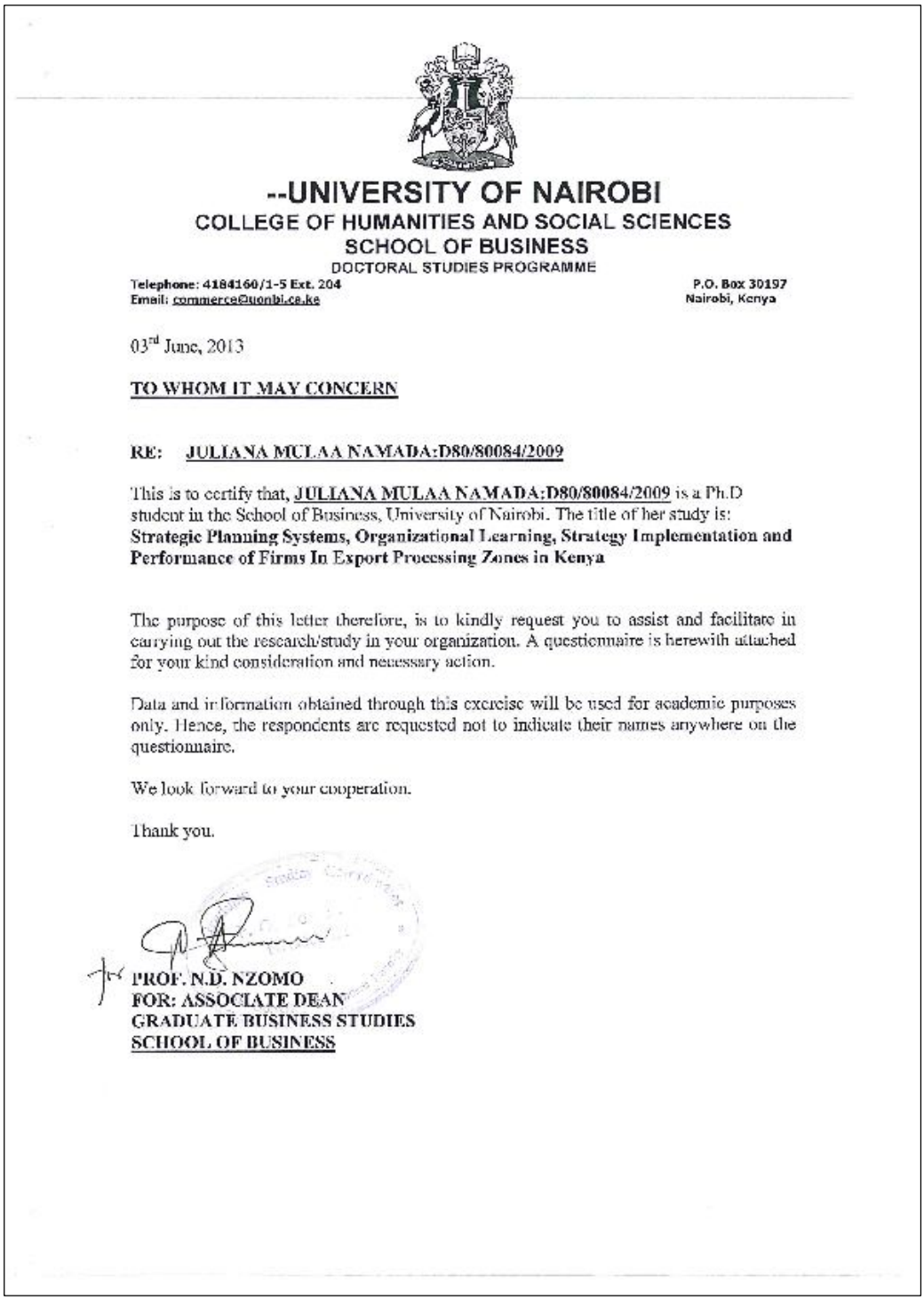
	Ltd.	Production	River
21	Global Apparels (K) EPZ Ltd	Manufacturing – Garments	Athi River EPZ - Athi River
22	Gokal Beverages (EPZ) Ltd.	Manufacturing - Blended Teas	Changamwe, Mombasa
23	Gold Crown Foods EPZ Ltd.	Manufacturing – Tea Blending	Shimanzi, Mombasa
24	Golden Light EPZ Ltd.	Commercial - Torch Bulbs & Batteries	Athi River EPZ - Athi River
25	Hantex Garments EPZ Ltd	Manufacturing- Garments	Mazeras EPZ – Mombasa
26	Halai Brothers (EPZ) Ltd	Manufacturing	Changamwe, Mombasa
27	Hui Commercial EPZ K. Ltd	Plastic bottle flakes	Changamwe – Mombasa
28	Imperial Teas (EPZ) Ltd	Manufacturing – Tea	Changamwe, Mombasa.
29	Indu Fresh EPZ Ltd.	Manufacturing - Packaged horticulture	Sameer Industrial Park– Nairobi
30	Insta Products EPZ Ltd.	Manufacturing – Food Products	Athi River EPZ - Athi River
31	IveeAqua EPZ Ltd.	Manufacturing – Pharmaceuticals	Athi River EPZ - Athi River
32	Jungle Cashshews EPZ Ltd	Manufacturing – Cashewnuts	Saw AfricaEPZ – Thika
33	Jungle MAC EPZ Ltd	Manufacturing – Macadamia nuts	Saw AfricaEPZ – Thika
34	Kapric Apparels EPZ Ltd.	Manufacturing – Garments	Changamwe, Mombasa
35	Kencall EPZ Ltd.	Service - Call Centre/Back Office	Sameer Industrial Park-Nairobi
36	Kensis EPZ Ltd.	Manufacturing – Refined sisal fibre	Athi River
37	Kenya Fluorspar EPZ Ltd.	Developer /Operator & Manufacturing	Kimwarer, Kerio Valley
38	Kenya Marine Contractors EPZ Ltd.	Services - Fabrication of sea vessels	Liwatoni, Mombasa
39	Leatherlife EPZ Ltd.	Manufacturing - Plant Extract	Athi River EPZ - Athi River
40	Lycan (EPZ) Enterprises Ltd	Manufacturing- Horticultural products	Athi River- Nairobi
41	Matrix Global Trade	Commercial –	Ashton – Mombasa

	EPZ K. Ltd.	Embroidered fabric	
42	Metal Refinery EPZ Ltd.	Manufacturing – Processing of lead	Mombasa
43	Middle East Texco EPZ Ltd.	Commercial–Garment washing chemicals	Athi River EPZ – AthiRiver
44	Mombasa Apparels EPZ Ltd	Manufacturing- Garments	Emirates Mombasa
45	New Wide Garments (K) EPZ Ltd	Manufacturing – Knit Garments	Transfleet – Athi River Zone
46	Nodor Kenya EPZ Ltd.	Manufacturing - Dart board/ sisal fibre	Athi River EPZ - Athi River
47	NRS International EPZ Ltd	Commercial: Relief supplies.	Sunflag, Rd C- Nairobi
48	Nutro Manufacturing EPZ Ltd.	Manufacturing - Food Products	Athi River, Mavoko
49	Olivado EPZ Ltd.	Manufacturing – Avocado, macadamia	Hopetoun EPZ Murang'a
50	Pure Fry EPZ Ltd	Manufacturing – crude palm oil	Athi River EPZ - Athi River
51	PJ Dave EPZ Ltd.	Manufacturing – Dried Herbs and Roses	EPZ – Isinya, Kajiado
52	Pontact Productions EPZ Ltd.	Service - Film Production	Athi River EPZ – Athi River
53	Premium Machinery Distributor Ltd	Commercial - Sale of Sewing Machines	Athi River EPZ – Athi River
54	Protex Kenya EPZ Ltd.	Manufacturing – Garments	Athi River - EPZ- Athi River
55	Real Beverages EPZ Ltd.	Manufacturing – wines and spirits	Sunflag EPZ, – Nairobi
56	Red Dot Distribution EPZ Ltd	Commercial – computers, printers,	Athi River EPZ - Athi River
57	Redington EPZ Ltd	Commercial - IT Hardwares, desktops,	Athi River – Nairobi.
58	Reltex Tarpaulins Africa EPZ Ltd.	Manufacturing – polyethylene tarpaulins	Athi River EPZ - Athi River
59	Revital Healthcare EPZ Ltd.	Manufacturing – Disposable Syringes	Changamwe, Mombasa
60	Ricardo EPZ International Co. Ltd.	Manufacturing – Garments	Athi River EPZ - Athi River
61	Royal Garments EPZ Ltd	Manufacturing – Garents	Athi River EPZ - Athi River,
62	Rupa Cotton Mills EPZ	Manufacturing - Cotton Yarn	Athi River EPZ - Athi

	Ltd.		River
63	SameerAfricaEpz Ltd.	Developer/Operator	Sameer Industrial Park– Nairobi
64	Sameer Industrial Park EPZ Ltd	Manufacturing-Garments	Sameer Industrial Park,Nairobi
65	Sajan Printers EPZ Ltd.	Manufacturing – Garment Labels &Tags	Kipevu EPZ – Mombasa
66	Sajan Trading EPZ Ltd.	Commercial - Apparel Consumables,	Kipevu EPZ – Mombasa
67	Sandton Park EPZ Ltd.	Service – Leasing space	Sunflag EPZ –Nairobi
68	Saw Africa EPZ Ltd.	Zone Developer / operator	Saw AfricaEPZ – Thika
69	Senior Best Garments K. EPZ Ltd.	Manufacturing – Garments	Changamwe, Mombasa
70	Shin Ace Garments K. EPZ Ltd.	Manufacturing – Garments	EPZ – Mtwapa, Kilifi
71	Sino Link EPZ Ltd.	Manufacturing – Garments	Changamwe, Mombasa
72	Solitaire Gems EPZ Ltd.	Manufacturing – diamonds & gems.	Sameer Industrial Park– Nairobi
73	Spartan Relief EPZ Ltd.	Commercial – fishing kits	Sandton- Nairobi
74	SV Polymars EPZ (K) Ltd	Manufacturing –(High polythene)	Emirates EPZ – Mombasa
75	Taurus EPZ Ltd.	Manufacturing – Pharmaceutical	Taurus EPZ – Mavoko
76	Techno Relief Services EPZ Ltd.	Commercial Emergency Relief Supplies	Sameer Industrial Park –Nairobi
77	Tex Trade EPZ Ltd.	Commercial – Garment & accessories	Kapric EPZ – Mombasa
78	Transfleet EPZ Ltd.	Services ,Leasing Industrial premises	Athi River EPZ – Athi River
79	United Aryan EPZ Ltd	Manufacturing – Garments; Men, boys	Ruaraka, Nairobi
80	Unity Beverages (EPZ) Ltd	Manufacturing- Alcoholic beverages	Athi River –Nairobi
81	Vermont Flowers EPZ Ltd	Manufacturing- Natural Flowers, Leaves	Sameer Industrial Park –Nairobi
82	View Finders EPZ Ltd.	Service – Film Production	Athi River EPZ
83	Wild Life Works EPZ Ltd.	Manufacturing – Garments	Wildlife Works Maungu, Voi
84	YKK Kenya EPZ Ltd.	Commercial & Manufacturing- Garment	Kapric EPZ – Mombasa

Source, EPZA (2012)

Appendix 3: Introduction Letter from University of Nairobi



--UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
SCHOOL OF BUSINESS
DOCTORAL STUDIES PROGRAMME

Telephone: 4184160/1-5 Ext. 204
Email: commerce@uonbi.ac.ke

P.O. Box 30197
Nairobi, Kenya

03rd June, 2013

TO WHOM IT MAY CONCERN

RE: JULIANA MULAA NAMADA:D80/80084/2009

This is to certify that, **JULIANA MULAA NAMADA:D80/80084/2009** is a Ph.D student in the School of Business, University of Nairobi. The title of her study is: **Strategic Planning Systems, Organizational Learning, Strategy Implementation and Performance of Firms In Export Processing Zones in Kenya**

The purpose of this letter therefore, is to kindly request you to assist and facilitate in carrying out the research/study in your organization. A questionnaire is herewith attached for your kind consideration and necessary action.

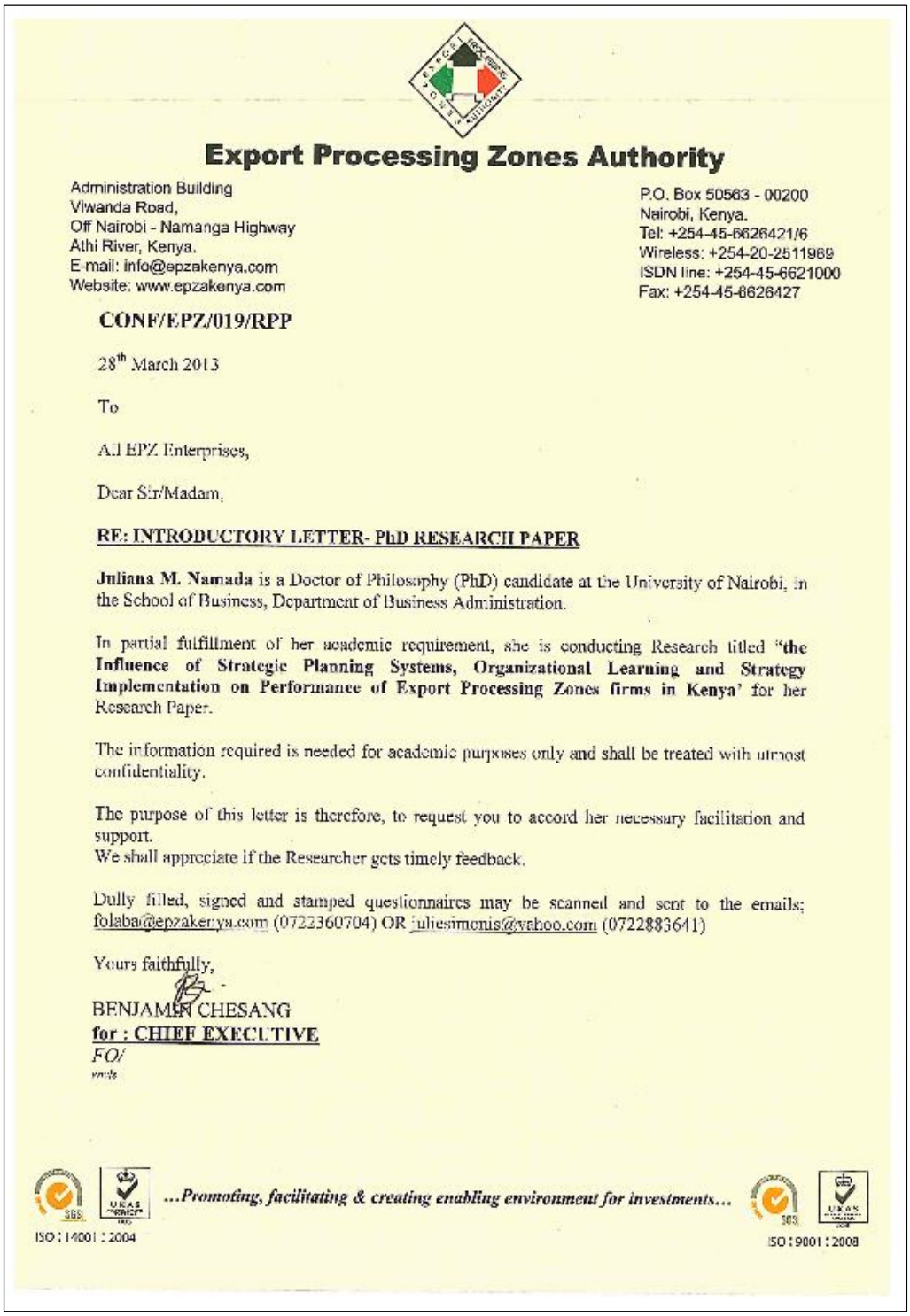
Data and information obtained through this exercise will be used for academic purposes only. Hence, the respondents are requested not to indicate their names anywhere on the questionnaire.

We look forward to your cooperation.

Thank you.

PROF. N.D. NZOMO
FOR: ASSOCIATE DEAN
GRADUATE BUSINESS STUDIES
SCHOOL OF BUSINESS

Appendix 4: Introduction Letter from Export Processing Zone Authority



Export Processing Zones Authority

Administration Building
Viwanda Road,
Off Nairobi - Namanga Highway
Athi River, Kenya.
E-mail: info@epzakenya.com
Website: www.epzakenya.com

P.O. Box 50563 - 00200
Nairobi, Kenya.
Tel: +254-45-6626421/6
Wireless: +254-20-2511969
ISDN line: +254-45-6621000
Fax: +254-45-6626427

CONF/EPZ/019/RPP

28th March 2013

To

All EPZ Enterprises,

Dear Sir/Madam,

RE: INTRODUCTORY LETTER- PhD RESEARCH PAPER

Juliana M. Namada is a Doctor of Philosophy (PhD) candidate at the University of Nairobi, in the School of Business, Department of Business Administration.

In partial fulfillment of her academic requirement, she is conducting Research titled "**the Influence of Strategic Planning Systems, Organizational Learning and Strategy Implementation on Performance of Export Processing Zones firms in Kenya**' for her Research Paper.

The information required is needed for academic purposes only and shall be treated with utmost confidentiality.

The purpose of this letter is therefore, to request you to accord her necessary facilitation and support.
We shall appreciate if the Researcher gets timely feedback.

Dully filled, signed and stamped questionnaires may be scanned and sent to the emails; folaba@epzakenya.com (0722360704) OR juliesimonis@yahoo.com (0722883641)

Yours faithfully,

BENJAMIN CHESANG
for : CHIEF EXECUTIVE
FO/
rmk

...Promoting, facilitating & creating enabling environment for investments...

ISO : 14001 : 2004

ISO : 9001 : 2008

Appendix 5: Researcher's Introduction Letter

UNIVERSITY OF NAIROBI
P.O. Box 30197 – 00100
NAIROBI

To Whom It May Concern

Dear Sir/Madam,

RE: STRATEGIC PLANNING SYSTEMS, ORGANIZATIONAL LEARNING, STRATEGY IMPLEMENTATION AND PERFORMANCE OF FIRMS IN EXPORT PROCESSING ZONES IN KENYA

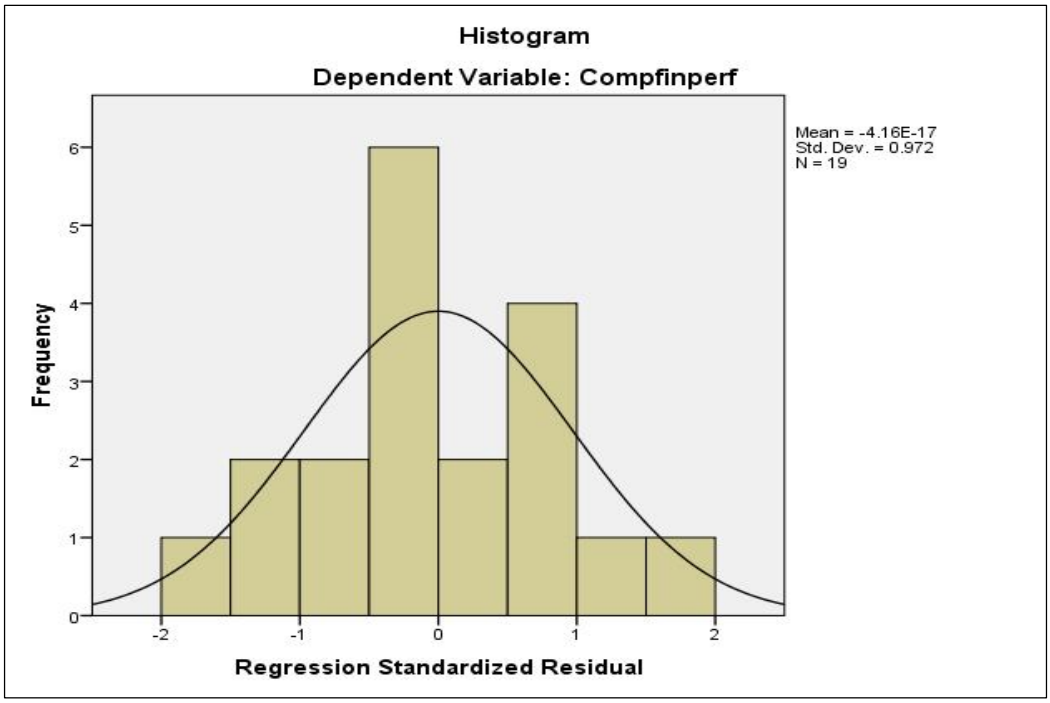
I am a Doctor of Philosophy (PhD) candidate at the University of Nairobi, in the School of Business, Department of Business Administration. As part of the requirements for the award of the degree, I am expected to undertake a research study and I am seeking for your participation. The purpose of this study is "**To examine the influence of strategic planning systems, organizational learning and strategy implementation on performance of firms in Export Processing Zones in Kenya**".

The attached questionnaire will take approximately twenty minutes to complete. Kindly answer all the questions as completely as possible. The research results will be used for academic purposes only and will be treated with utmost confidentiality. Only summary results will be made public. Should you require the summary of study findings, kindly indicate at the end of the questionnaire. Your co-operation will be highly appreciated.

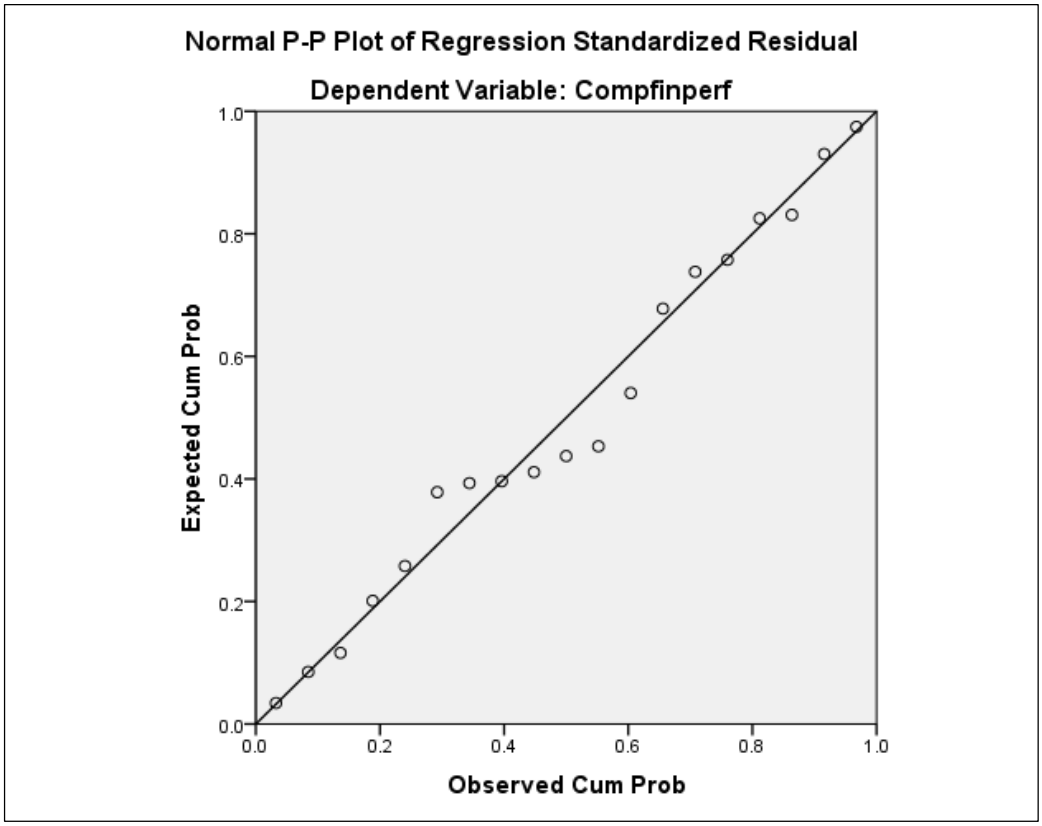
Yours faithfully,

Juliana Mulaa Namada
PhD Candidate
Email: juliesimonis@yahoo.com
Telephone: +254 722 883 641

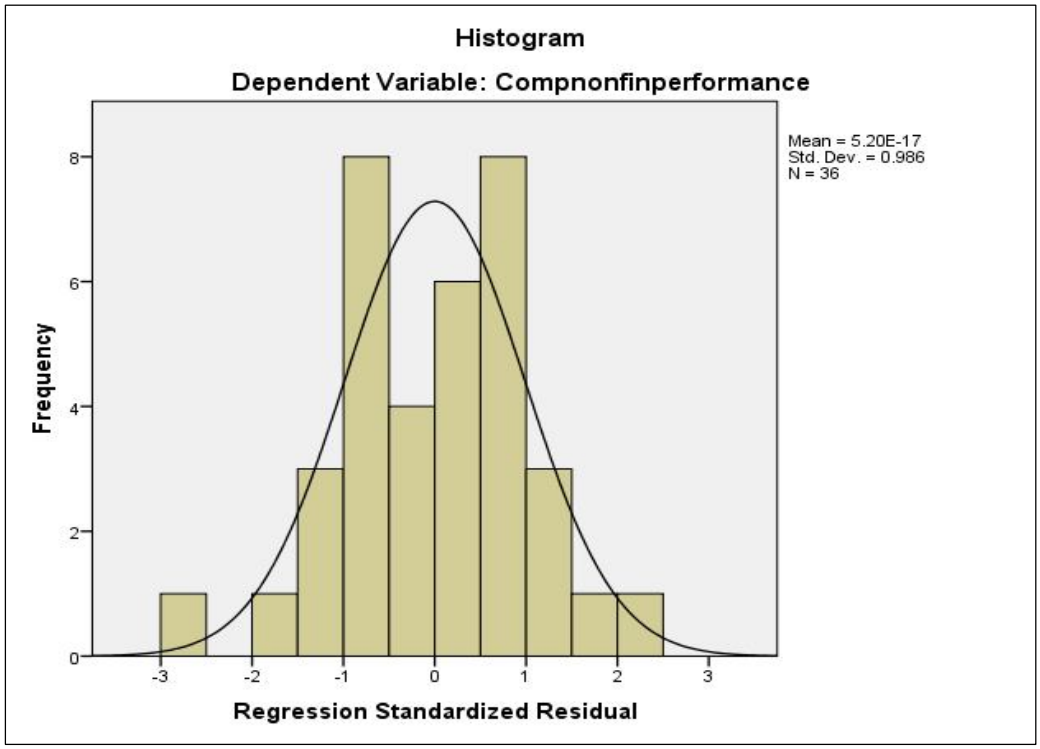
Appendix 6: Histogram of Financial Performance



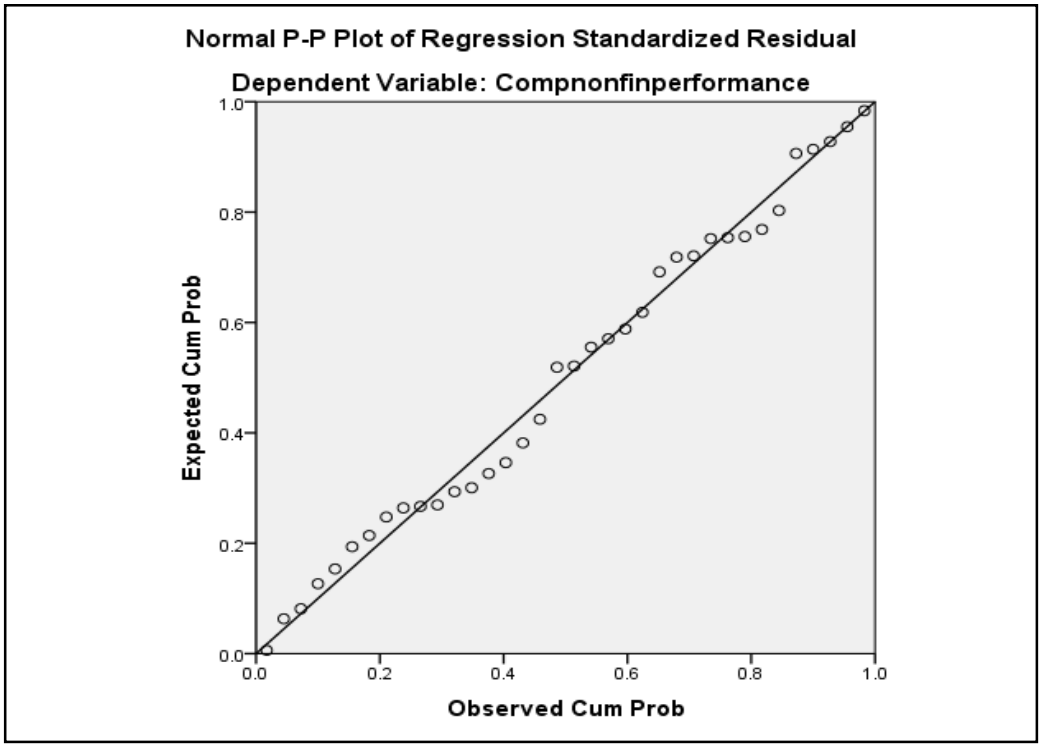
Appendix 7: Q - Q Plot for Financial Performance



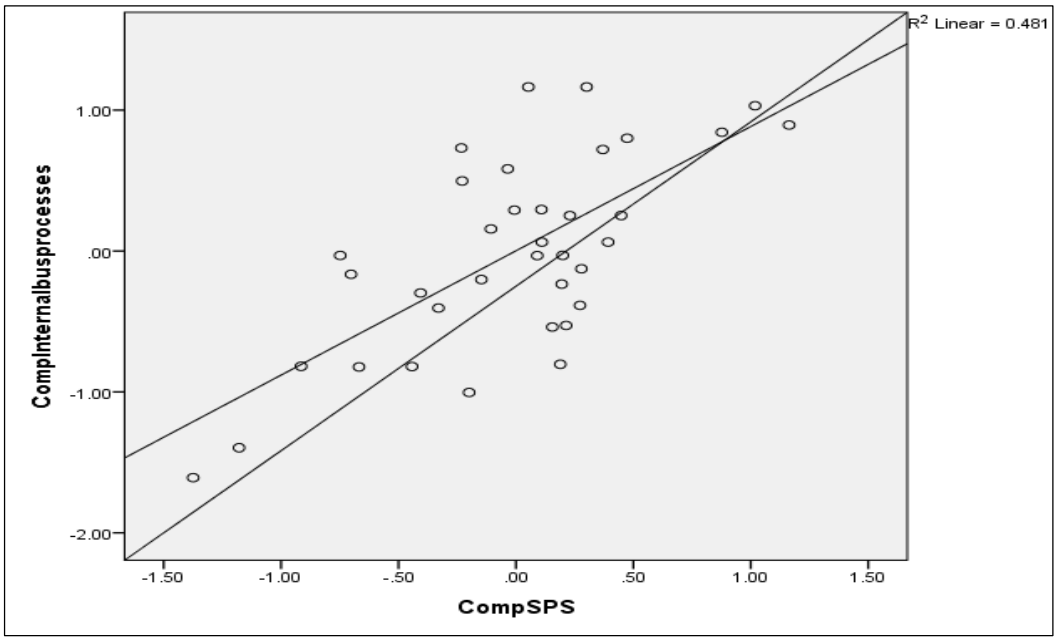
Appendix 8: Histogram for Non Financial Performance



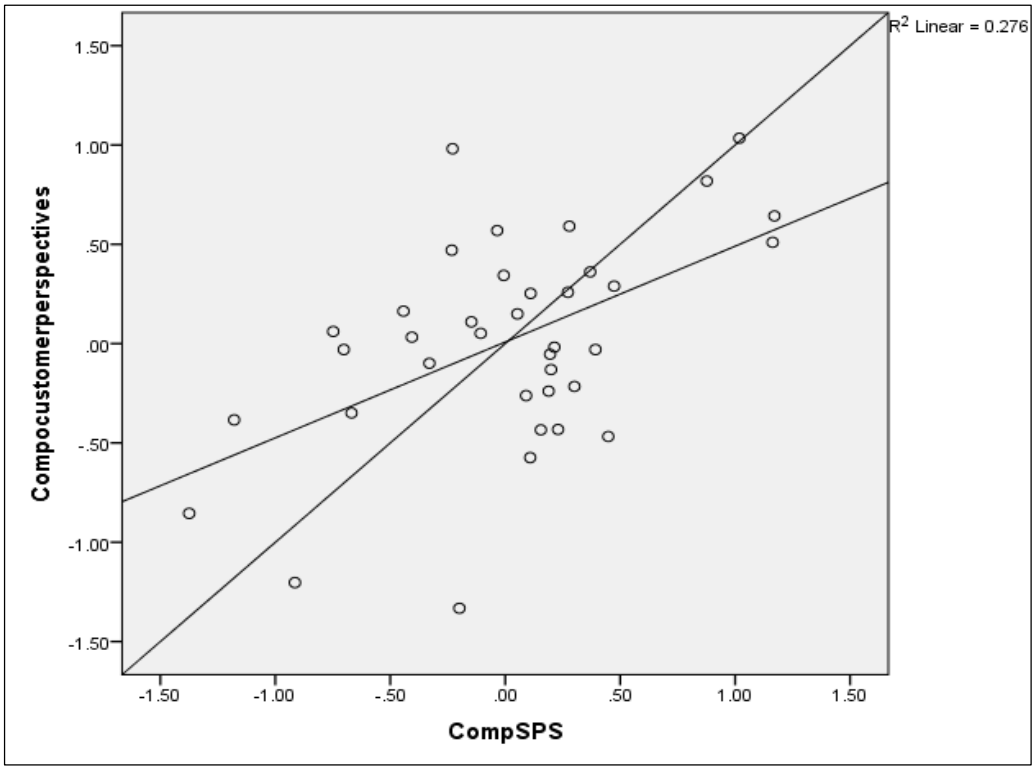
Appendix 9: Q- Q Plot for Non Financial Performance



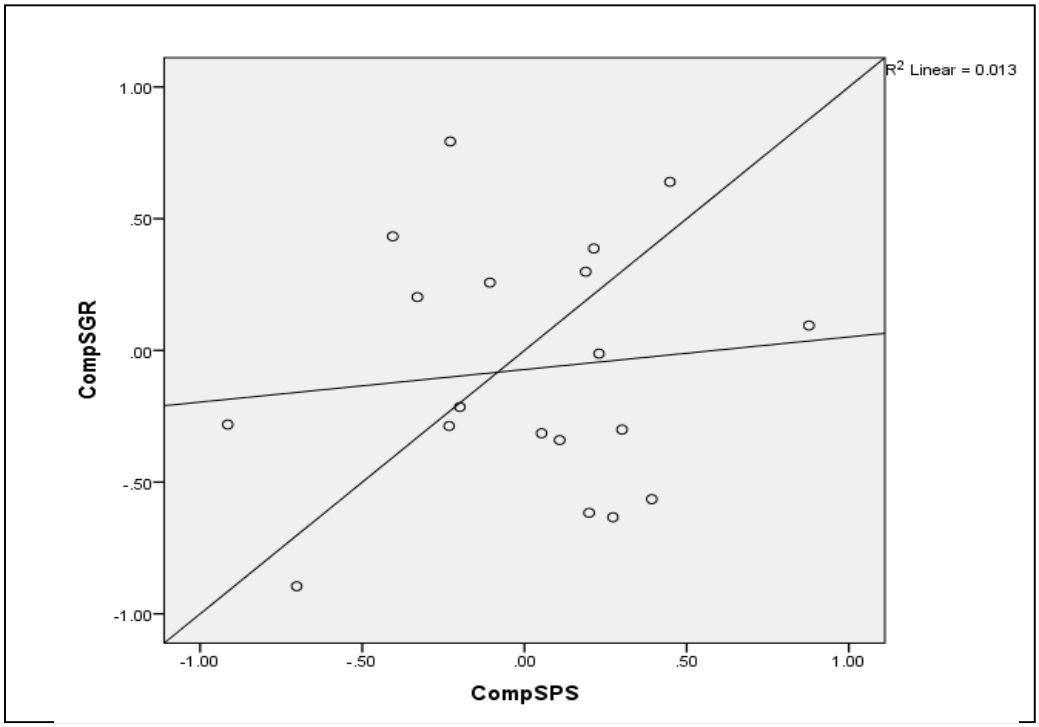
Appendix 10: Scatter Plots for Strategic Planning Systems and Internal Business Process Performance



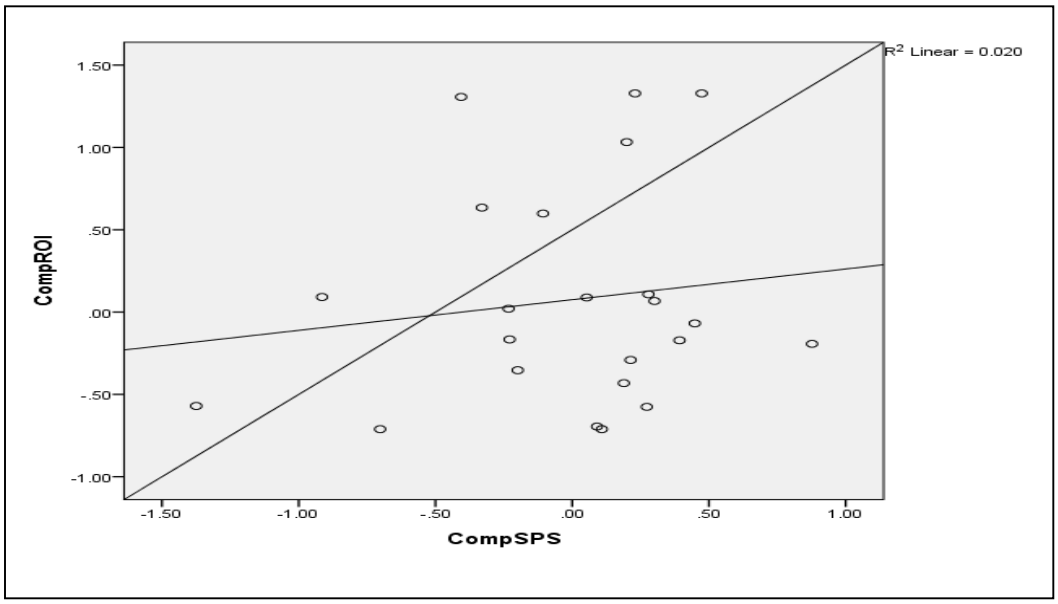
Appendix 11: Scatter Plots for Strategic Planning Systems and Market Performance



Appendix 12: Scatter Plots for Strategic Planning Systems and Sales Growth Rate Performance



Appendix 13: Scatter Plots for Strategic Planning Systems and Return on Investment Performance



Appendix 14: Correlation Coefficients of the Variables

Correlations	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1 Planning resources	0	0.79	1												
2 Mgt participation	0	0.78	.589**	1											
3 PlanningTechniques	0.02	0.48	.575**	.470**	1										
4 Individual Learning	0.00	0.74	.355*	.358*	.507**	1									
5 Group learning	0	0.87	0.231	.415**	.629**	.575**	1								
6 Institutional. Learning	0	0.86	.361*	.430**	.617**	.585**	.811**	1							
7 Action Planning	0	0.85	.433**	.551**	.552**	.630**	.710**	.603**	1						
8 Coordination	0	0.93	.357*	.634**	.516**	.577**	.763**	.625**	.751**	1					
9 Instit. Alignment	0	0.88	.527**	.587**	.598**	.546**	.628**	.594**	.699**	.746**	1				
10 SGR Performance	0.08	0.44	0.237	-0.005	0.007	.475*	0.233	0.276	0.224	0.288	0.278	1			
11 ROI Performance	0.04	0.63	0.273	-0.094	0.255	0.000	-0.024	0.142	-0.133	0.018	0.342	0.241	1		
12 IBP Performance	0.02	0.69	.576**	.544**	.654**	.541**	.552**	.593**	.429**	.551**	.485**	0.001	0.271	1	
13 M Performance	0.00	0.51	.448**	.457**	.432**	.520**	.471**	.450**	.392*	.509**	.561**	0.214	0.135	.630**	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Key: Mgt-Management; SGR-Sales Growth Rate; ROI-Return on Investment.

IBP-Internal Business Processes; M-Market.