

EFFECTIVENESS OF STRATEGIC PLANNING AND ITS EFFECT ON  
ORGANIZATIONAL PERFORMANCE. A CASE STUDY OF  
NEWPLAN LIMITED, KAMPALA UGANDA

BY

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# DECLARATION

I Makiko Diana declare that the work that I have submitted in is my very own effort and tireless work. I certify that all the material in the research report which is not my own work has been identified and acknowledged. No materials are included for which a degree has been previously conferred upon me.

Signature.....

Date 07/04/18

MAKIKO DIANA

### APPROVAL

This research report has been submitted to the collage of economic and management, Kampala International University for academic purpose under my supervision as a university supervisor.

Signature.....

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Date .....

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## **DEDICATION**

I dedicate this book to my Beloved Mother Mrs. Einne K. Makiko and my Father Mr. Martin Makiko for her caring, loving and seiner counseling and guidance during my studies.

I also dedicate this research report to my sisters Luwi Makiko for her support towards my education. Lastly, dedication to my other family members who catered and provided necessities during my academics. May this book be an encouragement to you all.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

Around 1999, empirical researchers began to examine the performance and consequences of formal strategic planning (Byokusheka, 2010) and over 40 planning-performance studies have appeared since that time. However, in recent years this line of research has slowed to a trickle and with good reason: Previous studies lacked theoretical grounding, produced a bewildering array of contradictory findings, drew heavy criticism for inadequate methodologies and had little or no discernable net impact on strategic management research or practice (Herold 2001 b).

Nonetheless, it seems evident that the planning-performance relationship bears significantly on strategic management research and practice and that scholars should not abandon this line of enquiry altogether. This study re-evaluates the planning-performance research; the critical assessment of strategic planning and its impact on organizational performance which has effect on its survival. Strategic planning can be defined as the process of using systematic criteria and rigorous investigation to formulate, implement and control strategy and formally document organizational expectations (Ansoff et al 2000). Strategic Planning is a process by which we can envision the future and develop the necessary procedures and operations to influence and achieve that future. As in many other fields, strategic planning professionals often cloak their work in pseudoscientific jargon designed to glorify their work and create client dependence. In reality, strategic planning processes are neither scientific nor complex. With modest, front-end assistance and the occasional services of an outside facilitator, organizations can develop and manage an on-going and effective planning program.

Strategic planning consists of a set of underlying processes that are intended to create or manipulate a situation to create a more favorable outcome for a company. This is quite different from tradition tactical planning that is more defensive based and depends on the move of competition to drive the company's move. In business, strategic planning provides overall direction for specific units such as financial focuses, projects, human resources and marketing. Strategic planning may be conducive to productivity improvement when there is consensus about



mission and when most work procedures depend on technical or technological considerations. This study goes beyond the observation of some research that questioned the existence of direct casual relationships between the use of strategic planning and improved performance. This study draws from some of the many publications on the use of strategic planning in the private sector and from the growing number of those that deal with its uses and potential for the public sector. One of the major purposes of strategic planning is to promote the process of adaptive thinking or thinking about how to attain and maintain firm environment alignment (Ansoff, 1991). Firms, however, appear to gain more because they can derive considerable benefits not only from adaptive thinking, but also from integration and control. Small firms can derive considerable benefits from adaptive thinking but probably gain less than large firms from the integration and control aspects of strategic planning.

Evered (2000), suggested that the different uses of the term strategic planning vary from broad ones (which include the purposes of defining purpose, objectives and goals) to very narrow ones (namely, those that deal with the means for achieving given objectives). Given Evered's differentiation between broader and narrower definitions of strategy, Bozeman's definition is a narrow one; one that assumes an ultimate mission of the organization. Bozeman's definition assumes that the strategic planning/management process is triggered by changes in policies and priorities (Bozeman, 2003). Hence, according to (Eddie, 2004), strategic planning may be defined broadly or narrowly. However, this formulation still does not help managers in the public sector, for now they need to decide not only whether they want to develop strategic plans but also whether they should approach such plans with a global perspective or with a narrower one. Thus, what seems to be a problem of semantics masks a fundamental question about the inclusion or exclusion of goal definition from the strategic planning process. According to Berry (1997) Strategic planning is a tool for finding the best future for your organization and the best path to reach that destination. Quite often, an organization's strategic planners already know much of what will go into a strategic plan. However, development of the strategic plan greatly helps to clarify the organization's plans and ensure that key leaders are all on the same script but far more important than the strategic plan document is the strategic planning process itself. The strategic planning process begins with an assessment of the current economic situation.

First, examining factors outside of the company that can affect the company's performance. In most cases, it makes sense to focus on the national, local or regional and industry economic forecasts. This part of the analysis should begin early, at least a quarter or so before the formal planning process begins. Hence, it's been concluded that, strategic planning positively affects organizations' performance, or more specifically, the amount of strategic planning an organization conducts positively affects its financial performance. Since the case study used for this research study is a bank, there is a need to understand strategic planning and financial performance relationships in banks. The intensity with which managers engage in strategic planning depends on Managerial(e.g., strategic planning expertise and beliefs about planning-performance relationships), Environmental (e.g., complexity and change) and Organizational (e.g., size and structural complexity) factors. The effects of these factors on strategic planning intensity have been suggested by several studies (Kallman and Shapiro, 1990; Unni, 1990; Robinson and Pearce, 1998; Robinson et al., 1998; Watts and Ormsby, 1990b).

Studies that have analysed the relationship between strategic planning and financial performance proved that the intensity with which firms engage in the strategic planning process intervene-that is cause an indirectness and lack of one-to-one correspondence- between factors such as strategic planning expertise and beliefs about planning performance relationships (managerial factors), environmental complexity and change(environmental factors), firm size and structural complexity (organizational factors) and firm's financial performance. As suggested by the inconsistent research findings, past studies have lost focus on the relationship between strategic planning and financial performance in organizations. Misspecification of this relationship might be attributed to past studies' lack of attention to the relationship among these managerial, environmental, organizational factors and their potential impact on planning intensity and performance (Hopkins and Hopkins, 1997).Subsequently, the consideration of such factors in the present study is viewed as asignificant issue that holds implications for future research as well as for planning practices.

## **1.2 Statement of Research Problem**

Past and recent research studies have made it clear that there is an increased internal and external uncertainty due to emerging opportunities and threats, lack of the awareness of needs and of the

facilities related issues and environment and lack of direction. Many organizations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them. This is called crisis management. Organizations caught off guard may spend a great deal of time and energy playing catch up (Maugans, Chris 2015). They use up their energy coping with immediate problems with little energy left to anticipate and prepare for the next challenges. This vicious cycle locks many organizations into a reactive posture. This research study is to assess the impact of strategic planning on organizational performance, which at the long run enhances organizational survival.

### **1.3 Objectives of the study**

#### **The general Objective**

The general objective of this research was to investigate the effect of strategic performance on organizational performance and survival.

#### **Specific objectives**

- i. To establish the need for strategic planning in the organization.
- ii. To establish performance of firms that use strategic planning as compared to those that do not use.
- iii. To identify the challenges faced by the organization who practice strategic planning.
- iv. To establish the significant factors essential for effective strategic planning practice and how they affect the overall organizational performance.

### **1.4 Research questions**

The major research question was 'what is the effect of strategic planning on organizational performance and survival?

- i. What is the need for strategic planning in an organization?
- ii. What is the performance of firms that use strategic planning as opposed to those that do not use in the industry?
- iii. What are the challenges faced by the firms which practise strategic planning?

- iv. What factors are essential for effective strategic planning and how do they affect the overall organizational performance?

### **1.5 Significance of the study**

The findings of the study are expected to be of help to several groups of people:

*a) To the researcher*

The research will enable the researcher to achieve a Diploma in Business Management. It is a requirement for partial fulfillment of degree in Accounting and finance. The researcher will be able to understand how strategic planning can impact on organizational performance and survival.

*b) To participating companies*

If the findings of the study can be considered by the management of participating companies, it will act as a resource material to refer to when formulating strategic plans. As a result of these findings they can learn and improve in areas where weaknesses were revealed.

It will be a source of knowledge and can be used by managers as a guide in implementing strategic planning in their organizations

*c) To other researchers*

Future researchers who will be interested in this area of study can use this research as a reference material or past study for their research work.

*d) To Kampala International University*

This research will act as a reference material in KIU where other students who will be studying related studies can refer.

*e) To scholars*

Finally, the study will also benefit scholars and academics by filling a gap in literature on the impact of strategic planning on organizational performance and survival.

## **1.6 Scope of the study**

### **1.6.1 Geographical scope**

The study was conveyed at New Plan limited located on Plot 3 Portal Avenue, Crusader House Portal Ave, Kampala P.O. Box 7544, Kampala.

### **1.6.2 Time scope**

The study covered a period of four months starting from January to April, 2018.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

Shows what the chapter contains and how it is organized. Literature review is the systematic identification, analysis and evaluation of documents containing information relevant to the research problem. It also entails analysis of casual observations related to planned research. In this chapter, the meaning of the research title, which is 'The impact of strategic planning on organizational performance and survival', is given from different references. The key issues of this research topic are highlighted including the past studies, which are also revised. The critical reviews and the gap to be filled was identified.

#### 2.2 Review of theoretical literature

This aims at explaining the major issues of the study and giving a detail of the objectives intended to be achieved.

From the mid-seventies we can note that scholars makes the distinction between small and large businesses in terms of needs, level of sophistication and range of strategic planning. Bracker and Pearson (1986), Rue and Ibrahim (1998), Perry (2001) and Wijewardena, Zoysa, Fonseka and Perera (2004) all formulate definitions of strategic planning which take the uniqueness of small businesses into account and allow for the fact that small businesses cannot draw on management and material resources in a manner similar to that of large organizations.

Empiric studies' findings indicate at a correlation between strategic planning and performance. Nevertheless, the findings are mixed. A survey of twenty-six experimental studies enabled Miller and Cardinal (1994) to identify a significant positive connection between strategic planning and small business performance

Robinson (1982) found a significantly high level of profitability as well as an increase in sales and returns on sales and the number of full time employees in a group of small businesses that employed external consultants for the purpose of strategic planning. Compared with other

businesses, Pearce & Robinson (1997) discovered a significant increase in income and remuneration per entrepreneur in businesses that prepared strategic plans (the highest of four designated levels of strategic planning). No significant increase was detected in the measure salary expenditure divided on the sum total of sales. A significant differentiation in the rate of sales increase was found by Robbins, SP. (1998) in small businesses that incorporated written planning (basic or sophisticated), as opposed to other businesses.

Perry (2001) detected a significant differentiation in the degree to which planning was conducted in small businesses that did not applied for bankruptcy as opposed to those that did. Wijewardena et al. (2004) define three levels of planning: no written planning; basic planning; and detailed planning. The findings indicate that the level of planning stands indirect proportion to the level of increase in sales. Salas, Eduardo, Gerald F. Goodwin & Shawn C. Burke. (2009) classify three levels of planning: low; moderate; and high. A connection was found between increase in sales and the low level of planning. No correlation was found between strategic planning and increases in market share or in profitability.

One early definition of strategy was provided by American business historian, Adler, Nancy J. (2008), as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals.

Chandler subscribes to the view that strategy is as much about defining goals and objectives as it is about providing the means for achieving them.

Another contributor, Adair, J.(2002), also combines goal-setting with the policies and plans needed to achieve goals. In his definition of strategy he distinguishes between corporate strategy, which is the lead strategy, and business strategy, a secondary, though vital, aspect of corporate strategy. Andrew defines strategy as a pattern of decisions... (Which represent) ... the unity, coherence and internal consistency of a company's strategic decisions that position a company in its environment and give the firm its identity, its power to mobilize its strengths, and its likelihood of success in the market place.



According to van der Werff, CMC Strategic planning is a disciplined, creative process for determining how to take your organization from where it is today to where you wish it to be in the future.

Strategic planning is fundamentally a decision making process, based on asking simple (but deep) questions, analyzing the range of answers, and choosing among them

### **2.2.1 Need for strategic planning in an organization**

The strategic plan is the master of other plans. It guides on how to achieve a specific organization's goal. What determines the importance of strategic planning is the small number and the long term, organization-wide impact of the decisions in the strategic plan. The corporate strategic planning sits above and informs all other plans in the organization.

"Failing to plan is planning to fail". This often-heard quote from Alan Lakein, the popular author on time management, is a reminder that many of the day-to-day operational struggles we face in organizational life had their seeds sown in the past, when we failed to think ahead.

a) You cannot predict the future.

True, you cannot predict the future. No manager has a crystal ball in his or her brief case. Every day has its own "we couldn't see it coming". Nevertheless, many severe day-to-day operating problems have, as their origin, a failure from months or years earlier- a failure in strategic planning. Simply, absence of strategic planning, or poor strategic plans, usually lead to tactical "days you'd rather forget" of operating nightmares, some of which can last months.

The importance of strategic planning in reducing these "days you would rather forget" cannot be overemphasized. Strategic planning is a systematic, formally documented process for deciding the handful of key decisions that an organisation, viewed as a corporate whole, must get right in order to thrive over the next few years Northouse, P.G. (2001). Note that in this definition it speaks of the strategic plan being for the organization 'viewed as a corporate whole'. The kind of strategic planning we are talking about used to be called 'corporate planning'. In a sense this makes the importance of strategic planning blindingly obvious.



b) Strategic planning gives overall direction

Strategic planning can provide an overall strategic direction to the management of the organization and gives a specific direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy, to achieve success. These other kinds of planning, some of which are confused with strategic planning are intended for parts of the organization, or specific functions or processes within the organization. All of these other types of planning should be guided and informed by the strategic plan.

c) Strategic planning is planning for the organization as a whole

To repeat strategic planning involves planning for an organization as a whole - as a corporate whole. So corporate strategic planning is not product planning, production planning, cash flow planning, workforce planning or any of the many of other sorts of planning conducted in today's organizations. All these are designed to plan parts or sections or departments of organizations. Most companies, even quite small ones, already employ product development managers, marketing directors, production planners and finance controllers to look after the planning of these various parts, and when you do strategic planning you certainly do not want to do all these again under a fancy new name.

As soon as a strategic plan starts to spell out detailed production plans, workforce plans, finance plans, and so on, it is going to overreach and become an initiative-sapping set of edicts from Head Office (Morgan, Daryle W., 1970). The importance of strategic planning comes not from the degree of control or supervision, and the level of detailed instruction it includes, but for the scale, time horizon, and importance of the decisions it embodies.

Strategic planning is corporate. You can only have a strategic plan for an autonomous or quasi-autonomous organization; you should not have one for any section, part or fragment of an organization unless it is quasi-autonomous, like a profit centre, or a wholly owned subsidiary.

However, an indirect tribute to the importance of strategic planning is made by the common appropriation of the term 'strategic' to describe all manner of other partial plans.

#### d) Importance of strategic planners

Some planners seem to think that strategic planning means planning the whole organization and so they produce vast schedules showing what is going to happen to every tiny corner of the organization for years ahead in meticulous detail (Mintzberg, H. 1987),. It is possible to plan ahead in great detail for short periods of time; it is also possible to plan ahead for very long periods, although only in outline. To try to plan in meticulous detail over long periods, however, is quite misguided.

Some people may become suspicious that the 'strategic planners' who do this are only trying to cultivate a greater mystique around the practice of strategic planning. They seem to be saying that you need to be very brilliant to do strategic planning. This is to confuse the importance of strategic planning with the self-importance of those who see themselves as 'strategic planners'. Top executives in companies with strategic planning departments get frustrated by 'planners' in their ivory towers, striving for an unattainable perfection in the messy reality of an uncertain world (Mugenda, A.G. 2003).

The importance of strategic planning is that it is planning for the corporate whole, not for its parts. It is not business planning, although it should inform and shape the business plan, it is not production planning, although it should guide what is produced, it is network force or technology planning or any other type of partial planning, and it definitely is not marketing, even though it guides who to market to and where to market. It is not coordinating, forecasting or budgeting. It is a process designed to yield a corporate strategic plan a statement of strategies designed to affect the long term performance of the organization as a corporate whole (Wallace V.,2007).

The small number and the great impact of the decisions give strategic planning its importance.

The purpose of the corporate planning process described elsewhere on this site is to reach an enthusiastic consensus among the top executives in an organization as to the handful of decisions they have to take in order to place their organization in a strong position to face the long-term future.

#### e) One Way to Look at Strategic Planning

One interpretation of the major activities in strategic planning activities is that it includes:

##### i) Strategic Analysis

This activity can include conducting some sort of scan, or review, of the organization's environment (for example, of the political, social, economic and technical environment). Planners carefully consider various driving forces in the environment, for example, increasing competition, changing demographics, etc. Planners also look at the various strengths, weaknesses, opportunities and threats (an acronym for this activity is SWOT) regarding the organization (Roger N. Conaway., 2007). (Some people take this wide look around after they've identified or updated their mission statement, vision statement, values statement, etc. These statements are briefly described below. Other people conduct the analysis before reviewing the statements.)

(Note that in the past, organizations usually referred to the phrase "long-range planning". More recently, planners use the phrase "strategic planning". This new phrase is meant to capture the strategic (comprehensive, thoughtful, well-placed) nature of this type of planning.)

##### ii) Setting Strategic Direction

Planners carefully come to conclusions about what the organization must do as a result of the major issues and opportunities facing the organization. These conclusions include what overall accomplishments (or strategic goals) the organization should achieve, and the overall methods (or strategies) to achieve the accomplishments. Goals should be designed and worded as much as possible to be specific, measurable, acceptable to those working to achieve the goals, realistic, timely, extending the capabilities of those working to achieve the goals, and rewarding to them, as well. (An acronym for these criteria is "SMARTER".)

At some point in the strategic planning process (sometimes in the activity of setting the strategic direction), planners usually identify or update what might be called the strategic "philosophy". This includes identifying or updating the organization's mission, vision and/or values statements.

Mission statements are brief written descriptions of the purpose of the organization. Mission statements vary in nature from very brief to quite comprehensive, and including having a specific purpose statement that is part of the overall mission statement. Many people consider the values statement and vision statement to be part of the mission statement. New businesses (for-profit or nonprofit) often work with a state agency to formally register their new business, for example, as a corporation, association, etc. This registration usually includes declaring a mission statement in their charter (or constitution, articles of incorporation, etc.).

It seems that vision and values statements are increasingly used. Vision statements are usually a compelling description of how the organization will or should operate at some point in the future and of how customers or clients are benefiting from the organization's products and services. Values statements list the overall priorities in how the organization will operate. Some people focus the values statement on moral values. Moral values are values that suggest overall priorities in how people ought to act in the world, for example, integrity, honesty, respect, etc. Other people include operational values which suggest overall priorities for the organization, for example, to expand market share, increase efficiency, etc. (Some people would claim that these operational values are really strategic goals. Don't get hung up on wording for now.)iii)

### **Action Planning**

Action planning is carefully laying out how the strategic goals will be accomplished. Action planning often includes specifying objectives, or specific results, with each strategic goal. Therefore, reaching a strategic goal typically involves accomplishing a set of objectives along the way in that sense, an objective is still a goal, but on a smaller scale.

Often, each objective is associated with a tactic, which is one of the methods needed to reach an objective. Therefore, implementing a strategy typically involves implementing a set of tactics along the way in that sense, a tactic is still a strategy, but on a smaller scale.

Action planning also includes specifying responsibilities and timelines with each objective, or who needs to do what and by when. It should also include methods to monitor and evaluate the plan, which includes knowing how the organization will know who has done what and by when.

It's common to develop an annual plan (sometimes called the operational plan or management plan), which includes the strategic goals, strategies, objectives, responsibilities and timelines that should be done in the coming year. Often, organizations will develop plans for each major function, division department, etc., and call these work plans.

Usually, budgets are included in the strategic and annual plan, and with work plans. Budgets specify the money needed for the resources that are necessary to implement the annual plan. Budgets also depict how the money will be spent, for example, for human resources, equipment, materials, etc (Alexei V., 2004).

(Note there are several different kinds of budgets. Operating budgets are usually budgets associated with major activities over the coming year. Project budgets are associated with major projects, for example, constructing a building, developing a new program or product line, etc. Cash budgets depict where cash will be spent over some near term, for example, over the next three months (this is very useful in order to know if you can afford bills that must be paid soon. Capital budgets are associated with operating some major asset, for example, a building, automobiles, furniture, computers, etc. Basic Overview of Variety of Planning Models

Here's a quick overview of a variety of strategic planning. This overview will help you get a feel for the variety of perspectives on strategic planning.

### **2.2.2 Benefits of strategic planning to an organization**

In reviewing the performance of the organizations, it is always interesting to note that those businesses that perform at the highest levels have some sort of formalized strategic plan in place and have implemented it well. On the other hand, those businesses that struggle have no plan in place and seem to flounder in their attempts to be successful.

In order for a business to be successful, there needs to be a roadmap for success. A strategic plan helps to provide direction and focus for all employees. It points to specific results that are to be achieved and establishes a course of action for achieving them. A strategic plan also helps the various work units within an organization to align themselves with common goals.

Arguably, the leading cause of business failure is not having a strategic plan in place that is being well implemented. If a business has little idea where it is headed, it will wander aimlessly with priorities changing constantly and employees confused about the purpose of their jobs.

Building a strategic plan is not difficult. It will take some thought and some feedback from customers and others, but businesses should be routinely garnering feedback from appropriate constituent groups on an ongoing basis. The process of developing a strategic plan should be rewarding for all involved and usually helps develop stronger communications between members of the planning team.

Once developed, the key to making the plan work is a commitment to seeing it through and sound implementation. Many businesses have developed strategic plans only to put them on a shelf to gather dust. Managers need a well developed strategic plan in order to effectively establish expectations for their employees. Without a plan, expectations are redeveloped in a void and there is little or no alignment with common goals. A good strategic plan looks out 2 to 5 years and describes clearly how the business will grow and prosper over that planning horizon.

To develop a strategic plan, establish a planning team that includes employees, managers, owner(s) and customers. The team should be held to 10 to 12 people. There are a number of steps involved in the process and it requires excellent facilitation to keep things on track. This is a list of just some of the benefits that can be gained through implementing a strategic planning process.

Focus is placed on the important things. Resources (time, talent, money) are properly allocated to those activities that provide the most benefit.

Prove an awareness of the changing environment as a foundation for needed change, Analyze the internal business culture and evaluate its impact on the company's performance, Recognize the impact the changing business environment is having on the company and affect the needed changes in direction.

Become aware of the company's potentials in light of its strengths and weaknesses, Identify and analyze available opportunities and potential threats, May bring about a needed change of



direction of the company, Strategic issues can be brought up for top management review, Able to set more realistic objectives that are demanding, yet attainable.

A need for better information for decisions making may be recognized, Growth can be accelerated and improved, Poor performing areas can be identified and eliminated.

Gain control of operational problems, Develop better communications with those both inside and outside the company, Provides a road map to show where the company is going and how to get there, Develop better internal coordination of activities, Develop a frame of reference for budgets and short-range operating plans, Gain a sense of security among employees that comes from better understanding of the changing environment and the company's ability to adapt.

### **2.2.3 Challenges faced in practice of strategic planning**

Notable literature on strategy implementation was examined in order to identify potential strategy implementation problems. Research by Alexander (1985) identified twenty-two major obstacles to strategy implementation, of which ten were cited by over 50% of firms sampled as major problems. In a similar study, Salem Al-Ghamdi (1998) researched 15 implementation problems and found that six strategy implementation problems were experienced by over 70% of the sample group of firms. Based on case studies, Hansen, Boyd and Kryder (1998) identified additional implementation problems as a) failing to periodically alter the plan or adapt it to changes in the business environment b) deviation from original objectives and c) lack of confidence about success. According to Rutan (1999), all implementation aspects during the planning phase are fundamental for execution as there is no time to do that during execution. It is critical that everyone on the team understands and agrees upon the details of the plan. Management must make the commitment to stay focused on the agreed upon plans and should only make significant changes to the plan after careful consideration on the overall implications and consequences of the change. The organization should maintain a balance between ongoing business activities and working on new strategic initiatives. That is, that problems with implementation often occur when companies concentrate on new strategy development and in the process forget their main line of business that underlie within previously formulated business strategies.

Nickols (2000) posits that strategy is execution. He discussed four cases of strategy execution: flawed strategy & flawed execution, sound strategy & flawed execution, flawed strategy & sound execution, and sound strategy & sound execution. Only when the strategy and the execution are sound the organization has a pretty good chance for success, barring aside environmental and competitive influences. Further, he contends that executing the wrong strategy is one of the major problems leading to unsuccessful implementation of strategies.

Downes (2001) states that the kinds of execution obstacles most companies run into fall into two categories: problems internal to the company and problems generated by outside forces in its industry. These internal and external issues are affected by the extent of flexibility companies have to launch strategic initiatives successfully. DeLisi (2001) examined “the six strategy killers” of strategy execution, pinpointed by Bear and Eisenstat (2000). He found that four of these factors particularly hamper or destroy strategy execution. These are:

- a) Ineffective senior management
- b) top-down or laissez-faire senior management style
- c) Unclear strategies and conflicting priorities and
- d) Poor coordination across functional boundaries.

Moreover, DeLisi research also revealed several other potential reasons for the failures in strategy execution. These included: Lack of knowledge of strategy and the strategy process; no commitment to the plan; the plan was not communicated effectively; people are not measured or rewarded for executing the plan; the plan is too abstract, people can't relate it to their work; people are not held accountable for execution; senior management does not pay attention to the plan; reinforces, such as culture, structure, processes, IT systems, management systems and human resource systems, are not considered, and/or act as inhibitors; people are driven by short-term results. Johnson (2002) in his survey found that the five top reasons why strategic plans fail are related to motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. Ram Charan (2003) in his research on implementation problems notes that “ignoring to anticipate future problems” hinders successful strategy execution



Hrebiniak (2005) recognized the difficulty of strategy execution and the reward from doing that correctly. He discussed various factors that can lead to incorrect implementation of any strategy similar to those already discussed in the above literature discussion. Additionally, Hrebiniak's research survey of 400 managers contributed to the identification of additional factors that may cause obstacles to successful strategy implementation included:

Lack feelings of "ownership" of a strategy or execution plans among key employees; not having guidelines or a model to guide strategy- execution efforts; lack of understanding of the role of organizational structure and design in the execution process; inability to generate "buy-in" or agreement on critical execution steps or actions; lack of incentives or inappropriate incentives to support execution objectives; insufficient financial resources to execute the strategy.

Brannen's (2005) survey based study concluded that in order to improve execution certain issues have to be tackled. These include inadequate or unavailable resources, poor communication of the strategy to the organization, ill-defined action plans, ill-defined accountabilities, and organizational/cultural barriers. Brannen's survey unearthed another significant obstacle to effective strategy implementation namely, "failing to Empower or give people more freedom and authority to execute." Welbourne (2005) observations of items on "what's getting in the way of execution" point to "habit and past experience reflects on new strategy" as another factor that could affect strategy implementation.

Overall, these literature research studies and writings indicate a total of twenty-nine obstacles that could hamper strategy implementation. After examining and checking for redundancy, a list of twenty implementation obstacles emerged (see table 1.) Fifteen of these strategy implementation obstacles are similar to those identified by previous research conducted by Alexander (1985) and Al-Ghamdi (1998), whereas there are five additional obstacles to strategy implementation that need to be included. Having identified these potential obstacles, the thrust of this research paper was to determine as to which of these are relevant to the Saudi context from the perspective of its petrochemical companies.

#### **2.2.4 Factors essential for effective strategic planning in an organization**

The principles of strategy are timeless. The following notes on the essentials of strategy are drawn from the great works of strategy... Sun Tzu's The Art of War , Napoleon's Maxims, Clausewitz' On War. Though dating up to 2,500 years ago, the advice of these strategists is helpful today no matter your competitive landscape, from high tech to agriculture, from manufacturing to government.

i) An effective strategy is deeply understood and shared by the organization.

Genghis Khan's Mongols defeated far larger armies because they were able to make adjustments on the battlefield despite ancient systems of communication that limited the way orders could be delivered to warriors already in action. The secret was instilling battle strategy in the hearts and minds of all soldiers so that they could make correct tactical decisions without direct supervision or intervention.

Like the mission statement published in your annual report or guiding principles framed in your lobby, a strategic plan itself accomplishes nothing. What matters is whether the people of your organization understand and internalize the strategic direction you have articulated and can make tactical choices on their own. Strategic plans must be articulated in a manner such that operational and tactical decision-making can follow suit.

As a strategist, you must count on the employees or members of your organization to make sound tactical and operational decisions that are aligned with your desired strategic direction. To ensure that these decisions are well made, your articulated strategic direction and strategic plans must be applicable and clearly related to the issues that people face.

Remember that an effective strategy provides a picture of the desired long term future. In order to make sound day to day decisions, all members of the organization must be able to begin with the end in mind. All steps must ultimately keep the company on course to ward the long term objective.

ii)An effective strategy allows flexibility so that the direction of the organization can be adapted to changing circumstances.

Watching the rise of Napoleon's French empire in the first decade of the 19th century, the Prussian generals were anxious to do battle with Napoleon's army because their soldiers were highly trained and disciplined in battle tactics that had succeeded for Frederick the Great fifty years before. It turned out, though, that the Prussian army was designed to fight "the last war" while Napoleon's innovations, including soldiers carrying their own provisions instead of the supply train of impedimenta typical of the traditional European armies, allowed Napoleon's troops to react and adapt to conditions far faster than could the Prussians. When the Battle of Jena-Auerstedt occurred in 1806, Napoleon's army out-maneuvered their slow and plodding enemy and destroyed the Prussians in that pivotal confrontation.

A rigid strategic direction seldom turns out to have been the best course of action. To assure that your business is nimble and able to react to changes in the marketplace, it is essential that your strategy is flexible and adaptable. As a strategist, you will count on timely and accurate information about market conditions. It is essential to build and employ effective mechanisms for observing and listening to what is going on in the competitive environment. Real-time information, in turn must feed on-going strategic and operational shifts and deployments.

iii) Effective strategy results from the varied input of a diverse group of thinkers

Moreover, participants in strategic decision-making must be unafraid to state contrary opinions. In Doris Kearns Goodwin's excellent book *Team of Rivals*, she explains how instead of bringing in a cadre of leaders whose thinking closely matched his own, Lincoln made a point of surrounding himself with his political rivals, naming William H. Seward, Salmon P. Chase, Edwin M. Stanton, and Edward Bates – all of whom had opposed Lincoln in a bitterly fought presidential race – as members of his cabinet. Despite initial misgivings, this unlikely team learned that Lincoln valued their opinions, would consider and reflect on their disagreements and challenges, and would not stick unnecessarily to preconceived notions. Though the mix of personalities and opinions inevitably led to debate and verbal conflict, Lincoln was able to facilitate and mediate, tapping into a rich variety of ideas in order to find the optimal solution to political and military issues. Goodwin attributes this ability to manage disagreement and lead an effective decision-making process as perhaps Lincoln's greatest strength as he led a troubled nation.

To ensure that your strategic team is ready to make effective decisions, look carefully in the mirror. Do you encourage debate, even argument, among your team about key decisions, or do you encourage toeing the company line? Remember that the well documented occurrences of groupthink – Kennedy’s ill-fated bay of Pigs invasion, NASA’s decision to launch the Challenger space shuttle, Bush’s reaction to presumed weapons of mass destruction in Iraq – occur not because of oppressive or stifling leaders. Rather, groupthink tends to occur when leadership groups enjoy collegial and fond relationships, leaving deliberants unwilling to rock the boat, or to voice contrary opinions.

An effective strategy follows a thorough and deep analysis of both the external environment and the internal capabilities of the organization.

This is the essence of the famous SWOT model (Strengths, Weaknesses, Opportunities and Threats). The strategist must understand the effects and dynamics of external entities such as competitors, suppliers, regulators and strategic partners. A sound assessment of these external factors leads to a rich understanding of threats to ward off and opportunities to pursue. The strategist must also understand the internal capabilities of his or her organization. A realistic self-assessment enables the organization to leverage the strengths of the organization and to shore up areas of weakness.

To take advantage of intelligence gained through a SWOT analysis, the strategist must ensure that intelligence does not sit idle, but is immediately mined for insight that can be used in strategic and operational decision-making. All historical stories of the great strategic achievements of history from D-Day and the Normandy invasion to Napoleon’s greatest campaigns include anecdotes of decision-makers poring over maps and data and striving to find the optimal course of direction and events.

### **2.3 An effective strategy identifies areas of Competitive Advantage**

To put this in the context of today’s competitive dynamics, understand that many aspects of business must be held at parity across a wide swipec of the competitive landscape. In business, this is called the “business essential” elements of organizational design. You don’t need to be world class at mundane business practices that are not your distinctive competence, but you must

maintain standards of work equal to that of your competitors. That is, the organization must maintain parity with competitors in the ordinary and mundane matters.

But at the same time, every successful organization is able to explicate an audacious extraordinary force. You must be world class at something that differentiates you from the competition. Moreover, all members of the organization must keep the uniqueness of their company in the forefront, always keeping competitive advantages unharnessed in order to compete in a vigorous manner. In short, every strategic plan must educate the full organizational team how it must use carefully identified competitive advantages in order to compete and win.

### **Past studies**

According to the research conducted by Al-Ghamd (1998) on Obstacles to successful implementation of strategic decisions, a survey conducted in the Saudi Arabian Petrochemical Industry, results showed that seven of twenty implementation problems identified from the literature were more frequently cited than the remaining ones. Two of the implementation problems were linked to human elements in the process of implementation. Research results indicate the need for effective management support systems for staff employees, strategy-structure alignment, effective compensation systems, and top management involvement in order to facilitate the process of implementation. These suggested managerial actions for improving strategy implementation revolve around 4 I's: Identify, Inform, Involve, and Incentivize.

According to Alexander (1985) the overwhelming majority of the literature has been on the formulation side of the strategy and only "lip service has been given to the other side of the coin, namely strategy implementation". These studies, though increasing in numbers, are few and considered less "glamorous" than those on strategy formulation (Atkinson, 2006). On the other hand, problems with implementation continue unabated. This signals the need for balancing strategic planning with implementation based strategies and studies. This paper is an extension of Alexander's implementation study on the U.S. and Al-Ghamdi's (1998) research work in U.K, but applied to a different context, namely Saudi Arabia.

### **2.4 Recommendation of the study**

The research suggests that planners should place more emphasis on implementation issues while they are drafting their plans. Most of these obstacles are avoidable if they have been accounted for during the formulation stage. It is obvious that many strategic plans fail to realize the anticipated benefits due to problems & difficulties faced during implementation. Specifically, some of the implications for managers aiming to successfully implement strategies in the Saudi Petrochemical industry are as follows

Company management must ensure that the supportive structure is in place to provide staff employees with the needed training & instructions during implementation phase.

Company management should link employee performance during implementation phase with the overall reward and compensation system in the organization.

Company management should develop a good information system. Employees need to be updated on implementation tasks.

Company management has to align its own organizational structure to what the strategy is calling for in order to enhance effectiveness of communication and coordination during implementation processes.

Company management has to be involved and maintain focus during the implementation processes.

## **2.5 Review of analytical/Critical literature**

Strategic planning has become a catchy buzzword with obvious benefits, less obvious pitfalls, and a variety of meanings. The aura of complexity, importance, and expense it has assumed through popularization might confuse or discourage both private and public officials.

There are almost as many definitions of strategic planning as there are persons talking about the subject. Taking into consideration both the private and public sectors of the economy, the definitions become even more broad and varied. Before defining strategic planning, it is important to develop the framework within which it fits.



At least three decades ago, Peter Drucker defined planning as actions taken right now to reach tomorrow's objectives. His definition still holds; planning means deciding what has to be done to prepare a given organization for the future. It implies that managers need to work now to make the future happen. So a plan which puts a decision off until next year is not a plan at all it is procrastination.

Strategic planning refers mainly to outlining the mission and goals of an organization. By having a clear mission statement or strategy for growth, an organization can better determine specific actions and allocation of resources that best serve its goals. A clearly defined set of goals also creates a better base for evaluation and feedback. A good strategic plan has many components. Inclusion of the following components is very important.

An organization has to establish a team culture versus the more traditional, individual-research culture, both intra- and inter-university;

-Ensure that the overall organization's vision and mission are articulated in the plan and shared by those in the research thrust leader's area of responsibility;

-Define resource and budget needs, given the goals;-Lay the groundwork to take advantage of the best communication technology (e.g., to facilitate "brainstorming sessions" and other necessary interactions).

-Define succinct deliverables and outcomes on reasonable timelines

## **2.6 Conclusions and Gaps to be filled**

It is evident that organizations that are business conscious must practice strategic planning for improved performance and survival. The previous research reviewed, none of the study was conducted in Mombasa, Kenya. This study was carried out to investigate the impact of strategic planning on organizational performance which leads to its survival. A case study of transport companies in Mombasa, Kenya. The researcher used the top managers as respondents of the study. The study took six months.

## **2.7 Theoretical framework**

Appropriate organizational structure which aligns to the stated organizational objects, adequate resources to carry out strategic plans, adequate leadership by departmental managers and well defined organizational goals leads to increased market share and financial stability of the firm.



## CHAPTER THREE

### METHODOLOGY

#### 3.0 Introduction

This chapter entails research study design, research population, sample size, sampling procedure, research instrument, data gathering procedures, data analysis, ethical considerations and limitations of the study and their possible solutions.

#### 3.1 Research Design

This study employed the cross sectional research design specifically as a strategy to collect quantitative data. It aimed at examining the relationships and identification of qualities that exist among a set of variables within the community.

#### 3.2 Research Population

The research targets 242 respondents from the staff of New Plan limited located on Plot 3 Portal Avenue, Crusader House Portal Ave, Kampala P.O. Box 7544, Kampala. NEWPLAN has developed expertise in Environment & Social Impact Assessments (ESIA), Resettlement Action Plans (RAP), Environment and Social Management Plans (ESMP), Economic and Financial Appraisals. *Bugoye Hydro Power plant - resettlement house for a Project Affected Person (PAP) in Old and new structures. NEWPLAN provided consultancy services for RAP implementation & livelihood restoration.*

#### 3.3 Sample size

Sloven's formula was used to compute the sample size. This formula was employed so as to sample fairly a large number of people Slovene's formula states that, for any given population (N), the sample size (n) is given by:-

$$n = \frac{N}{1 + N(e^2)}$$

Where  $N$  is the known Population

$e$  is the level of significant which is fixed at 0.05, basing in the formula the minimum sample size will be,

$$n = \frac{242}{1 + 242(0.05^2)}$$

$$n = \frac{242}{1 + 242(0.0025)}$$

$$n = \frac{242}{1.605}$$

$$n = 150 \text{ Respondents}$$

Following the formula, the established sample size was 150 respondents from population of 85 and this enough guide in effective data collection on the topic under study.

### 3.3 Sampling Procedure

The study adopted and used purposive sampling to select the respondents based on knowledge of the population, its elements and the nature of research aims. Merriam (1998) emphasizes that purposive sampling is a criterion which is based on information, rich cases from which a researcher can discover, understand and gain more insight on issues crucial for the study.

### **3.4 Research Instrument**

#### **3.4.1 Questionnaires**

These were a set of interrelated questions that was designed to be self-administered by the respondents. It was a company by the necessary documents like the cover letter purposely to explain the objective intentions of the study.

This instrument was vital in generating responses especially on the demographic, positions occupied, benefits of gambling activities.

#### **3.4.2 Individual structured interviews**

Here structure questionnaires was designed and administered to sports betting company. These formal interviews were considered useful mainly for comparative purpose and advantage since all the respondents had a set of similar questions. It supported a comparative analysis of certain variables of relevance to the study.

#### **3.4.3 Key informant's interviews:**

A key informant's interview guide was developed and used since it consisted of check list of open-ended questions, structured and semi-structured interviews to probe and generate responses from particular key individuals who are deemed knowledgeable about the variables under study. This was vital because it allow the researcher to clarify ideas and information on continuous basis especially accruing from the level of experience and knowledge of the respondents about sports betting activities among the youths.

#### **3.4.4 Document review**

This involved systematic gathering of few documented records about Sports Betting and historical facts about the contribution it has offered especially through reports and case testimonies information. This gives more insights therefore a need to check on for the comments and recommendations put by the in-charge or supervisor(s).

### **3.4.5 Validity of the instruments**

Validity is the efficiency or the degree to which a method, a test or a research tool actually measures what is supposed to measure. It refers to the accuracy of the research data. For this case, the validity of the questionnaire was tested using the Content Validity Index test (CVI). This involved item analysis to be carried out by the supervisors and an expert who was knowledgeable about the theme of the study. The process was involved examining each item in the questionnaire to establish whether the items to be used brought out what it was expected to bring out. Item analysis was conducted using the scale that runs from Relevant (R), Neutral (N), to Irrelevant (I).

### **3.4.6 Pre-testing**

In order to ensure and maintain a high level of consistency in this study, the researcher did the following:

Questionnaires were pre-tested. Ambiguous questions were made clear and irrelevant questions were deleted. The researcher used accurate questions which was open-ended and closed ended questionnaires. The questions to be set with enough space to give appropriate responses.

### **3.4.7 Reliability of Instruments**

Reliability means the degree of consistency of the items, the instruments or the extent to which a test, a method, or a tool gives consistent results across a range of setting or when it is administered to the same group on different occasions. The reliability of research questionnaire was tested using Cronbach's alpha coefficient test for its internal consistency to measure the research variables.

## **3.5 Data Gathering Procedures**

### **3.5.1 Before data collection:**

An introductory letter from the university authorities especially from the department of Accounting and Finance especially from the department of accounting and finance to the

organization or respondents was secured. Because acted as an entry tool and it bared basic bio-data facts about the researcher, the subject understudy and it formalized the whole research procedures.

Once approved, then necessary preparations and pre-cautions was taken into consideration for example ensuring that the budget estimates are secured, the research equipment like stationery, questionnaires and others are procured such that when it took time to start data collection everything was set.

The respondents were reminded about the study objectives whenever it was deem so that research aims or purpose kept being fresh in their minds and this fastens the process since time schedules are shared as well.

### **3.5.2 During the Administering of Questionnaires**

The researcher ensured all the introductions whenever need be for security and relationship building purposes. Adhere and follow the stipulated procedure for data gathering and timeframes. Always remember to thank the respondents each time to appreciate them for dedicating their time and energies to be part of the research.

### **3.5.3 After Data Collection**

The gathered was collected and subjected to scientific procedures of encoding, editing, tabulation and statically treated using statistical processing for social scientists such that the data was reduced, improved for accuracy, completeness and to derive meaning out it.

## **3.6 Data Analysis**

Here the data was analyzed using Statistical Processing for social scientists tools in order to derive meaning, improve its accuracy and make it complete for easy interpretation and understanding. Here data was reduced to get meaning using percentages and frequencies to transform it to be complete.

### **3.7 Ethical Considerations**

It's inevitable that the researcher observed some basic ethical rules and regulations which enable the research to effectively and efficiently realize its intended set goals and objectives. Such as;

The participants were assured of confidential treatment of the information collected and that the information was not used for any other purposes except to design suitable interventions by respective organizations.

Respect of the respondents with /and their opinions: in here the researcher used intellectual honesty and respects the respondents with their opinions in their different capacities. It is because when not respected, they always felt not part of the exercise and eventually desert it leading to ineffective participation. So it was important to respect their support and participation in order to achieve the intended intensions.

Avoiding both physical and psychological harm to the members of the locale where the research was conducted mostly; in this way it implied, having due regard for peoples' privacy and unnecessary inquiry in data collection process. This was during probing; the respondents should not be coerced or forced to reveal their much cherished secrets against their will and consciousness. Data collected was kept confidential and importantly individuals are human beings and therefore must be treated with due respect that they require and deserve. Thus as person with dignity and worse.

Socializing and familiarizing with the respondents' all aspects at all costs, it begins from respecting the views of team members, consultations amongst is going to be a concern of the researcher in order to reach constructive decisions in line with the topic undertaken.

### **3.8 Limitations of the Study**

Due to many factors especially the contingency aspect of it, the research registered and claim at least 30percent margin of errors because such factors may influence the conclusive findings. Campbell and Stanley (1963:5-6) and Cook and Campbell (1979:51-55) point out several threats to validity such as:

**History:** during the course of the research extraneous events occurred and confound the results. The fact that extraneous events may coincide in time with the manipulation of the independent variable outside the study and beyond the researcher's control.

**Attrition/mortality:** here not all questionnaires may be returned or attempts to retrieve the questionnaires may turn out to be futile or other subjects/respondents may opt to drop out of the study before it is completed thus the statistical correlations and conclusions drawn can be influenced by such uncontrolled situational events.

## **CHAPTER FOUR**

### **PRESENTATION, INTERPRETATION AND ANALYSIS OF THE RESULTS**

#### **4.0 Introduction**

The results in this section were presented so as to explore the data with respect to the research study objectives. After the data entry stage, the data was captured using the SPSS software and then analyzed with respect to the research objectives. The analysis was presented using correlations, and analysis of variance tables and Regression analysis. The research objectives were: to establish the need for strategic planning in the organization, to establish performance of firms that use strategic planning as compared to those that do not use, to identify the challenges faced by the organization who practice strategic planning and to establish the significant factors essential for effective strategic planning practice and how they affect the overall organizational performance.

#### **4.1 Description of Respondents**

In this study, respondents were described according to gender, age bracket, level of education, marital status, religion, work experience and categories of employees. In each case, respondents were asked to declare their respective profile information in order to enable the researcher classify them accordingly. Close ended questionnaire were employed by the researcher in ascertaining information about their personal profiles and analyzed their responses using frequencies and percentage distributions as summarized in table 4.1 below.

##### **4.1.1 Job Description**

The descriptive statistics were used to show the demographic characteristics of the respondents. These were followed by the Pearson correlation and regression analysis was used the result from the cross-tabulations are presented below.



**Table 4.1: Showing the Job description of the respondents**

Job	Frequency	Percent
Managers	36	24.0
Operation staff (Proc.HR, Admin, Fin & Log)	81	54.0
Program staff	33	22.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Source: *Field study, (2018)*

From the results above the table indicated the job positions of officers in Newplan Limited and from the results the researcher was able to identify that Operation staff represented by 81(54%) were the majority which enabled the researcher to gather relevant information on strategic planning in Newplan Limited and the minority were the program officers by 33(22%). This means that the performance which are suitable for organization performance.

#### **Results from the interview**

Results from the interview interactions with strategic planning manager, he mentioned that *“they employee more of the operation staff because they participate in most of council activities that involves serving people and provision of humanitarian support to victims of in the New Plan”*.

#### **4.1.2 Gender of Respondents**

**Table 1.1.2: The table showing the Gender of respondents**

Gender	Frequency	Percent
Male	100	66.7
Female	50	33.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Source: *Field study, (2018)*

From the table 4.1.2 results indicate that most of the respondents were males 100(66.7%) and females are 50(33.3%). This is because New Plan Limited carries out most of its activities in a

remote part of Uganda. Many female are not interested in working in the remote of Uganda due to family ties, urban advantages and access to social media. Thus far male staffs are dominant in New Plan Limited. (This indicates that males dominated in the sample and therefore it gave opportunity the researcher to carry on data effectively).

#### 4.1.3 The education of respondents

**Table 4.1.3: The showing the Education level of respondents**

Education	Frequency	Percent
Diploma	56	37.3
Degree holders	64	42.7
Masters	30	20.0
Total	150	100.0

Source: *Field study, (2018)*

As regards the level of education, most of the staff are degree holders 64(42.7%), followed by Diploma 56(37.3%), and Masters 30(20%). This implies that working staff quality in terms of qualifications is relatively high. This means that the procurement levels in the organization is high and it made the researcher essay to access the relevant information for this study. This clearly indicates that most staffs had degrees prompted the researcher to analysis data through their interviews.

#### 4.1.4 The Working period of respondents

**Table 4.1.4:** The table showing the Working period of the respondents

	Frequency	Percent
1 – 2 years	9	6.0
3 - 5 years	48	32.0
6 - 8 years	61	40.7
9 and above	32	21.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Source: *Field study, (2018)*

Table 4.1.4 above indicates that majority of the respondents had served for 6-8 years 61(40.7%); In addition respondents with a working experience 3-5 years were represented with 32%, yet the least worked for 1-2 years. This implies that they have got the information pertaining the effect of strategic performance on organizational performance and survival.

#### 4.2 Effect of need for strategic planning in an organization of New Plan Uganda

The first objective in this study was to examine the need for strategic planning in an organization in New Plan limited Uganda, Managers and staffs in each item were asked to rate whether these are is an extent New Plan Limited by indicating the extent to which they agree or disagree with each item.

**Table 2: Table showing the effect of need for strategic planning in an organization of New Plan Uganda**

	<i>Mean</i>	<i>Std. Deviation</i>
We are always polite to one another and to the rest of the people.	4.01	.900
Thinking up new ideas and being creative is acceptable in this organization by all members.	2.79	1.187
To you as an individual being very successful in this organization is acceptable.	3.64	1.097
It is important to do things the way you found them in this organization	3.90	1.010
It is important to treat every person equally in this organization.	2.79	1.187
People want to be in charge and tell others what to do in this organization	3.74	1.049
People in this organization believe they must be honest in any situation and always tell the truth	3.45	1.204
People in this organization believe they should do what they are told. They believe that they should follow the rules at all times even when no one is watching.	2.79	1.187
People in this organization are ambitious and ready to work hard to get ahead	2.96	1.256
People in this organization are curious and try to understand everything.	3.40	1.156
People in this organization think they should do what others expect of them.	3.83	.890
People in this organization do not like to boast or to draw attention to things they do. They want to be modest.	3.78	1.189
The workers in this organization have a sense of the organization's mission.	2.97	1.256
Workers feel free to voice innovative suggestions to top management in this Organization	2.79	1.187
Departmental Heads frequently discuss with the workers their task requirements in order to cope well with the organization's objectives	3.70	1.46
Workers perform competently without pressure from their bosses.	3.64	1.49
Employees show a lot of concern to seeing that they complete their day's work		

**Source:** *Field study, (2018)*

Table 2 presents the mean response of strategic planning in New Plan Limited, Uganda. The mean values of the respondents were (Mean 3.35), respondents agreed that the organisations plan

extensively for its purchase with a mean score 4.01, the respondents further agreed that strategic planning begins with "planning" as shown by mean score of 3.90. This confirms (Byokusheka, 2010) that strategic planning is the primary function that sets the stage for subsequent performance. The top management takes part in the strategic planning as shown by a mean score of 3.83; and shows an appreciable level of full commitment by guiding the strategic planning of the agricultural firms to ensure that lower management strategies are consistent with the corporate strategies (mean score = 3.78).

The result conforms that forms and procedures may be convenient and useful tools, but the planning effort will succeed only to the complete commitment and involvement of top management. Furthermore, the respondents strongly believed that relevant approvals are obtained from the organization's authority alone for all procured items and not from any other person, with (mean score = 3.74). The respondents slightly agreed that People in this organization think they should do what others expect of them as shown by a mean score of 3.40.

### 4.3 Performance of New plan ltd while Strategic Planning

Table 4: Table showing the performance of Newplan ltd while Strategic Planning

Items on performance	Mean	Std. Deviation
I have the final decision making authority within my department.	3.42	1.54
I do not have time to consider suggestions of my staff	1.51	.84
I always tell my staff how to do things that have to be done	3.04	1.64
When staff makes mistakes, I tell them not to do it again.	2.15	1.36
New hires are not allowed to make any decisions unless I approve them	1.68	.94
I closely monitor employees to ensure that they are performing correctly.	2.46	1.53
I like the power that my management position holds over subordinates.	2.58	1.57
Employees must be threatened with punishment in order to get them to achleve	1.66	.85
I act fast with minimal consultation with the group.	3.64	1.49
I avoid giving members too much freedom.	3.12	1.56
I encourage the use of uniform procedures.	1.52	.99
I convince my staff to adopt a position even when their views differ.	1.92	1.39
I give some members authority to act.	3.76	1.39
I ask members to follow standard rules.	2.58	1.75
I ask employees for their ideas on upcoming plans and projects.	1.50	.95
When things go wrong I call a meeting to get employee's advice.	2.92	1.68

Source: Field study, (2018)

The study also examined the effectiveness of strategic planning in New Plan ltd in achieving its objective. The *Mean 2.42* and *Std. deviation 1.316* shows that effectiveness of work plan is moderate, the management carries out strategic actions to enhance performance by effecting the work decisions assigned in New Plan Limited Uganda.

#### **4.4 Strategic planning practices**

The study in this section asked the interviewees how different strategic planning practices done in New Plan limited Uganda enhance performance.

##### **4.4.1 Setting the strategic direction**

From the study findings, majority of the interviewees cited that New Plan planning process is comprehensive, adaptable, efficient and realistically focused to the objectives. New Plan International Secretariat communicates the global strategic direction and mission priorities with inputs from country programme. This shapes, prioritise and streamline New Plan work. As a country programme, New Plan Uganda is expected to develop new Country Strategy Paper taking into account the local context and the global priorities.

Shaping the future strategy of New Plan involves drawing from local and global processes to ensure strategy alignment and relevance. The process involves alignment to the global plans and priorities; national driven engagements through organised inputs by staff, stakeholders and making propositions. With technical support from experts, a review of the strategy for the period ended is undertaken to assess impact, lessons learned, review of the national context and implications for the various thematic areas.

Based on the review findings and outcomes, a plan to develop a new strategy is discussed in the senior management (Uamuzi) meeting. Uamuzi proposal on new strategy development process, those involved and the time frames is submitted and discussed by AAK Board for approval. Most of the interviewees cited that Taking Stock is key source of information to drafting every new strategy in New Plan. Assessment of the past and plans for the future is done in close consultation with key stakeholders, partners, communities, the governments of Kenya, Civil Society Organization (CSOs), the Board and other parts of New Plan. Consultation workshops to generate inputs on key moment for strategy is given attention. Field visits and engagement with communities and partners are fundamental process of Taking Stock.

## 4.5 Employee Performance

**Table 3:** The table showing the employee performance

Statement	Mean	Std. Deviation
I feel like “ part of the family in my organization”	3.56	1.41
I do not feel “ emotionally” attached to this organization	3.24	1.49
I really feel as if this organization’s problems are my own	3.55	1.45
I would be happy to spend the rest of my career with this organization	3.55	1.43
I am proud of my organization	2.29	1.59
This organization has a great deal of meaning to me	2.42	1.50
I do not feel a strong sense of belonging to my organization	3.70	1.46
Even if this organization went down financially I will still be reluctant to change to another organization.	2.23	1.45
It would be too costly for me to leave this organization now.	1.91	1.27
If I were offered a job in another organization with a slight increase in pay, I would definitely change my job	3.56	1.42
Too much in my life would be disrupted if I decided to leave this organization now	1.76	1.20
I feel that there are too few options to consider leaving this organization	3.40	1.54
It would be very hard for me to leave this organization even if I wanted to.	3.24	1.49
Jumping from organization to another does not seem at all ethical to me	3.6102	1.42645
I believe in remaining loyal to one organization	3.5763	1.44652
If I got a better offer elsewhere I would not feel it right to leave my organization.	3.5847	1.42820

Source: *Field study, (2018)*



From the table above the overall level of organization performance is high (Mean 2.478 and Std deviation 1.35). In this study the management performance is moderate since there are many factors that affect management. Therefore this indicates that there is need to readdress the consequence of strategic planning to enhance organization performance in New Plan Limited Uganda.

From the results above performance management is also influenced by timelessness of work for the given (Mean 2.31) which is high; reflecting its influence on organizational performance in New Plan Limited in Uganda. In this context the rate at which timelessness of work determine the performance was observed as a major factors in analyzing the activities that strategic planning go about, for instance managers are avoided of giving members too much freedom; mean 2.31 this means that the timelessness is appropriate with the objective of improving the strategic planning and organizational performance.

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction

This chapter summarizes the findings of the study as analyzed in chapter four. It also includes conclusions and recommendations.

#### 5.1 Summary of the study

The study also found out that the department oversees and has demonstrated overall management and coordination of Country Strategy Review and supervision of the strategy development over the periods. Monitoring and Evaluation unit conducts periodic reviews including impact assessments. Outcomes and reports from the process are shared with staff and stakeholders with a view of generating continuous programme adjustments necessary to keep the strategy implementation on track.

Further, the study found out that impact and Shared Learning provides support to Reviews of Reflections and a variety of learning processes. The new process for program monitoring and evaluation remains an important asset in the future of Newplan Limited.

The study further found out that environmental scanning/ external analysis was done through consultation, analysis of the social political economy of Uganda, analysis of poverty, power relations and inequity. It traces factors within Uganda that both promote and hinder development. New Plan ltd work, act and its distinctive approach are particularly shaped by its analysis on the poverty at the macro-micro level and experience on community level, policy and human rights work. The study established that Newplan ltd position itself as catalyst and facilitator. New plan strategy is implemented both internally and externally through annual plans directly implemented largely through national partners, local and community based organization.

## 5.2 Conclusions

Judging from the various computation analysis and findings, the results revealed some pertinent fact from which the researcher then drew certain conclusion. It can be reasonably concluded that at 95% confidence, strategic planning enhances performance and survival.

Most of the respondents strongly agree that strategic planning enhances better organizational performance. Few agree while just a little of the respondents were undecided. Hence, it can be deducted from the above responses that strategic planning enhances better organizational performance.

Almost all of the respondents strongly agree and agree that there is a link between strategic planning and organization's survival, while just a very few of the respondents were undecided, none of the respondents disagree nor strongly disagree. Hence, it can be concluded that there is a link between strategic planning and organization's survival, using the above responses as proves.

All five agencies have made a good-faith effort to develop reporting procedures that comply with the requirements of GPRA. Some agencies stated that GPRA compliance has added substantially. Some agencies are using the GPRA process to improve their operations. These agencies report benefits in strengthening program management and enhancing communication about their programs to the users of research and the general public. The need to do so depends on the goal of that agency and the degree to which there is concern about a given field of research or about new and emerging programs.

In promoting greater accountability, the act calls for firmer alignment of research programs with overall strategic planning and for a higher degree of accountability. These agencies report progress on both counts in strengthening the management of their programs and in enhancing their ability to communicate the value of their programs to the users of research and the public.

The most effective technique for evaluating research programs is review by panels of experts using the criteria of quality, relevance, and, when appropriate, leadership. Agency approaches to SPOP research programs demonstrate the utility of expert review using the same criteria of quality and relevance as outlined in COSEPUP's original report. The international leadership

criteria is generally not evaluated by most federal agencies at this time, although several are interested in such a measure. However, given the diversity in mission, complexity, culture, and structure of federal agencies that support research, it is not surprising that their approaches to SPOP have varied.

Agencies choose to aggregate their research programs at different levels. Some agencies provide evaluations on a field-specific or program-specific basis; others do so for the research program in its entirety. Aggregating at a high level can make it difficult for oversight bodies to clearly see and understand the methods and programs that are the focus of the analyses.

NewPlan Limited strategy reaffirms NewPlan Limited commitment to fight and ultimately eradicate poverty and injustice. The strategies sets direction, guide actions of staff and partners, articulates clear and ambitious priorities. It also sets out a clear framework for its work to be accountable, both to the poor and excluded people with whom AAK works with and to its supporters and funders. Shaping the future strategy of NewPlan Limited involves drawing from local and global processes to ensure alignment and relevance; making reference to the global plans and priorities, national driven engagements while building on the strengths of predecessors Fighting Poverty Together among others.

### **5.3 Recommendations**

Based on the findings from the study the following recommendations are made. Having discovered that organizational performance and survival is a function of strategic planning, Organizations should accord priority attention to the elements of strategic planning for example; having a documented mission statement, a future picture (vision) of the organization, organizations should establish core values i.e., organization's rules of conduct, set realistic goals, establishment of long term objectives (this has to be measurable and specific) and the development of action (strategic) plans and its implementation and adequate follow-up.

Agencies should strive for effective communication with oversight groups on the implementation of GPRA. For their part, oversight bodies should clarify their expectations and meet more often among themselves to coordinate their messages to agencies.

A principal purpose of GPRA is to improve how agencies communicate their results to oversight groups, the “users” of research, and the general public. More-effective communication will enhance the value of the act to all constituents.

Finally, since it was discovered that environmental factors affect strategic planning intensity, organizations should make adequate environmental analysis both the internal and external analysis, this can be done through the SWOT analysis which indicates the Organization’s strengths, weaknesses, opportunities and threats.

### **5.3.1 Recommendations for strengthening the relationship between strategic planning and performance**

The study in this section sought to find out recommendations from interviewees on ways to strengthen the relationship between strategic planning and performance in the New Plan Ltd. From the study, majority of the interviewees recommended that all evaluations, even project evaluations that assess relevance, performance and other criteria need to be linked to outcomes as opposed to only implementation or immediate outputs; continuous training to ensure all stakeholders clearly understood New Plan Ltd’s processes for long term strategies.

Annual planning be done on confirmed incomes as reductions of budgets mid-course affect plans made with communities and partners. Most of the interviewees recommended that early opportunity needs to be taken to develop strategies of working with communities to deal with some of the structural reasons for their poverty through advocacy and other strategies.

Most of the respondent’s recommended that there was need for New Plan Ltd to re-examine its overall focus in view of the workload at the DI level and other factors, and to deepen programme involvement and prevent being spread too thin on programme scope. Further within it strategic focus on partnerships, New Plan Ltd staff needs to be aware of the organizational difficulties of establishing umbrella CBOs and provide the support

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## APPENDIX

### QUESTIONNAIRE FOR THE RESPONDENTS

#### Employees

Dear Respondent, This questionnaire is designed to facilitate a study on effectiveness of strategic planning and impact on organizational performance. You have been identified as one of the resourceful persons and as such you are kindly requested to spare some of your valuable time and respond to the questions/ statements as frankly and honestly as possible. This research is purely for academic purposes and your responses will be treated with utmost confidentiality. Thank you.

#### *Questionnaire for Employees*

**Section A: Background Characteristics B 1.** Gender Male ☐ Female ☐

**B2.** Age Group

Less than 30yrs	31-40yrs	41-50yrs	Over 50yrs

**B 3.** Highest level of education

diploma	Degree	Post graduate	Other (specify)
1	2	3	

**B 4.** Marital Status

Single ☐ Married ☐

**B 5.** How long have you worked with New Plan Ltd?

Less than 3 yrs ☐ 4 – 6 yrs ☐ 7 – 8 yrs ☐ More than 8 yrs ☐

## SECTION 1: NEED FOR STRATEGIC PLANNING IN AN ORGANIZATION

Please respond to the following questions below by ticking the most appropriate number that corresponds to your level of agreement with the statement (1.To a very small extent, 2. To a small extent, 3.To a moderate extent, 4. To a large extent and 5. To a very large extent.)

	1	2	3	4	5
1. We are always polite to one another and to the rest of the people.					
2. Thinking up new ideas and being creative is acceptable in this organization by all members.					
3. To you as an individual being very successful in this organization is acceptable.					
4. It is important to do things the way you found them in this organization					
5. It is important to treat every person equally in this organization.					
6. People want to be in charge and tell others what to do in this organization					
7. People in this organization believe they must be honest in any situation and always tell the truth					
8. People in this organization believe they should do what they are told. They believe that they should follow the rules at all times even when no one is watching.					
9. People in this organization are ambitious and ready to work hard to get ahead					
10. People in this organization are curious and try to understand everything.					
11. People in this organization think they should do what others expect of them.					
12. People in this organization do not like to boast or to draw attention to things they do. They want to be modest.					
13. The workers in this organization have a sense of the organization's mission.					
14. Workers feel free to voice innovative suggestions to top management in this Organization					

15. Departmental Heads frequently discuss with the workers their task requirements in order to cope well with the organization's objectives					
16. Workers perform competently without pressure from their bosses.					
17. Employees show a lot of concern to seeing that they complete their day's work					

## SECTION 2 THE PERFORMANCE OF NEWPLAN LTD WHILE STRATEGIC PLANNING

This questionnaire contains statements about performance. Next to each statement, tick the number that represents how strongly you feel about the statement by using the following scoring system:-

Score	Response Mode
5	Strongly Agree
4	Agree
3	Not Sure
2	Disagree
1	Strongly Disagree.

Please try to be very honest about your choices as there are no right or wrong answers it is only for your own self-assessment.

No	Items on performance	SD	D	NS	A	SA
1	I have the final decision making authority within my department.					
2	I do not have time to consider suggestions of my staff					
3	I always tell my staff how to do things that have to be done					
4	When staff makes mistakes, I tell them not to do it again.					
5	New hires are not allowed to make any decisions unless I approve them					
6	I closely monitor employees to ensure that they are performing correctly.					
7	I like the power that my management position holds over subordinates.					
8	Employees must be threatened with punishment in order to get them to achieve					
9	I act fast with minimal consultation with the group.					

10	I avoid giving members too much freedom.					
11	I encourage the use of uniform procedures.					
12	I convince my staff to adopt a position even when their views differ.					
13	I give some members authority to act.					
14	I ask members to follow standard rules.					
15	I ask employees for their ideas on upcoming plans and projects.					
16	When things go wrong I call a meeting to get employee's advice.					

### SECTION 3: EMPLOYEE PERFORMANCE (To be filled by employees)

Please evaluate the following statements using these alternatives; Strongly Agree, Agree, Not Sure, Disagree and Strongly Disagree.

		SA	A	NS	D	SD
1	I feel like " part of the family in my organization"					
2	I do not feel " emotionally" attached to this organization					
3	I really feel as if this organization's problems are my own					
4	I would be happy to spend the rest of my career with this organization					
5	I am proud of my organization					
6	This organization has a great deal of meaning to me					
7	I do not feel a strong sense of belonging to my organization					
8	Even if this organization went down financially I will still be reluctant to change to another organization.					
9	It would be too costly for me to leave this organization now.					
10	If I were offered a job in another organization with a slight increase in pay, I would definitely change my job					
11	Too much in my life would be disrupted if I decided to leave this organization now					
12	I feel that there are too few options to consider leaving this organization					
13	It would be very hard for me to leave this organization even if I					

	wanted to.					
14	Jumping from organization to another does not seem at all ethical to me					
15	I believe in remaining loyal to one organization					
16	If I got a better offer elsewhere I would not feel it right to leave my organization.					