

EFFECTS OF STRATEGIC PLANNING DRIVERS ON PERFORMANCE OF FAITH-BASED ENTERPRISES: A CASE STUDY OF LIMURU ARCHDIOCESAN FARM (LAF)

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International Academic Journal of Human Resource and Business Administration (IAJHRBA) | ISSN 2518-2374

Received: 4th July 2016

Accepted: 8th July 2016

Full Length Research

Available Online at: http://www.iajournals.org/articles/iajhrba_v2_i1_29_46.pdf

Citation: Kimani, P. M. (2016). Effects of strategic planning drivers on performance of faith-based enterprises: A case study of Limuru Archdiocesan Farm (LAF). *International Academic Journal of Human Resource and Business Administration*, 2 (1), 29-46

ABSTRACT

The research investigated the effects of strategic planning drivers on the performance of Limuru Archdiocesan Farm (LAF), an investment project of the Catholic Archdiocese of Nairobi. The aim was to investigate the effects of strategic planning drivers on organizational performance of faith-based organizations with specific regard to LAF. The study tested the effect of leadership, structure, resource allocation, policies and procedures as perceived drivers of strategic formulation and implementation. The study explored the links that exists between organizational performance and strategic planning. The study was informed by three theories; the Resource Based Theory, systems theory and the motivator-hygiene theory. The theories are essential in strategic formulation, day to day coordination of activities and strategy implementation by employees. The study adopted descriptive statistics research design of quantitative research. The researcher sampled 50% of the target population of 150 in LAF. Questionnaires were used as instruments of research. Data was analyzed using SPSS. To determine the factors influencing performance of LAF, a regression analysis of the findings was conducted. The study used ANOVA to establish the significance of the regression. The findings on the influence of leadership in strategic planning on performance of indicated that LAF had a strategic plan as provided by majority of the respondents. The findings on the influence of structure in strategic planning on performance of LAF revealed that the structure of LAF influenced strategic planning at a very great extent as indicated by majority of the respondents. The findings on the influence of resource

allocation in strategic planning on performance of LAF revealed that facilities and equipments required to implement strategy work must be available. The research found out that LAF had a committee for strategic plan preparation as indicated by a majority of the respondents. It was also found out that majority of the respondents indicated that the culture of LAF influenced strategic planning at a very great extent. Based on the study findings, the study concluded that LAF organization had a strategic plan and hence the organization was capable of competing successfully and operating profitably. The researcher concluded that the structure of LAF influenced strategic planning at a very great extent and it was critical to success in implementing strategic decisions in an organization. The study concluded that facilities and equipments such as machinery, structures, qualified employees, management capability, financial strengths, marketing capabilities and leadership required to carry out work must be available in the formulation and implementation of strategy. The study further concluded that strategy formulation and implementation can be inhibited or supported by the organizational culture. The study finally concludes taking all other independent variables at zero, a unit increase in leadership will lead to an increase in the scores of the performance of LAF. The study recommends that leaders should ensure they are involved in re-fresher courses to keep the organization abreast with the current organizational practices. The management should try to make the structure of LAF lean and flexible to facilitate effective communication and a decision making processes that is inclusive

of all the stakeholders. The management of LAF should labour to mobilize resources to facilitate the formulated strategy into action. The study finally recommends that Limuru Archdiocesan Farm should work on getting an up to date policies and

procedures and ensure that they are followed.

Key Words: *strategic planning drivers, performance, faith-based enterprises, Limuru Archdiocesan Farm, LAF*

INTRODUCTION

Strategic management is the combination of decisions and actions that originate in the formulation, implementation and evaluation of plans made to an organization's vision, mission, and strategic objectives within which the organization operates. Implementation of strategic plans is a component of strategic management process since it turns the formulated strategy into action. There is a growing realization that most challenges in strategic management process are related to strategic implementation and not strategy formulation. Strategic management process is considered successful after a full implementation, monitoring and evaluation and consequently organizational change and performance (Thompson and Strickland 2003).

Strategy formulation and implementation has increasingly become the focus of many studies. This is because the process beginning with project formulation to project implementation is not effective. The biggest challenge with strategy is not in strategy creation, since there have been organizations with very good strategic plans and policy manuals. However, implementation of such good strategic plans has not been good. For organizations to have good strategies is critical, but with strategy execution failure rates of 70 percent and 90 percent, then implementation of strategy is more critical (Perry, 2008).

Strategic plan is of little use to an organization without a means of putting it into place. The relevance and impact on performance of strategic planning in any organization is only through successful implementation. In fact, implementation is an essential part of the strategic planning process, and organizations that develop strategic plans should include a process for applying the plan. The specific implementation process varies from organization to organization, dependent largely on the details of the whole strategic plan. The manner of implementation should be a major determining factor on the strategic choice organizational leadership opts. A strategic plan that does not consider the implementation phase will probably not meet the desired objectives (Zilani, 2009).

Strategic planning in many organizations is trendy and in line with the existing corporate practice. Business partners, sometimes government policies and shareholders continually demand to know from the organizational leaders the direction an organization is taking and how to reach there. Through such demands, great strategic plans have been launched with great hype and copies of the same shared with the members. However, the reality after the launch is that, strategic plans remain in the form of untouched documents, failing to materialize as part of the organization and its people. The launch usually sees the end of the process in many instances, leading to business as usual supporting the status quo.

Organizational members who are entrusted with the responsibility of actualizing the launched strategic plan sometimes even forget the existence of such document (Perry, 2008).

There is a growing realization that formulating a strategic plan is hard, but the execution of the strategy is even harder. It is the most complicated and time consuming phase of strategic planning (Al-Kandi, 2013). Strategy implementation depends on a number of factors, but the most important is the availability of resources and the necessary manpower. The requisite facilities and equipments to facilitate operations must be available. Internal factors play a critical role in the process of successful strategy implementation. Such factors entail machinery, internal structures, skilled employees, financial strength, marketing capability and leadership. Without adequate resources, the implementation of strategy can't be realized. Firms strongly depend on the availability of resources (Yabs, 2010). Strategic plan fails to affect firm's performance when the elements or factors of the strategy don't fit together. Strategic thinking requires the use of appropriate capabilities, system and structure for it to influence performance. An organization whose structure and systems are confused or not functional cannot effectively mobilize resources or implement policies and procedures however smart they may be (Al-Kandi, 2013).

Management teams have discovered the difficult task of formulating strategy. This has caused the use of informal strategies by firms. However, organizational management have overcome the difficult task of formulating strategy, but implementation phase has proven even to be harder causing organizations that have formal strategic plans to revert back to the status quo of informal traditional strategies (Al-Kandi, 2013). Leadership has been identified as a factor that can influence successful formulation and implementation of strategy. One of the major tasks of leadership is to give the organization a sense of direction. Policies and procedures are equally important in strategic formulation and implementation. They spell the action that is to be undertaken at what stage, and how it should be undertaken. Policy manuals guide managers and supervisors in making strategic decisions, while procedures spell the means of implementing them (Anof, 2006).

Strategic management in faith-based organizations

Non-profit firms especially religious organizations require carefully crafted investment strategy to fund future projects and other activities. Religious organizations are in a situation that they must address the issues of finance, resources and commercial functions, areas that are not directly related to their core mission (Jacobs, 2005). A study done in America indicates that economic prosperity that was the character of religious institutions in the past is no more. Religious organizations are forced to engage themselves with financial strategies due to economic difficulties, sometimes without much success. Economic problems facing religious organizations have been accelerated by adverse conditions in the general economy and by government policies that give various restrictions. This in turn presents a great challenge in the implementation of the strategic plans in religious organizations and other non profit making organizations (Wuthnow, 1997).

The church in Africa has moved from the missionary era of reception, to an era of self supporting and self governing. The growing church requires trained personnel who will focus their mind and energy into implementation of the growth strategy. In strategy

implementation, the leadership role is to ensure that they go beyond the formulation of grand strategies and develop creative activities that ensure successful implementation. In religious organizations, poor leadership has been a hindrance and cause for slow church growth in Kenya. The modern church needs growth by strategy, a situation that requires highly trained leaders and an on-going leadership nurturing. There exists a lot to learn through a continuous dialogue between religious and secular organizations on the area of management (Ikenye, 2010).

Scarcity of resources against the growing church in Africa is a major challenge facing faith-based institutions. This has forced religious organizations to involve themselves in income generating programmes in order to sustain their ministry and avoid overburdening the already straining flock. Religious organizations are forced to come up with strategies that will help achieve self-sufficiency and address dependency practices. Such strategies include proper management of available resources, mobilizing other resources and training the leaders to be professional. Resource development to acquire skills and knowledge, establishing viable investment projects and income generating activities are important aspects towards attaining self-sufficiency in religious organizations (Kiiru, 2010).

Religious organizations and the faith-based enterprises are challenged by scarcity of resources as mentioned by Kiiru (2010). Resources and capabilities of an organization are fundamental considerations in formulating strategy. They help develop organizational identity and are foundations upon which the organization can depend on its performance. Strategy formulation based on resource based approach advocate the link between resources and capabilities and the performance of the organization. Religious organizations suffer from meager resources making it difficult for the formulated strategy to be realized. Such resources include skilled personnel, competent leadership, proper leadership and finances (Grant, 2001).

Limuru Archdiocesan Farm (LAF)

Limuru Archdiocesan Farm (LAF) is one of the investment strategies for the Catholic Archdiocese of Nairobi. According to the LAF strategic plan 2012-2016, the farm was established in 1902 under the missionaries of Consolata Fathers. The organization was registered under Catholic Archdiocese of Nairobi. The farm started its full operation under Limuru Archdiocesan Farm in 2002. The farm is situated in Limuru District, Kiambu County in a total area of 400 acres. The farm's operations include tea growing, horticulture, dairy farming, green house and water bottling (Tigoni Natural Spring water). The farm is supported by a board of 7 members, the farm administrator, the general manager, 6 supervisors and support staff in the different sectors, with a labour force of 150 employees.

STATEMENT OF THE PROBLEM

The performance of LAF seems not to achieve the anticipated target. The farm has experienced a steady growth in income for the last 5 years from Kshs 9,903,195.80 million in 2007 to 19,509,270.35. However, expenses continue to be higher than the income according to the financial report 2012.

Table 1: LAF Financial Performance

Year	2007	2008	2009	2010	2011
Income	9,903,195.80	12,178,549.10	13,700,712.25	21,509,542.35	19,509,270.35
Expenses	12,178,549.10	13,336,816.35	16,205,456.35	22,357,845.00	17,789,617.30

Source: LAF (2012)

The farm has continued to use traditional processes for production in the different sectors that create no difference in value and change for growth. Learning and growth has not taken place owing to the use of traditional processes. The farm's first strategic plan (2012-2014) was formulated and launched in the year after being in operation for long. The launch became the end of the process, therefore leading to business as usual supporting the status quo and operating in the tradition of informal strategy since the strategy is never referred or monitored.

The research done in the previous studies provided mixed results regarding the relationship between formal planning process and the performance of the organization. The study suggested a further research on planning-performance relationship while incorporating theoretically relevant moderators. Such moderators could include firm's resources, capabilities and systems (Falshaw, 2006). Another research found that strategy affects organizational performance positively on finance and growth while doing a study on the relationship between strategy implementation and performance in Commercial Banks in Kenya. The study recommended further research be conducted on other sectors other than the banking industry to provide reliable information that represent real situation across sectors (Muchira, 2013).

Previous studies have not been conducted in faith-based organizations. This study attempts to bridge the gap suggested by Muchira (2013) by doing a research on an agribusiness owned by a religious organization. The study will use Resource-Based Theory as a moderator in planning-performance as suggested in the previous study (Falshaw, 2006). Such difference would involve well researched information which this study attempts to undertake. This study attempts to investigate the effects of strategic planning drivers on performance in faith-based enterprises specifically at LAF.

GENERAL OBJECTIVE

The general objective of the study was to investigate the effects of strategic planning drivers on organizational performance with specific regard to LAF.

SPECIFIC OBJECTIVES

1. To investigate the extent to which leadership in strategic planning influence performance in LAF.
2. To determine the extent to which resource allocation in strategic planning influence performance in LAF.
3. To find out the extent to which structure in strategic planning influence performance in LAF.
4. To investigate the extent to which policies and procedures in strategic planning influence performance in LAF.

LITERATURE REVIEW

Theoretical Framework

This research is going to be informed by three (3) theories: Resource based theory, systems theory, and the motivator-hygiene theory.

The first theory that is going to inform this research is the Resource-Based theory. The approach also known as Resource Based Value (RBV) has been reported by Salaman et al (2005) as having shifted the emphasis in strategy from external considerations to internal firm resources. Resources that are rare, valuable, and difficult to imitate and that cannot be substituted can be sources of competitive advantage. The theory has significantly influenced the areas of strategy and strategic human resource management. This has quelled the debate whether Resource Based view is a theory or not, with critics acknowledging its significant role in several strategic research programs (Salaman, 2005).

Kandula (2008) Resource Based View suggests that human resource system can contribute to sustained competitive advantage. The approach views resources as facilitators to the development of competencies that are specific to the firm. With the resource based framework the organization is viewed as an extension of resources and capabilities. Such resources entail all input factors, tangible and intangible, human and non human. Daft (2010) notes the resource based approach looks at the input side of the transformation process. The approach assumes that companies must be successful in acquiring and managing valued resources in order to be effective. As mentioned in the background of this study, there is a relationship between organizational performance and resources and capabilities. Grant (2001) notes that strategy formulation should be resource based in order to balance between what the organization wants to achieve with what it is capable of achieving.

Resource Based Value is an important approach for the leaders entrusted with the responsibility of strategy formulation and implementation. It provides a model to the leaders on how to evaluate and allocate resources. This should be done in a manner that contributes to the implementation of strategy. Planning will also help in managing the resources so that they add value to the organizational performance (Armstrong, 2008). Critics of Resource Based Theory point that its core position sees resources as strategically valuable, rare, inimitable and embedded as sources of competitive advantage. This position has not been proven scientifically proven (Owolabi & Makinde, 2012).

The second theory that will inform this research is the systems theory. The theory is based on the living systems that comprise the nature and the laws that govern those systems. The major lesson drawn from the General Systems Theory is that the common laws governing natural systems can be used as a framework for understanding the relationship in any system. It advocates viewing systems as a whole and gaining an understanding of the entire entity, then examining its parts. By looking at systems in their entirety as systems we discover issues about them; their strengths, weaknesses and how they operate under certain conditions. Systems thinking offer an adequate method of grasping the complex nature of reality while still relatively simple (Beerel, 2009).

Systems Theory views organizations as flexible organisms with inter relating parts. Every part is dependent on inter connection with related parts, if the objectives are to be successfully realized. Each part should operate in an environment that influence what that section intends to achieve and are capable of realizing. The concept of systems theory indicates that, departments need to be integrated with the objectives of the whole organization (Ress, 2001). The exploitation of the Systems Theory helps in ensuring organizational departments are properly managed towards a common objective. As noted in the review above, strategic planning helps the organization to focus effort and improve coordination (Aremu, 2000). System theory holds that a system overall behaviour depends on its entire structure. Living systems naturally structure themselves in order to improve their systems work best, and the parts are left to self-organize instead of imposed structure (Beerel, 2009).

The third theory that will inform this research is the motivator hygiene theory. This theory is reported by Spector (2012) as also being referred to as the Two-Factor-Theory. The theory originated from Herzberg (1968) and states that motivation comes from the nature of the job. According to Ress and Forter (2001), Herzberg grouped the responses from his research in to factors that caused dissatisfaction (negative feelings), and satisfaction (positive feelings). Factors that caused dissatisfaction were generally external to the job, which include company policy and administration, supervision, interpersonal relations status, salary, security and the impact of the job on personal life. Factors that most likely cause satisfaction (positive feelings) were intrinsic to the job. Such factors include achievement, recognition of achievements, responsibility, adjustment, interesting work and possibility of growth. If measure of self-actualization generally needs to be developed in the job content if positive feelings are to be created.

The two aspects in the theory include job aspects referred to as hygiene factors and motivation factors. The hygiene factors include pay, supervision, coworkers and organizational policies. Motivation factors include achievement, recognition, responsibility and nature of the work. Rees and Forter (2001) reports Herzberg's argument that there is need to pay attention to the context in which the job is done. Success or failure can arise out to the same set of circumstances. For instance, opportunity for a measure of self actualization requires stretching employees' jobs. However, if the challenges are too high, the situation could cause negative feelings if employees fail to realize the target.

Lack of support by research of the two factor structure has been pointed as the major problem with the theory (Spector, 2012). Another critique for the two-factor theory is the over reliance on the technical operations which only established the highs and lows in the attitude of employees to their jobs. The research was also conducted some time ago, only with professionals working in USA. Further, not everyone desires to meet the higher level need of self actualization (Ress, 2001).

Rees and Forter (2001) despite the shortcomings, the work can be useful framework for integrating individual needs to job requirements. If people want opportunity for self development managers should set up work that provide challenge and help meet the challenge. Spector (2012) reports the theory has been influential in organizational management. The work of Herzberg has assisted in focusing on the issue of providing meaningful work to people. The theory led to the application of enrichment to people in many

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organizations. It is applied by the middle level management to the functional level of strategic plan implementers.

The Two-Factor Theory can be a great theory in strategy implementation. It will help leaders to design jobs that are interesting and rewarding. Motivation entails getting the team to move in the direction required. Individual managers have a great role to play in developing motivating skills and make people give their best (Armstrong, 2008). The way to improve according to Herzberg is to motivate employees and make them satisfied in their job (Spector, 2012).

Strategic planning and its influence on organizational performance

Strategic planning is required in order to help focus effort and enhance coordination of operations in the organization. Strategy is required to promote collective group activities and concentrate the people efforts towards attaining the organizational goals. Without strategy, an organization can become a group of individuals working very hard but without performing or improving the organization because of lack of a clear common objective. It creates the difference between working hard and working smart. Further, there will be no real measure of whether growth has taken place or not (Aremu, 2000).

Kandula (2008) organizations around the world are witnessing a changed business environment. For such organizations to face the fast growing technology, increasing competition and ever changing consumer needs, organizations are changing their portfolios. Process improvement strategy is among the strategies that help organization to cope with the changing trends. The strategy largely looks within the systems and procedures with the intention of improving them and consequently improving performance.

Yabs (2010) conceives strategic management as the art of mobilizing resources by the managers and the science of formulating, implementing and evaluating the decisions. This process of strategic planning influences the organization in realizing its objectives. While Thompson et al. (2012) noted that nothing affects a firm's failure or success more than how well the management team provides direction. The management determines organizational performance or failure by developing strategic plan and provides the requirements for its execution. Organizational performance depends on the appropriateness of the structure and culture of the organization. Strategy makes a gradual and deliberate change to culture and structure. Strategy provides a systematic practice that gives a culture and structure that alter behavior and words to the direction desired. Strategic planning provides the direction that helps in shaping the required organizational structure and culture (Gibson et al, 2012).

Daft (2010) notes that strategy influences organizational design which in turn is fundamental in the operations of the organization and its performance. Organizational design is as a result of several issues, however, the choice of strategy affects internal organizational operations. The organizational design characteristics need to support the competitive approach of the firm. It is the responsibility of managers to design organizations that support the strategic environment, size, technology and culture.

Formal strategic plan results in the use of formal systems in strategy implementation. Formal strategic plan also supports the applied tools in strategy implementation. They allow periodic monitoring of the progress made in strategy implementation and its conformity with the set

RESEARCH METHODOLOGY

The research used descriptive statistics design. Descriptive design is useful in presenting a detailed description of a case study, narrative research project and ethnographies (Creswell, 2009). The study targeted all sectors in LAF. The farm has five sectors namely; tea sector, mineral water sector, dairy sector, horticulture sector and green house sector with a total population of 150 employees. Stratified random sampling was considered as best suited to this research because the target population is divided into three categories which the research adopts as the subgroups. The samples chosen will be from the three categories of LAF. The researcher took 50% of the target population; hence the sample size is 75.

The researcher used questionnaires to collect data. Validation of the questions in the questionnaire was based on reviewed literature on strategic planning and organizational performance. This was based on the Resource Based Theory, motivator-hygiene theory, and the general systems theory that have been reported as useful tools of strategy formulation and implementation. Questions were also based on balanced scorecard that has been reported as a strategic planning and management model used for measuring organizational performance. Thompson et al (2012) reported that in the year 2008, almost 60% of world organizations used the balanced scorecard approach to measure performance. On the relationship between performance and strategic planning, the four variables in the conceptual framework have been reviewed as having a direct relationship in the formulation and implementation of strategy. To ensure reliability, suggestions and views of the supervisor were incorporated before the pretesting was done.

Quantitative data collected in the questionnaires was analyzed with the help of SPSS software. Descriptive statistics, frequency and percentages were used in the data analysis and the findings presented using graphs, pie charts and tables. Through this method, the researcher identified the relevant information to the research questions and objectives. To get the relationships between the independent variables of strategic planning drivers and organizational performance, a regression analysis of the findings was conducted. Empirical research for measuring performance was done using the balanced scorecard model.

RESEARCH RESULTS

The researcher conducted a multiple linear regression analysis so as to determine the relationship between the factors affecting performance of LAF and the four independent factors namely: Leadership, structure, resource allocation and policies and procedures.

The regression equation was: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$

Where: Y = Performance of LAF
 X_1 = Leadership
 X_2 = Structure
 X_3 = Resource allocation
 X_4 = Policies and procedures

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.843	0.742	0.724	0.4216

Predictors: (Constant), Leadership, structure, resource allocation, and policies and procedures.

Dependent variable: Performance of LAF

The study used the R square. The R Square is called the coefficient of determination and tells us how the performance of LAF varied with leadership, structure, resource allocation, and policies and procedures. The four independent variables that were studied explain 74.2% of the factors affecting performance of LAF as represented by R Squared (Coefficient of determinant). This implies that other factors not studied in this research contribute 25.8% of the factors affecting performance of LAF.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.72	4	2.930	52.931	.000(a)
	Residual	3.432	62	0.055		
	Total	15.152	66			

Predictors: (Constant), Leadership, structure, resource allocation, and policies and procedures

Dependent Variable: Performance of LAF

The study used ANOVA to establish the significance of the regression model from which an f-significance value of p less than 0.05 was established. The model is statistically significant in predicting how leadership, structure, resource allocation and policies and procedures affect performance of LAF. This shows that the regression model has a less than 0.05 likelihood (probability) of giving a wrong prediction. This therefore means that the regression model has a confidence level of above 95% hence high reliability of the results.

Table 4: Coefficients Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.116	.186		0.623	.035
Leadership	0.577	.068	.559	8.478	.000
Structure	0.157	.043	.257	3.676	.036
Resource allocation	0.082	.042	.301	2.252	.020
Policies and procedures	0.021	.002	.245	6.906	.001

Predictors: (Constant), Leadership, structure, resource allocation, and policies and procedures

Dependent Variable: Performance of LAF

The established regression equation was:

$$Y = 0.116 + 0.577X_1 + 0.157X_2 + 0.082X_3 + 0.021X_4 + \epsilon$$

The regression equation above has established that holding all factors (Leadership, structure, resource allocation and policies and procedures) constant, factors affecting performance of LAF will be 0.116. The findings presented also shows that taking all other independent variables at zero, a unit increase in leadership will lead to a 0.577 increase in the scores of the performance of LAF. A unit increase in structure will lead to a 0.157 increase in performance of LAF. On the other hand, a unit increase in resource allocation will lead to a 0.082 increase in the scores of the performance of LAF; and a unit increase in policies and procedures will lead to a 0.021 increase in the scores of the performance of LAF. This infers that leadership influences the performance of LAF most followed by resource allocation, structure and then policies and procedures. The study also established a significant relationship between performance of LAF and the independent variables; leadership (p=0.00<0.05), structure (p=0.036<0.05), resource allocation (p= 0.20<0.05) and policies and procedures (p=0.001<0.05) as shown by the p values. The researcher dropped the regression model because p>0.5 and t<1.96. Therefore the restated model is as follows:

$$Y = 0.577X_1+0.157X_2+0.082X_3+0.021X_4+ \epsilon$$

Non-Parametric Correlation

A Spearman correlation is used when one or both of the variables are not assumed to be normally distributed. The values of the variables were converted in ranks and then correlated. The study correlated leadership, structure, resource allocation and the policies and procedures under the assumption that both of these variables are normal and interval.

Table 5: Correlations

		Leadership	Structure	Resource allocation	Policies and procedures
Leadership	Correlation	1.000	.617	.547	.667
	Coefficient	.	.000	.000	.000
	Sig. (2-tailed)	67	67	67	67
	N				
Structure	Correlation	.617	1.000	.437	.235
	Coefficient	.000	.	.000	.001
	Sig. (2-tailed)	67	67	67	67
	N				
Resource allocation	Correlation	.547	.437	1.000	.441
	Coefficient	.000	.000	.	.002
	Sig. (2-tailed)	67	67	67	67
	N				
Policies and procedures	Correlation	.667	.235	.441	1.000
	Coefficient	.000	.000	.000	.
	Sig. (2-tailed)	67	67	67	67
	N				

The results suggest that the relationship between leadership and structure ($\rho = 0.617$, $p = 0.000$) is statistically significant. Leadership and resource allocation had a ρ of 0.547 and a p value of 0.000 therefore denoting statistical significance. Similarly, the leadership and policies and procedures posted a ρ of 0.667 with a p value of 0.000 therefore providing a statistical significance. Structure and resource allocation had a ρ of 0.437, $p=0.000$ further pointing to a statistical significance. On the same note, the structure and the policies and procedures correlated at $\rho=0.235$ and $p=0.001$. This therefore is statistically significant. Finally, the resource allocation as well as policies and procedures stood at a correlation of $\rho=0.441$ and $p= 0.002$ revealing statistical significance.

Influence of leadership in strategic planning on the performance of LAF

The findings on the influence of leadership in strategic planning on performance of indicated that LAF had a strategic plan. Further test found that a unit increase in structure will lead to a 0.157 increase in performance. This implied that the organization's leadership provided direction for the future making the organization capable of competing successfully and operating profitably. The study also revealed that although LAF had a strategic plan, there could be a disconnect between the plan and the followers who are the majority and are involved in strategic implementation. The organization leadership influence the operations of the organization. This implied the leadership significance in the day to day operations of the organization, the formulation and implementation of strategies. The study also found that non performance in their organization was as a result of ineffective leadership. This implies that LAF has to develop the skills of the existing leadership or recruit other leaders with experience and competence. Leaders should be able to set direction, leaders who are innovative and who motivate employees (Armstrong, 2008). The research also found that the organization leadership created opportunity for development. This implied LAF had a guaranteed future through learning and growth of the existing employees as a leadership responsibility (Gill, 2011). The need for the shareholders to ensure a competent leadership that would provide proper coordination of activities and allocation of resources (Armstrong, 2008).

Influence of structure in strategic planning on performance of LAF

The findings on the influence of structure in strategic planning on performance of LAF revealed that the structure of LAF influenced strategic planning at a very great extent. Further test found that a unit increase in structure will lead to a 0.157 increase in performance. This shows that in LAF, decision making when planning does not fully utilize the existing structure. Communication and decision making are critical aspects in organizational processes that influence performance (Gibson, 2012). The finding further showed that strategic planning helps in shaping organization structure which leads to performance in the organization. A deliberate strategic planning is required in LAF in order to come up with a structure that supports strategy. The management of LAF should labour to develop a structure that is lean and flexible in order to promote communication and decision making which are important processes that affect organizational performance (Gibson, 2012).

Influence of resource allocation in strategic planning on performance of LAF

The findings on the influence of resource allocation in strategic planning on performance of LAF revealed that facilities and equipments required to implement strategy work must be available. Further findings revealed that a unit increase on resource allocation will lead to a 0.082 increase in scores of performance. Such facilities include machinery, structures, qualified employees, management capability, financial strengths, marketing capabilities and leadership. It was clear that for LAF to achieve its objectives, a proper mobilization of resources was critical (Dess, 2012). Further findings indicated that LAF evaluated organization's resources before implementing strategies. This implied the formulation and implementation of strategy was wanting. An improved evaluation of resources since the consideration of resources and capabilities help in establishing the direction that strategy takes (Grant, 2001). A further finding was that working environment influenced at a very great extent. This confirmed the work of Kandula (2008) whose view was that within the framework of resource based, human resource system was capable of contributing towards a sustained competitive advantage.

Influence of policies and procedures in strategic planning on performance of LAF

The research found out that LAF had a committee for strategic plan preparation. Employees' awareness would help them to understand their roles and responsibilities in the strategy implementation. Strategic planning enhance coordination of operations in the organization. It was also found out that LAF had a clear common objective that leads to performance. Data further shows that most of respondents understood their roles and responsibilities in formulation and implementation of strategies. It was clear that the organization had a policy manual. Policy manual was a good communication tool and that policies and procedures in the organization assisted in managing complex issues (Anof, 2006). The findings also revealed that a unit increase on policies and procedures will lead to a 0.021 increase in scores of performance. However, despite the existence of policies and procedures in LAF, the organization's performance was still wanting. This implied either non-commitment from the part of managers, or the existing policies and procedures were out dated hence the need to evaluate and update them or enforce them if they are still relevant.

Influence of culture in strategic planning on the performance of LAF

It was also found out that the culture of LAF influenced strategic planning at a very great extent. This implies that strategy formulation and implementation in LAF can either be inhibited or supported by the existing culture. Organizational culture exerts influence on individual groups and organizational processes. The study finally revealed that LAF had challenges owing to scarcity of resources leading to poor communication, marketing difficulties, lack of proper working tools, inadequate skills causing delay in the implementation of strategy. It was also found out that due to scarcity of resources there was a challenge in adopting technology, delayed and inadequate salaries. The respondents also indicated that the organization faced a challenge of unpredictable weather conditions, age of the employees (some very old), culture, poor timing of insemination leading to inconsistency in milk production and supply leading to customer dissatisfaction. This shows that there was

CONCLUSIONS

Based on the study findings, the study concluded that LAF organization had a strategic plan and hence the organization was capable of competing successfully and operating profitably, based on a combination of considered actions. The study also concluded that LAF had a systematic process of establishing long term goals and their implementation this helped the organization to monitor and evaluate the progress made against the set objectives and taking corrective adjustment by involving the employees in the selection. The study also concluded that organization leadership influenced the operations of the organization and that non performance in their organization is as a result of ineffective leadership and that the organization leadership created opportunity for career development. The study further concluded that leadership has an impact in organization operation which was fundamental factor in the formulation and implementation of strategy.

The researcher concluded that the structure of LAF influenced strategic planning at a very great extent and it was critical to success in implementing strategic decisions in an organization. It was also concluded that strategic planning helps in shaping organization structure. Structure of the organization, communication and decision making was also concluded to have an influence strategic planning. It was also concluded that organization structure determined the order in which decision makers contribute to corporate decisions.

The study concluded that facilities and equipments such as machinery, structures, qualified employees, management capability, financial strengths, marketing capabilities and leadership required to carry out work must be available in the formulation and implementation of strategy. It was also concluded that human resources were essential in an organization and this LAF to evaluate organization's resources before implementing strategies.

The study also concluded that technology, availability and proper management of resources influenced the operations of the organization. The researcher further concluded that human resources, working environment and motivation influenced performance in LAF at a very great extent. It was also concluded that the ability of LAF to bring together both the tangible and intangible resources helps in achieving its objectives was essential for its performance. It was also concluded that LAF had a committee for strategic plan preparation and that the employees were highly aware of strategic planning in the organization. This helped the organization to reduce misunderstandings by defining job responsibilities and providing boundaries for employees. Strategic planning enhanced coordination of operations in the organization. It was also concluded that LAF had a clear common objective that leads to performance

The study also concluded that LAF employees understood their roles and responsibilities in implementation of strategies. And that the organization had a policy manual. The policy manual was a good communication tool and that policies and procedures in their organization helped in managing complex issues which implies that LAF had Policies and procedures that provided for long-term goals and processes by creating structure through guidelines and rules. It was also concluded that policies and procedure provided guidance to managers and

supervisors in decision making and dealing with employee issues. The researcher concluded that customer satisfaction and financial performance affected performance of Limuru Archdiocesan Farm at an average extent. Equally processes, learning and growth and productivity (Net added value per work) job affected performance at a moderate great extent.

The study further concluded that strategy formulation and implementation can be inhibited or supported by the organizational culture. Organizational culture exerts influence on individual groups and organizational processes. It was concluded that LAF had challenges that influenced organization performance. The challenges ranged from inadequate salaries, poor working conditions, high cost of production, ineffective management and unpredictable weather conditions.

The study finally concludes taking all other independent variables at zero, a unit increase in leadership will lead to an increase in the scores of the performance of LAF. A unit increase in structure will lead to an increase in performance of LAF. On the other hand, a unit increase in resource allocation will lead to an increase in the scores of the performance of LAF; and a unit increase in policies and procedures will lead to an increase in the scores of the performance of LAF. This infers that leadership influences the performance of LAF most followed by structure, resource allocation and then policies and procedures.

RECOMMENDATIONS

Following the findings and conclusion above, the researcher makes the following recommendations in order to ensure LAF strategic plan improves performance:

Since leadership has been found to bear a significant influence in strategic planning and consequently performance of the organization, the organization should make a deliberate effort to improve the current leadership skills and employ other experienced and competent leaders. Leaders should ensure they are involved in re-fresher courses to keep the organization abreast with the current organizational practices. The selection of the leaders should be based on merit and performance rather than appointment by the bishop as is the case in LAF. Leadership is critical in making all the other factors that influence performance in strategic planning work.

The management should try to make the structure of LAF lean and flexible to facilitate effective communication and a decision making processes that is inclusive of all the stakeholders. This will make strategic formulation and implementation one process, rather than two different activities involving two different groups of people as it seems to be the case in LAF.

The management of LAF should labour to mobilize resources to facilitate the formulated strategy into action. The management of LAF can consider merging some activities with other companies, for example the mineral water sector gets water from a natural spring easily. The farm can merge with companies that have better market position, but have no natural springs. Other activities required are the diversification of production processes, developing the employees through training and investing in marketing resources.

Limuru Archdiocesan Farm should work on getting an up to date policies and procedures and ensure that they are followed. There should be regular up date of procedures and thorough orientation of policies to new comers to ensure compliance.

The culture of LAF should be reinforced in line with the intended strategy. Both the casual and permanent employees should be integrated into values (such as innovation and customer service) and practices in line with the intended performance. This should be deliberate and intended through repeated words and actions reinforced in everyday activities over a period of time rather than taking LAF as just another religious organization.

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