

The Effects of Strategic Planning in Outsourcing Relationships among Large Scale Food Processors in Kenya

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ABSTRACT

The purpose of this study was to establish the effects of strategic planning as a strategic management practice in outsourcing relationships among large sale food processors in Kenya. Stratified random sampling was applied in the selection of the large scale food processing in Kenya. Through the stratified random sampling, the study respondents were 123 large scale food processing firms in Kenya. The study used questionnaires for data collection. From 123 questionnaires distributed, data was then collected, coded and analysed. From the analysis, the study found a weak positive linear relationship between strategic planning and outsourcing relationships since strategic planning ($r = 0.476$) whose significant value was 0.000 being less than 5% as the level of significance. It thus concluded that the effects of strategic planning in outsourcing relationships among the large scale food processing firms in Kenya is equally important.

Key Words: Strategic Planning, Strategic Management Practices, Outsourcing Relationships, Large Scale Food Processing Firms

1.0 INTRODUCTION

The global food processing industry is expected to grow at an accelerated pace within the subsequent three years to 2020. Studies show that by 2050 the world population will increase by 50% (IBIS, 2015). With this increment and more so with the different varying consumption priorities, the global supply of food will be obliged to rise by 100%. Over 70% of this increase will need to come from new technological innovations that will increase agricultural yields, commodity production and food manufacturing capabilities (Griffins & Shanks, 2014). With increase in urban populations, demand for processed foods continues to increase. This need is anticipated to escalate in the next half century when the population of the world goes beyond 9 billion (Arcand & Boye, 2013). Notwithstanding, the food processing industry is positioned to be a vital measure of the solution (BMI, 2016).

Consequently, one of the main activities in Kenya's agro-processing industry is the food processing industry. This role is in line with the country's Vision 2030 and the Second Medium Term Plan (2013-2017) which identifies food processing as the most significant component in Kenya's GDP contribution. As Kenya's population soars, the challenge of feeding its people also grows. The food processing industry is positioned to be a vital part of the solution (BMI, 2016). (Bugusu, Bhide, Slavin, & Ohlhorst, 2012) noted that Kenya is transitioning from home-prepared foods to increased consumption of processed, energy-dense food products. Consequently, leading to a large scale food processing sector serving both the local market and exports to the East African region. This sector has been growing since the late 1990s and into the new century and is relatively diverse (Awino, 2011). Differences that have only been seen in the consumption of processed foods in Kenya are based on income.

The relational view argues that through strategic planning as a strategic management practise in outsourcing relationships among large scale food processors in Kenya can cultivate valued resources by sensibly managing outsourcing relationships with other stakeholders including the suppliers, customers, community and government agencies (Kaiser, Widjaja, & Buxman, 2012).

Strategic planning as a strategic management practice is clearly seen when the large scale food processors in Kenya analyse the opportunities, threats, strengths, and weaknesses and position themselves to prosperity. This is sequentially integrated through environmental analysis, goals and objectives setting, strategy formulation and strategy implementation on the outsourcing relationships (Waithaka, Mburu, Koror, & Muathe, 2012). The potential added value of strategic planning is a living blueprint that leads to the success of the outsourcing relationships (Abok, 2013). Expectations of benefits placed in strategic planning as a strategic management practice in outsourcing relationships remain very high (Scapens, Elharidy, & Nicholson, 2013). In this regard, large scale food processors in Kenya must hone in on their strategic management practices and engage with business clients and vendors to supplement, expand, and apply knowledge so as to balance their deep expertise in the outsourcing relationships (Al-Qudah, Salman, & Saawalha, 2013).

1.2 Statement of the Problem

The rapid growth of population and migration into towns, with most urban population relying on fast foods and other processed foods, has also led into a modest increase in the food processing industries (Wagana & Kabare, 2015). This has precipitated a shift within firms in such industries making them adopt more flexible strategies such as outsourcing. Through strategic outsourcing, the firms no longer compete as independent entities and have the ability to integrate and coordinate its business with other firms to derive mutual benefits. The outsourcing relationships are also not an exception when a firm outsources some or part of its work (Wangari, Kiplang'at, & Gichoya, 2014). Large scale food processors in Kenya enter into outsourcing relationships with the hope that by joining forces results into improved work systems, competitive gains and product enhancement. However, the desired optimality in the outsourcing relationships are seldom attained (Muthoni, 2016).

This has led firms to employ best strategic management practices to harness their potential for requisite win-win scenarios as pertaining to outsourcing relationships. Strategic planning as a strategic management practice, helps an organisation to weigh and modify the organisation's path

due to a shifting atmosphere. Many organizations around the world are progressively embracing strategic planning as a strategic management practice so as to help in fronting challenges in highly competitive business atmosphere (Sotiriadis, 2015). Strategic plans are developed and executed by businesses in order to guide towards an idealized future destination for the organization. Examining such roles in strategic planning, as well as the critical thought work conducted by successful outsourcing relationships is necessary. This is due to the emerging interdependence among large scale food processors and service providers (Germano & Stephenson, 2012).

This can be well achieved by having realistic strategic plans within the large scale food processing industry and outside party. Such strategic plans should take into consideration the expected changes in the environment, goals and objectives of the organization and how such plans are formulated and implemented in line with the outsourcing relationships. Moreover, such firms are able to predict the changes in the environment (Beaugency, Sakinç, & Damien, 2015). Large scale food processing firms would discern whether what their external suppliers are offering is valid, if it is in tandem with the goals and objectives of the organisation, and if so, how to proceed smoothly with formulating and implementing such strategic plans to ensure that outsourcing relationship amid the parties is maintained effectively (Lyons & Brennan, 2014).

However, whether such management practices are beneficial to all that are involved is still a puzzle. While several practices exist that support strategic planning as a strategic management during the decision for or against outsourcing and specifying the criteria for the selection of the vendor, as yet no strategic management practice has been suggested that can identify the most appropriate way of enhancing positive outsourcing relationships. For instance, the numerous studies that have been carried out both globally and locally include Bakar *et al.* (2011), Muhammad (2010), Dauda & Akinlabi (2010) Melchorita (2013), Murimbika (2011), and Ondera (2013) have focussed more on analysing the relationship between strategic management practices and organizational performance in different organizations. A recent study by Damanpour, Sanchez, & Magelssen (2015) focussed on the outsourcing strategies on organisational efficiency and neither the strategic management practices nor the outsourcing relationships. None of them investigated the influence of strategic management practices in outsourcing relationships among large scale food processors in Kenya. Once the outsourcing decision has been made, the key issue remaining

is how the outsourcing relationship should be. Mostly, firms dwell in strategic outsourcing overlooking the outsourcing relationships. There exists a research gap in the study of strategic management practices in outsourcing relationships. It is against this background that this study will be conducted.

1.3 Research Objective

The main research objective of the study was:

To examine the effects of strategic planning as a strategic management practice in outsourcing relationships among large scale food processors in Kenya.

1.4 Scope of the Study

The study will target large scale food processing firms in Kenya registered under Kenya Association of Manufacturers (KAM). The effects of strategic planning in outsourcing relationships will include environmental analysis, goals and objectives, strategy formulation and strategy implementation.

2.0 THEORETICAL FRAMEWORK

The term core competency theory aims at outlining special competencies which create competitive advantages for corporations (Ehsan & Gholamreza, 2015). All organizations have diverse resources that support them to enhance various strategies, but they have a distinctive advantage if they can develop strategies that are unique from their competitors (Kilika & Kabue, 2016). Core competence is the collective learning in the organization especially on how to co-ordinate diverse production skills and integrate multiple streams of technologies which gives an organization a competitive advantage (Harsh & Gupta, 2012). Organizations have various core competencies (Shaabani, Ahmadi, & Yazdani, 2012). In this study, the core competence is based largely on strategic planning as a strategic management practice in outsourcing relationships.

The concept of core competency states that firms must play to their strengths on those areas in which they have competencies (Khumpaisal & Ross, 2012). This also entails generating sustainable competitive advantage. In a world with compressed business cycles, new technology and stiff competition and also running a business is becoming ever more difficult and challenging.

To remain competitive, leaders without the luxury of time to think, must react quickly to outside influences or be left behind. In this environment, strategic planning is necessary to the overall success of the organization (Agha & Alrubaiee, 2012). Strategic planning develops strategic understanding and focuses company direction. Focus drives performance, performance drives results (Ljungquist, 2013).

For the sustainability of effective outsourcing relationships, strategic planning requires to look at the environmental analysis of the large scale food processors in Kenya. Environmental analysis will help the firm to understand what is happening both in the internal and external aspects of the organisation (Wahyudi, 2013). Furthermore, it will also assist firms to know which strategic plans to focus on that will lead to the best outsourcing relationships (Yan, 2010). Consequently, the large scale food processors will clearly identify the goals, objectives and ascertain the formulation and implementation processes. Moreover, through environmental analysis, such firms will be certain on what it is to focus on so as to sustain the successful outsourcing relationships (Nobre, 2011).

3.0 RESEARCH METHODOLOGY

3.1 Research Design

The application of research design should be appropriate so that the research methods used ensure that there is the attainment of the goals and objectives set out in this study. Despite the existence of much research methods classification, quantitative and qualitative methods are the most dominating methods (Rahio, 2017). Deductive research approach was employed through a quantitative method using survey design. This method focuses on fresh data collection through pre designed questionnaires in accordance to the problem from large population and analysis of the data but ignore an individual's emotions and feelings or environmental context.

3.2 Target Population

Population description is necessary in the documentation of research studies. In this study, the quantitative approach demands the participation of a sufficiently huge number of individuals who are basically not required to extensively describe experiences and phenomena in the study (Creswell, 2013). From the 123 large scale food processing firms in Kenya registered under the Kenya Association of Manufacturers (KAM), the researcher contacted the Human Resource

Manager in these firms to guide in the distribution of the questionnaires to the selected managers. The selected managers in this study were the operations managers who was best the best suited respondent in the large scale food processing firms. This was in line since the role of an operations manager is overseeing the production of goods and provision of services. The operations manager job also entails ascertaining that an organisation is running effectively, with smooth efficient service that meets the needs and expectations of interested parties.

3.3 Data Collection Methods

Cooper and Schindler (2011) and Mugenda and Mugenda (2012) defined data collection instruments as the tools and procedures used in the measurement of variables in research. The researcher used a pre designed questionnaires. Pre designed questionnaires were appropriate in this study since they are standardised and would lack minimal misinterpretation. Notwithstanding, this was wholly solved by a pilot study done prior. Likert scale types of questions were designed in the questionnaire. The likert scale considered the variables of the anticipated changes in the environment, goals and objectives and how such plans are formulated and implemented. A five-point Likert scale of (Strongly Agree=1, Agree =2, Somehow agree=3, Somehow disagree=4, Disagree =5, strongly disagree= 6) was applied.

4.0 RESULTS FINDINGS AND RESULTS

4.1 Response Rate

The response rate was 106. Out of the 123 questionnaires distributed, 106 were completed and received back. This was sufficient enough since according to Mugenda and Mugenda (2012), this response was deemed excellent in that an 86 % rate of response is considered to be very good since 50 % is considered to be adequate, 60% to be good, while a 70% and above rate is considered to be very good. The non-response rate was 14% constituting of 17 questionnaires.

4.2 Company Classification

From the 106 respondents, data was collected across the 10 industrial sectors. The 10 industrial sectors constitute of fruits and vegetables; grains and cereals; dairy products; meat and poultry; marine products; edibles oils; sugarcane and cocoa; beverages; tobacco and miscellaneous foods. The findings showed that 5 (4.7%) of the respondents were in Fruits and vegetables large scale

processing firms, 17 (16.0%) in Grains and cereals, 22 (20.8%) in Dairy products, 16 (15.1%) in Meat and poultry, 10 (9.4%) in Marine products, 9 (8.5%) in Edible oils, 6 (5.7%) in Sugarcane and cocoa, 8 (7.5%) in Beverages, 6 (5.7%) in Tobacco and 7 (6.6%) in Miscellaneous food sectors. Table 4.1 presents the company classification.

Table 4.1 Company Classification

Company classification	Frequency	Percent
Fruits and vegetables	5	4.7
Grains and cereals	17	16.0
Dairy products	22	20.8
Meat and poultry	16	15.1
Marine products	10	9.4
Edible Oils	9	8.5
Sugarcane and cocoa	6	5.7
Beverages	8	7.5
Tobacco	6	5.7
Miscellaneous foods	7	6.6
Total	106	100.0

It is evident that the dairy product industry had the highest respondents when the 106 respondents were classified into their respective companies. These findings concur with the report by Muriuki (2011) that states the dairy industry in Kenya is the most advanced in East Africa accounting for over 75% of the industry's total output.

4.3 Reliability Analysis

Strategic planning on outsourcing relationships recorded a Cronbach alpha of 0.805 which was acceptable for this study in Table 4.2.

Table 4.2 Reliability Analysis

Variable	Number of items	Cronbach Alpha
Strategic planning	7	0.817

4.4 Factor Analysis of Strategic planning

The study sought to assess whether strategic planning as a strategic management practice had any effect in outsourcing relationships among large scale food processors in Kenya. Factor analysis is useful for studies that involve a few or hundreds of variables, items from questionnaires, which can be reduced to a smaller set, to get at an underlying concept, and to facilitate interpretations (Yong & Pearce, 2013). Two main tests were performed namely the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity. The values of KMO and Bartlett sphericity was determined and used to check the suitability of the items defining the objectives. The findings were presented in Table 4.3.

Table 4.3 KMO and Bartlett's Test for Strategic Planning

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.867
Approx. Chi-Square		198.635
Bartlett's Test of Sphericity	Df	21
	Sig.	.000

The results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.867 with a Bartlett's test of sphericity being less than 0.05. This indicated that the variable is suitable for further. Factor analysis was also conducted using Principal Components Analysis (PCA) method. The results revealed that the total variance explained by the extracted factor is 48.001%. The results of the factor analysis is seen in Table 4.4.

Table 4.4 Total Variance Explained for Strategic Planning

Componen t	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %

1	3.360	48.001	48.001	3.360	48.001	48.001
2	.844	12.062	60.064			
3	.750	10.711	70.775			
4	.569	8.129	78.903			
5	.550	7.858	86.761			
6	.497	7.099	93.860			
7	.430	6.140	100.000			

Extraction Method: Principal Component Analysis.

The study also conducted further factor analysis by use of the component analysis matrix to determine whether the items used to define the objective were suitable for further analysis or not. The component analysis matrix was computed and presented in Table 4.5.

Table 4.5 Component Matrix

Item	Component
Strategic plans are important in the organisation	.761
The goals are clear and in line with the organisation's standards	.566
The objectives of the organisation are 'SMART'	.745
Environmental analysis of the organisation is done accordingly on a timely basis	.737
Strategy formulation is a formal and consultative process	.685
Strategy implementation is participative	.604
Constant review of strategic plans is essential	.728

Extraction Method: Principal Component Analysis.

From the results, all the seven items had a factor loading of more than 0.4 and hence they are all suitable for further analysis. Any item that did not achieve a factor loading of 0.4 was to be eliminated for any further analysis. None of the statements on this variable were required to be dropped since all the components were above 0.4 which is recommended (Heir, Black, Babin, & Anderson, 2010). The factor with the lowest loading had 0.566 while the factor with the highest

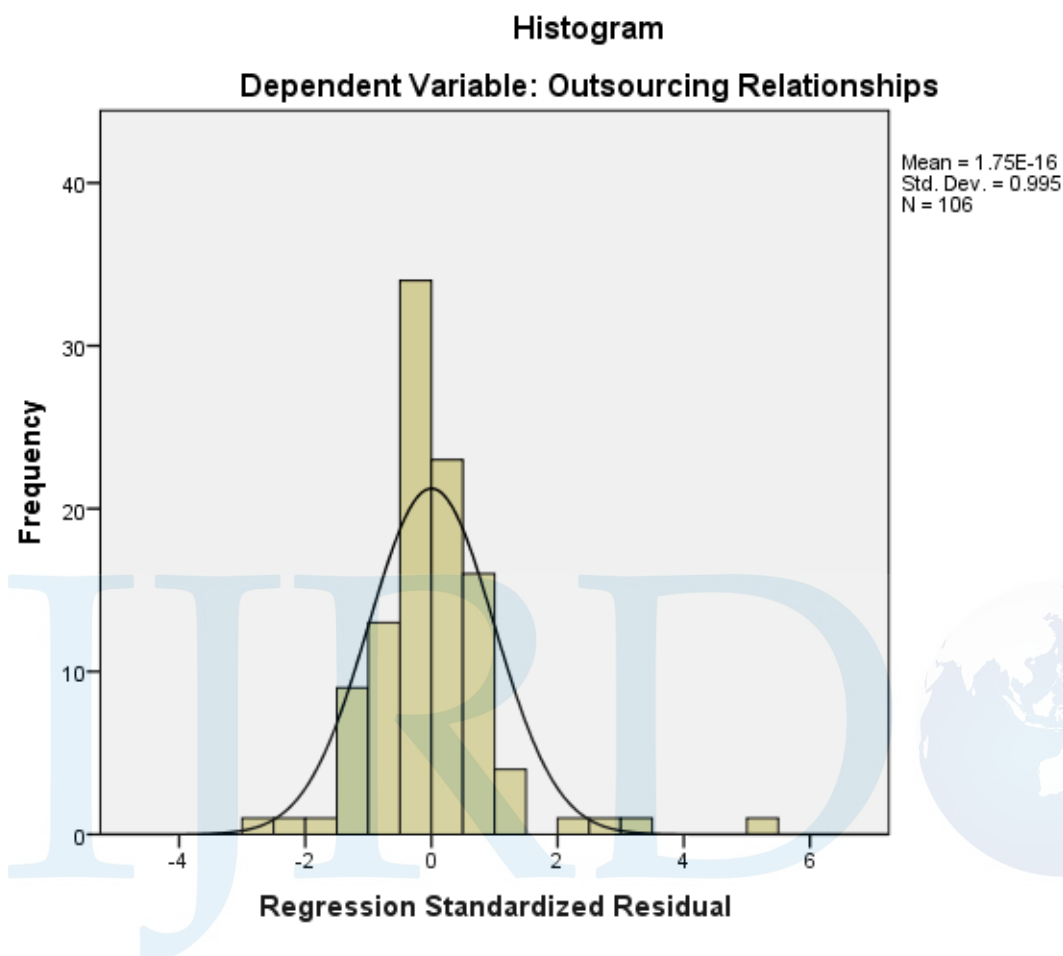
loading had 0.76, hence all the factors in strategic planning as a strategic management practice were adequate.

4.5 Tests for Regression Model Assumptions

Testing for the regression model assumptions is crucial when analysing data. The violation of these assumptions can lead to various types of problematic situations. First, estimates may become biased, that is not estimating the true value on average. Second, estimators may become inconsistent, implying that convergence to the true value when the sample size increases is not guaranteed. Third, the ordinary least squares estimator may not be efficient anymore (Ernst & Albers, 2017). Therefore, to eliminate any statistical errors, the assumptions when estimating using the Ordinary Least Squares (OLS) procedure of multiple regression are checked and discussed as below:-

4.5.1 Testing for Normality data

The normality assumption is critical when constructing reference intervals for variables (Ghasemi & Zahediasl, 2012). If normality does not hold, then it is not possible to draw the precise and dependable inferences about reality. In this study a histogram was used for examining normality visually. A visual judgement is seen by looking at the curve whether bell shaped or not which is derived when the observed values are plotted against the frequency and insights about gaps in the data and outliers outlying values. The histogram depicted in Figure 4.1 below indicated that data is normal.

Figure 4.1 Histogram of regression standardised residual

4.5.2 Test for Autocorrelation

Autocorrelation is the correlation between the variables of some observations at different points of time. For autocorrelation to occur, observations are correlated over a sequential order. A rule of thumb used to conclude that there is no autocorrelation is the Durbin Watson statistic that is between 1.5 and 2.5. A Durbin Watson statistic below 1.5 indicates positive first order autocorrelation. A Durbin Watson statistic of greater than 2.5 indicates negative first order autocorrelation (Abdulhafedh, 2017). Table 4.6 presents the test for autocorrelation.

Table 4.6 Testing for Autocorrelation

Model	Durbin-Watson
1	2.141
a. Predictors:(Constant), Strategic Planning	
b. Dependant Variable: Outsourcing Relationships	

4.5.3 Test for Multicollinearity

Multicollinearity comes about when there are high correlations between two or more predictor variables. Indicators of multicollinearity may be detected in situations whereby small changes in the data produce wide swings in the parameter estimates; coefficients may have very high standard errors and low significance levels although jointly significant. In this study, the tolerance value or variance inflation factor (VIF) was used to check for multicollinearity. Table 4.7 shows the test for multicollinearity.

Table 4.7 Test for Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
1	(Constant)	
	Strategic Planning	1.000
		1.000

a. Dependent Variable: Outsourcing Relationships

4.6 Descriptive Analysis of Strategic planning in Outsourcing Relationships

The majority of the respondents agreed that strategic planning as a strategic management practice has an effect in outsourcing relationships since the mean ranged from 2.75 to 2.28. Goals versus Standards had the highest mean of 2.75 followed by timely environmental analysis with 2.64. Importance of strategic plans had a mean of 2.38 followed by review of strategic plans at 2.34, 2.33 with 'SMART' objectives and 2.32 strategy formulation. The lowest mean was for strategy formulation at 2.28. The highest variance was from the importance of strategic plans at 1.037 whereas the least variance was from the Goals versus standards at 0.458. Strategy formulation had

the highest skewness at 1.404 whereas the lowest skewness was at -0.015 for Goals versus standards. The highest kurtosis was timely environmental analysis at 4.560 while least kurtosis was strategy implementation at 0.132. Table 4.8 provides an illustration of the descriptive analysis.

Table 4.8 Strategic Planning in Outsourcing Relationships

Components	N	Mean	Std. Dev	Variance	Skewness	Kurtosis
Strategic plans	106	2.38	1.018	1.037	1.277	3.314
Goals Vs Standards	106	2.75	.677	.458	-.015	2.065
'SMART' Objectives	106	2.33	.963	.928	.789	1.783
Environment analysis	106	2.63	.735	.540	1.293	4.560
Strategy formulation	106	2.32	.931	.868	1.404	4.023
Implementation	106	2.28	.825	.681	0.257	0.132
Review plans	106	2.34	.904	.817	1.084	2.854

4.7 Correlation Analysis

Correlation is often used to explore the relationship among a group of variables (Pallant, 2010). The correlation coefficient tells the magnitude of the relationship between two variables. The bigger the r (absolute zero), the stronger the relationship between the two variables. If the correlation coefficient is positive (+), it means that there is a positive relationship between the two variables. A negative relationship (-) means that as one variable decreases, then the other variable increases and this is termed as an inverse relationship. A zero value of r denotes that there is no relationship between the two variables.

The study conducted correlation of Strategic Planning in Outsourcing Relationships of large scale food processing firms in Kenya for the 106 respondents. (Orodho, 2009) states that Karl Pearson's coefficient correlation is the most widely used method for measuring the degree of relationship between variables. Therefore, the analysis used Karl Pearson's correlation to generate the results as shown in table 4.9 below:-

Table 4.9 Correlation of study variables

Variables		Outsourcing Relationships	Strategic Planning
Outsourcing Relationships	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	106	
Strategic Planning	Pearson Correlation	.476	1
	Sig. (2-tailed)	.000	
	N	106	106

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

According to Rumsey (2016), he summarized the coefficient value r as detailed below in table 4.10.

Table 4.10 Coefficient Value r Interpretation Adopted

Coefficient Value r	Interpretation
+1.0	Perfect Positive Linear Relationship
+0.9 - +0.7	Strong Positive Linear Relationship
+0.6 - +0.5	Moderate Positive Linear Relationship
+0.4 - +0.3	Weak Positive Linear Relationship
0.0	No Linear Relationship
-0.3 - -0.4	Weak Negative Linear Relationship
-0.5 - -0.6	Moderate Negative Linear Relationship
-0.7 - -0.9	Strong Negative Linear Relationship
-1.0	Perfect Negative Linear Relationship

Therefore, the results suggested that, an increase of strategic planning as a strategic management practices will increase the outsourcing relationships of large scale food processing firms in Kenya. However, there was a weak positive linear relationship between strategic planning and outsourcing relationships, which is statistically significant at $r(106) = +0.476, p < 0.01$, two tailed test.

4.8 Hypothesis Testing

Regression analysis was done to examine the effects of strategic planning in outsourcing relationships among large scale food processors in Kenya. The null hypothesis of this test is that the strategic planning has no significant effect in outsourcing relationships. The linear regression model showed adjusted $R^2= 0.219$ indicating that a unit change of strategic planning could be explained by a 21.9% change of outsourcing relationships among the large scale food processors in Kenya. The coefficient of determination R^2 and correlation coefficient (r) shows the degree of association between the independent variable and export value addition. The results of the linear regression indicate $R^2= 0.226$ and $R= 0.476$ as presented in table 4.33. This is an indication that there is a significant but weak relationship between the independent variable, strategic planning and the dependent variable, outsourcing relationships. The result is seen in table 4.11.

Table 4.11 Model Summary of strategic planning

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476 ^a	.226	.219	.509

a. Predictors: (Constant), Strategic Planning

b. Dependent Variable: Outsourcing Relationships

From the results, it was evident that one unit change in strategic planning translates to 21.9% change of outsourcing relationships among large scale food processors in Kenya. Therefore, strategic planning has a weak influence on outsourcing relationships among large scale food processors in Kenya. Further test on ANOVA shows that the significance of the F-statistic (30.400) is less than 0.05 since p value, $p=0.00$, as indicated in Table 4.12. The study therefore rejected the null hypothesis at 95% confidence interval meaning there was a significant relationship between strategic planning and outsourcing relationships.

Table 4.12 ANOVA of Strategic Planning

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.889	1	7.889	30.400	.000 ^b

Residual	26.990	104	.260
Total	34.876	105	

a. Dependent Variable: Outsourcing Relationships

b. Predictors: (Constant), Strategic Planning

Further test on the beta coefficients of the resulting model, the constant $\alpha = 1.206$, if the independent variable of strategic planning is held constant; then there will be a weak positive (Rumsey, 2016) influence on outsourcing relationships among large scale food processors in Kenya by 0.445. The regression coefficient for strategic planning and outsourcing relationships at the 0.05 level ($\beta = 0.476$) with a t-value=5.524 (p-value<0.001). As shown in Table 4.13.

Table 4.13: Coefficients of Strategic Planning

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.206	.207		5.830	.000
	Strategic Planning	.445	.083	.476	5.524	.000

a. Dependent Variable: Outsourcing Relationships

The fitted equation is as shown below

$$Y = 1.206 + 0.445x$$

The findings imply that one positive unit change in strategic planning led to a change in outsourcing relationships at the rate of 0.445 units. Therefore, we reject the null hypothesis implying that for every 1 unit increase in strategic planning, outsourcing relationships among large scale food processors can be predicted by 0.445 units. Thereby, accepting the alternate hypothesis that strategic planning has a major effect in outsourcing relationships among large scale food processors in Kenya.

4.9 DISCUSSIONS

The effects of strategic planning was determined by seven components namely importance of strategic plans, environmental analysis, goals versus standards, 'SMART' objectives, strategy formulations, strategy implementation and constant review of strategic plans. From the five-point Likert scale of (Strongly Agree=1, Agree =2, Somehow agree=3, Somehow disagree= 4, Disagree =5, Strongly disagree= 6) in the questionnaire, indicated that most of the respondents agreed that strategic planning had a significant effect in outsourcing relationships. A further detailed descriptive analysis on the factors of strategic planning in outsourcing relationships indicated that the Goals versus objectives component had the highest mean with the lowest variance and lowest skewness. However, strategic planning as a variable when regressed with other variables is not much of a strong regressor since it has the least regression value as seen. This is evidently seen where the adjusted $R^2=0.219$ recording a lower value less than 0.7

5.0 CONCLUSIONS

This study investigates the effects of strategic planning as a strategic management practice in outsourcing relationships among the large scale food processors in Kenya. It found out that strategic planning had a positive and significant though a weak effect in outsourcing relationships among the large scale food processors in Kenya. This indicates that in as much as strategic planning is vital in ascertaining the achievement of the outsourcing relationships, other factors are required for support so that the planning does not fail. Debarliev and Trpkova (2011) established that in the past three decades the role of strategic planning is in creating sustained superior competitive edge. This is attributed by the fact that strategic planning may be conducive to productivity improvement when there is consensus about vision, mission, and strategic objectives of whilst also the involvement of thorough assessment of the environment and organization (Hendrick, 2010). Therefore, accomplishment of outsourcing relationships through strategic planning is significant though should go hand in hand with the organisational goals so as to create a greater impact.

6.0 RECOMENDATIONS

Strategic planning was found to be weak but statistically significant in outsourcing relationships among the large scale food processors in Kenya. Therefore, to thrive as a strategic management

practice, the large scale food processors in Kenya should strive to maximise all its determinants, do a thorough SWOT analysis and also have a back-up plan in case the initial plans fail.

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