Participatory orientation to strategic planning process:
DOES IT PAY?

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Full Length Research

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It is postulated that a participatory orientation to the strategic planning process could influence the realization of the expected strategic planning outcomes. Past studies investigating the relationship between strategic planning and performance mainly focuses on the direct relationship between these two variables. This study examines the influence of employee participation on the expected relationship between strategic planning and strategic planning outcomes. The study was carried out in Kenya, within the insurance sector. A structured questionnaire was used to gather the required data from 31 firms. Study findings reveal that employee participation does influence the strength of the relationship between strategic planning and strategic planning outcomes and this influence is statistically significant.

Key words: Strategic planning process, participation, insurance, Kenya

INTRODUCTION

Strategic planning has been welcomed by business enterprises, public or private as an important avenue that can be utilized to lead to effective firm performance. Being the first step in the strategic management process, strategic planning sets the basis for the other phases (strategy implementation, evaluation and control) in this process. Steiner (1979) argues that the formal strategic planning system provides the framework for formulating and implementing strategies. However, it has been argued that for strategic planning to translate into the expected results, a facilitative internal environment and culture must be present.

Strategic planning process introduces changes some of which encounters organizational resistance. Ansoff and McDonnell (1990) argue that this hinders effective strategy implementation. To manage the anticipated resistance, Ansoff and McDonnell recommend for an interactive strategy formulation process, which involves the decision-makers together with staff in a step-by-step process of strategy analysis and decision-making. This approach recognizes the important contribution of managers and staff to strategy formulation and implementation. Supporting this view, Yavas, Kagnak and Dilber, (1985) argue that the culture of staff involvement in matters affecting them at individual, group and corporate levels influences staff productivity and overall corporate performance. Workers need to know the organization goals and their expected role towards achieving the same and getting them involved in the decision facilitates this. Summers and Hyman (2005) argue that employee participation in the organization's strategic decision-making process enlists their commitment and desire to contribute to

the realization of the corporate goals. Thompson and Strickland (1989) add that galvanizing organization-wide commitment to the chosen strategic plan is critical for effective performance. Supporting this view, Taylor (1995) notes that it is desirable to have leadership that will spearhead management of radical change with the aim of achieving dramatic improvement in performance by effectively communicating the new vision and building a new culture in which the staff can feel more involved. a culture that stands for quality, service and innovation.

This study focuses on the Kenyan insurance sector which is perceived to be unique in terms of the products transacted in, being intertwined with the services that go with them. Most of the studies on the relationship between strategic planning and firm performance have been carried out within the manufacturing businesses and mainly focused on the direct relationship between these variables. This study takes it to the next level by examining the implications of employee involvement in the strategic planning process on the realization of the anticipated strategic planning results. Though we recognize the existence of factors such as technology and finance, for purposes of this study, the key focus was on the human resource. The human resource drives the rest of the other resources and is key to both the formulation and translation of strategies into the expected results. Ansoff and McDonnell (1990), Cooke (1994), Bryson and Millward (1997), Hooper and Potter (2000), Summers and Hyman (2005), Taylor (1995) and Thompson, Strickland and Gamble (2007) among others, argue for a participatory approach to the strategic planning process. This approach could improve

employee understanding and commitment to the corporate goals and ultimately facilitate smooth implementation and execution of strategies. We tested for the effect of participatory approach to strategic planning (using three perspectives - leadership participation, involvement of workers from different cadres and departments and worker involvement in various strategic planning tasks) on the relationship being examined. The relationship between employee involvement in strategic planning and firm performance is also examined.

Literature review and conceptual hypotheses
Participation and involvement in the strategic planning process

It has been argued that there is need to set favorable stage to support effective strategy making and execution. Hamel (1992) argues that management should try to create the prerequisites to facilitate effective strategy-development, that is, create an environment in which strategy can emerge and grow as the organization continually re-invents itself to deal with its changing environment. Hamel notes that strategy should not just be the province of the top management, other people including front-line individuals and the more youthful element of the organization, should be allowed to voice their opinions and perhaps strategy should take into account both the energy of youth and the wisdom of age. Employee participation can be exercised at various levels and can be communicative or consultative. Gallagher (2002) argues that terms of engagement for the interaction of leaders and employees in the decision-making should be articulated, whilst ensuring that leaders do not abdicate legitimate authority or employees are not engaged in decisions beyond their knowledge, interest, or responsibility.

Turban and Meredith (1991) argue that many managerial problems have physical, psychological, biological, mathematical, sociological, engineering and economic aspects. By bringing together a team with a variety of backgrounds, new and advanced approaches to old problems are often obtained. The scientific mind from each discipline attempts to extract the essence of the problem and relate it structurally to other similar problems encountered in one's own particular field thereby enhancing the organization's decision-making process.

Leadership involvement in the strategic planning process

Day (1984) studying capabilities of market driven organizations observed that these commitments come from widespread involvement of managers in decision-making. Hussey (1984) did note that high managerial involvement is necessary for effective strategic planning. Guth and MacMillan (1986) in their study observed that involvement of middle managers enhanced success in implementing strategy. Reid (1989) noted that managerial

involvement was essential for companies to benefit from planning. Wooldridge and Floyd (1990) reported that involvement of line managers in strategy development was associated with improved performance. Robert (1991) points out that mangers have difficulties in coping with strategic issues in situations where strategy is developed by outside consultants without involving the managers. Aosa (1992) on managerial involvement observed that companies reporting high involvement were significantly more successful in implementing strategic decisions than those in which involvement was low. Papadakis, Lioukas and Chambers (1998) investigating the relationship between the process of strategic decision making and management and contextual factors noted that the greater the participation especially of middle managers has a positive impact on organizational performance. This is so because the involvement of more people in decision making process increases the level of consensus among managers, produces a common understanding of joint tasks, creates a climate of shared effort and facilitates smooth implementation of strategic decisions. On the other hand lack of involvement of other employees other than 'strategic elites' in the process creates implementation problems including sabotage. "Strategic decision making processes in successful firms are more a product of a shared effort than deliberation by one person", noted Papadakis, Lioukas and Chambers (1998:132).

For the rest of the workers to attain the necessary understanding of the company vision and goals, provide the desired commitment and actively get involved in translating the strategies and programmes into the expected results, strong and strategic leadership is needed to drive the course. Taylor (1995) contends that strategic leaders manage radical change to achieve dramatic improvements in performance. They communicate internally and externally, often have an open management style and they try to build a new culture in which the staff can feel more involved. In concurrence with this view, Thompson, Strickland and Gamble (2007) argue that strategic leadership instills high levels of commitment to strategic success and creates an atmosphere where there is constructive pressure to perform and this is done through shaping values, molding culture and energizing strategy accomplishment. Thompson and Strickland further noted that strategic leadership keeps the organization innovative and responsive by taking special pains to foster, nourish and support people who are willing to champion new ideas, better services, new products and product applications.

Das (2000) postulates that for a strategy to be effective, a committed leadership must champion it. He argues that for any corporate agenda to be a successful initiative, the analysis and commitment have to come from the corporate office headed by the CEO and his team who have the holistic view of the company and its

environment. In the fast changing technological and competitive environment, the CEO and his team need to spend much more time to understand the implications of the changes that are taking place in their business and general environment, and then develop an agenda for responding effectively to the new situation. The top management must dedicate themselves to high standards set, communicate convincingly the corporate agenda and the supporting programmes. This creates excitement and sustained commitment to the set goals. A CEO has to become a role model and a leader of a difference to drive the agenda, in discussing the corporate agenda. Das (2000) noted that "the CEO is both an orchestrator and value-sharper and has the ability to bring out the best in ordinary people" (pp. 221).

Strategic management should encourage a shared understanding of the situational context among the participating managers by exposure to multiple perspectives and a synthesis of alternative scenarios. This enables the management team's overall ability to work together for a common goal and also to exploit the entrepreneurial skills of individual managers. Kermally (2002) argues that a leader in any organization should provide resources to show commitment share the vision and involve people in strategy formulation and listen for various possibilities. If the leader and employees share the same values and they internalize these values, the bond between leader and employee will be strong and in a situation like this staff will freely communicate in order to transfer their knowledge. Kermally further postulates that an effective leader has to focus on organizational culture and influence the performance of every individual and consequently organizational performance

Staff participation and involvement in the strategic planning process
It argued that by embracing employee participation organizations stand to gain. It is perceived that workers will want to work harder and more efficiently as a result of greater organizational commitment, which stimulates greater work flexibility and quality output. By getting employees involved in the strategic planning process, it is assumed that the employer benefits from the opportunity to harness workers' knowledge and experience. Cooke (1994) argues that through participation workers have opportunities to know and take part in designing the most efficient way(s) of organizing their work, resulting in optimum productivity. Jones (1987), Bryson and Millward (1997), add to this argument by noting that management has a chance of benefiting from the addition of valuable information about work tasks and the ability to access worker talents in decision-making through involvement of workers in the decision-making process. Hamel (1992) notes that participation creates an environment that encourages listening and sharing of a variety of viewpoints and opinions before a decision is made on the direction to be pursued. Participation offers the benefit of

improving the quality of decisions by incorporating employee values, information and alternatives into decision.

Kermally (2002) notes that empowerment is about releasing human energy and trusting an individual to make decisions to gain the commitment and involvement. Florida and Goodnight (2005) observed that successful companies tapped the creativity of workers from a wide range of disciplines to become more innovative and efficient. Florida and Goodnight further note that an interactive process stimulates people's minds, invigorating mental work which eventually leads to superior performance. Hooper and Potter (2000) contend that people who feel involved in the change process tend to react more positively than those who feel that change initiatives are being forced upon them. Getting people participate in the strategic planning process therefore, wins their hearts, minds and commitments, which consequently releases their potential for improved productivity. Commitment in companies is essential for effective strategy implementation. Summers and Hyman (2005) argue that employee participation has become more important to managers seeking to gain voluntary commitment from employees to organizational goals especially at times of heightened competitive pressures and work insecurity. Ansoff and McDonnell (1990) recommend an approach, arguing that staff cannot be ignored for it is them who prepare essential inputs and facilitate the process of analysis and decision-making. Though there is need for initiative, analysis and commitment to come from the top management to effect a turnaround, the involvement of employees at all levels both in decision making and implementation is a must (Hofer 1980). Hooper and Potter (2000) argue that strategy on its own is worthless unless it can be turned into positive action and therefore management needs workers to translate it into results. Participation increases the potential for decisions to be implemented as employees help make and own the decision and offers the possibility of reducing employee skepticism. When the process involves people in the organization, it increases motivation and or satisfaction. David (1997) argues that through involvement in the process managers and employees become committed to supporting the organization. Davenport (1993) adds to this argument by stating that unless designers or participants can agree on the way work is and should be structured, it will be very difficult to systematically improve or effect innovation in that work.

Ansoff and McDonnell (1990) note that strategic planning concentrated at the corporate levels of management, produced an unworkable solution which typically produced a phenomena which became to be known as 'paralysis by analysis'- plans made at the headquarters languished and remained unimplemented. A participative and interactive process assigns important roles to both the corporate office and the strategic

business units (SBUs). Ansoff and McDonnell further argue that a strategic staff is needed to support line executives at both levels to design and supervise the planning process, provide environmental inputs, identify new portfolio opportunities, analyze portfolios and develop investment and divestment plans and budgets.

Strategy introduces elements of rationality, which are disruptive to the historical culture of the firm and threatening to the political processes. It is argued that significant changes in a firm's strategic orientation, introduced through strategic planning process encounter organizational resistance. Ansoff and McDonnell (1990) points out that this resistance introduces delays, costs and instabilities into the process of strategic change. One of the ways this can be addressed is ensuring that staff is involved from the pre-strategic planning stage, clearly defining strategic responsibilities and sharing the intentions with all staff. Employee participation enables workers to have a shared organization direction. People have an idea of the firm's intended direction or else they dissipate their energies and resources, and eventually cease to exist. Workers need to have an idea of where they are going, whilst at the same time being aware of the results they are creating in order to adjust both the strategy and performance accordingly. Resistance to actualize the strategic planning intentions and programmes could be reduced if people were involved in the whole process, are sensitized on the strategic direction the organization is taking and the expected benefits. Concurring with this argument, Kermally (2002) notes that such resistance can be overcome by embracing a culture of participation and involvement. Sometimes those involved end up becoming drivers for change.

Blasi, Kruse, and Bernstein (2003) contend that participation facilitates the development of a corporate culture that emphasizes company spirit and promotes group cooperation. Firms that embrace the culture of staff involvement and ownership tend to match or exceed the performance of other similar firms. Kruse and Blasi (1997), and Freeman and Dube (2000) argue that participation has been successfully used to improve overall company performance. They note that participation alters employee attitudes to work and to management, increases association with management values, leads to greater job satisfaction and improves employee motivation to work towards achieving the set goals. It is argued that people are most effective, efficient and satisfied in an organization when they participate in the making of decisions about matters directly affecting them. Supporting this view, Bryson (1989), stoner (1994) and Viljoen (1995) argue that involving people in the organization increases motivation and satisfaction. Kermally (2002) notes that failure of strategic planning could be due to resistance to 'change' within the organization and some of the ways of overcoming this resistance include staff participation and involvement.

Based on the various postulations scholarly arguments, the following main hypothesis was set for testing.

Hypothesis 1
The strength of the relationship between strategic planning and strategic planning outcomes depends on employee participation and involvement in the strategic planning process.

From this hypothesis, the following specific hypotheses were formulated. Thus;

Hypothesis 2a
The strength of the relationship between strategic planning and strategic planning outcomes depends on leadership participation and involvement in the strategic planning process

Hypothesis 2b
The strength of the relationship between strategic planning and strategic planning outcomes, depends on the involvement of employees from across the organization.

Hypothesis 2c
The strength of the relationship between strategic planning and strategic planning outcomes depends on worker participation in various strategic planning tasks.

METHODS
Research design
Hunt (1991) notes that there exist two routes through which knowledge can be created, i.e. positivism and phenomenology. Positivism approach was pursued. To empirically establish the relationships between the variables of interest there is need to formulate and test appropriate hypotheses. A survey of firms within the Kenya's insurance sector was done. Interviews were conducted across the firms targeted. The population of interest consisted of all insurance firms operating in Kenya.

Key constructs
Data on strategic planning mainly focused on the strategic planning steps or elements (defining company direction, analysis of business environment, analysis of strategic issues, strategy selection and implementation framework). With respect to the expected strategic planning intermediate outcomes, data was collected on enhanced direction and focus, firm environment fit, sustainable competitive advantage, efficiency in allocation of resources, improved innovation, greater commitment and improved coordination and control of organization activities. On the other hand areas of employee participation given attention included; leadership participation and involvement, involvement of
 staff drawn from various cadres and departments and worker involvement in various strategic planning tasks

Data collection
Mainly primary was sourced and utilized for purposes of addressing and testing the formulated hypotheses. Primary data was collected on strategic planning process, employee participation and strategic planning expected outcomes. Our main data collection instrument was a questionnaire consisting of structured closed and open-ended questions. Top management (CEO/MD, general managers, line managers) were the study's key target respondents.

Table 1: Testing for reliability

Variable	Number of items in variable	Alpha coefficient
Strategic planning	5	0.901
Employee participation	3	0.847
Strategic planning intermediate outcomes	7	0.952

Table 2: Comparative analysis of on the extent of participation in the various aspects for all the firms

Aspect of participation	n	Mean	Standard Deviation
leadership participation and involvement	31	3.838	0.820
Employees from all cadres, regions & departments	31	3.323	0.702
Various strategic planning tasks	31	3.516	0.889

These means and standard deviations are based on the data captured through a six point likert type scale running from 0 to 5, representing no participation at all and participation to a very large extent respectively.

Data reliability and validity

Test of reliability was carried out to check on the internal consistency of data measurement instrument. Cronbach's alpha was used to measure this reliability. Alpha value ranges from 0 to 1.00. A larger value indicates that items are tapping a common domain, hence high consistency. Alpha values of between 0.80 and 1.00 are considered reliable, values of between 0.50 and 0.80 are acceptable while values of below 0.50 are considered less reliable and therefore unacceptable (Sekaran, 2003). The computed Cronbach's alphas for all the various group items fall above 0.50 with the coefficient for all the 15 items indicating very high reliability (Table 1).

Data analysis

A six point likert type scale was used to capture the extent of strategic planning, attainment of strategic planning intermediate outcomes and employee participation in strategic planning. In applied management studies, the likert type scale is an acceptable technique for purposes of carrying out parametric statistical analysis. In examining the relationships between variables of interest correlation analysis technique was utilized. The Pearson's product correlation coefficients(r) have been computed. Partial correlations have also been utilized in examining the influence of employee participation in strategic planning on the relationship between strategic planning and strategic planning expected outcomes.

RESULTS AND FINDINGS

Employee participation in strategic planning

It is assumed that that the level of worker participation and involvement in the strategic planning process moderates the relationship between strategic planning and strategic planning intermediate outcomes, that is the greater the participation, the higher the realization of strategic planning expected outcomes. Efforts were directed to establishing the extent of participation and involvement in the strategic planning process and thereafter investigated whether extent of participation influences the relationship between strategic planning and the realization of the strategic planning expected outcomes. Respondents thus were asked to indicate on a six-point scale the extent of participation on various

areas, that is, leadership participation and involvement, wider staff participation and participation in various strategic planning tasks. The results show that participation in the strategic planning process is fairly well embraced across the firms studied and the variation in the extent of this participation is fairly low as reflected through the standard deviations (Table 2).

Of the three perspectives of participation examined, leadership participation and involvement is more prominent across the firms studied compared to the other two aspects (participation of staff from various cadres and units and, participation in various strategic planning tasks).

The moderating effect of employee participation in the strategic planning process on the relationship between strategic planning and strategic planning outcomes

Partial correlations were run to test hypothesis H1, that is, "The strength of the relationship between strategic planning and strategic planning outcomes depends on employee participation and involvement in the strategic planning process".

The results of the analysis for the moderating effect of employee participation in strategic planning on the relationship between strategic planning and strategic planning outcomes are shown (Table 3). The results indicate a strong correlation between strategic planning and strategic planning intermediate outcomes (r = 0.716). This correlation was reassessed to determine whether it reflects the direct relationship, independent of the variables' association to employee participation in the strategic planning process. The results of the reassessment indicate that the direct correlation between the two variables weakens. This is reflected by the falling Pearson correlation coefficient from 0.716 to 0.465 when controlling for employee participation. Hence, employee participation and involvement in strategic planning influences the strength of the said relationship.

Table 3: The results of the correlation analysis of the moderating effect of employee participation in strategic planning on the relationship between strategic planning and strategic planning expected outcomes

Control Variables		r	Strategic planning expected outcomes
None	Strategic planning	Correlation	.716
Employee participation	Strategic planning	Correlation	.465

Table 4: Results of statistical test on the moderating effect of leadership participation in strategic planning on the relationship between strategic planning and strategic planning outcomes

Control Variables		r	Strategicplanning outcomes
None	Strategic planning	Correlation	.716
Leadership participation and involvement	Strategic planning	Correlation	.421

Table 5: Results of correlation analysis (r) for the influence of wider staff participation in strategic planning on the relationship between strategic planning and strategic planning outcomes

Control Variables		r	Strategic planning outcomes
None	Strategic planning	Correlation	.716
Wider staff participation and involvement	Strategic planning	Correlation	.615

Based on these results, the hypothesis that "the strength of the relationship between strategic planning and strategic planning outcomes depends on employee participation and involvement in strategic planning" holds. It is evident therefore, that employee participation in strategic planning does influence the strength of the relationship between the two variables.

Further the moderating effect of the various aspects of employee participation on the relationship between strategic planning and strategic planning outcomes, that is, leadership participation and involvement, wider staff participation and worker involvement in various strategic planning tasks was examined. The results of this analysis are presented in tables 4, 5 and 6.

The influence of leadership participation and involvement on the relationship between strategic planning and strategic planning outcomes

In examining the whether leadership participation and involvement influences the anticipated relationship between strategic planning and strategic planning outcomes Hypothesis 2a was tested. That is; the strength of the relationship between strategic planning and strategic planning outcomes depends on leadership participation and involvement in the strategic planning process.
The results indicate that when controlling for leadership participation, the strength of the relationship between strategic planning and strategic planning outcomes weakens. This is reflected in the Pearson correlation coefficient which falls from 0.716 to 0.421 (Table 4).

Moderating effect of wider staff participation
To aid the investigation towards establishing whether by drawing and involving staff from across the organization

in the strategic planning process affects the realization of the expected strategic planning outcomes, hypothesis 2b had been formulated. That is;
The strength of the relationship between strategic planning and strategic planning outcomes, depends on the involvement of employees from across the organization

The results of the correlation analysis indicate that when controlling for wider staff participation, the strength of the relationship between strategic planning and strategic planning outcomes also declines. The Pearson correlation coefficient falls from 0.716 to 0.615 after removing the effect of wider staff participation (Table 5).

From Table 5, it can be implied that wider staff participation does influence the strength of the relationship between strategic planning and strategic planning intermediate outcomes.

Moderating effect of staff involvement in various strategic planning tasks
It is postulated that getting staff getting involved and undertaking various responsibilities during the strategic planning process is likely to elicit their commitment, ownership and support with respect to organization initiatives. Hypothesis 2c had been set to facilitate the investigation as to whether this argument holds. That is; the strength of the relationship between strategic planning and strategic planning outcomes depends on worker participation in various strategic planning tasks.

When controlling for staff participation in strategic planning tasks the strength of the relationship between strategic planning and strategic planning outcomes weakens. From Table 5, it can be implied that wider staff participation does influence the strength

Table 6: Results of the correlation statistical test (r) for the influence of staff participation in strategic planning tasks on the strength of the relationship between strategic planning and strategic planning outcomes

Control Variables		r	Strategic planning outcomes
None	Strategic planning	Correlation	.716
Participation in various strategic planning tasks	Strategic planning	Correlation	.520

of the relationship between strategic planning and strategic planning intermediate outcomes.

Based on the results of this analysis, it can be inferred that staff participation in various strategic planning tasks does influence the strength of the relationship between strategic planning and strategic planning intermediate outcomes.

Of the three aspects of employee participation and involvement in strategic planning, leadership has a greater influence on the relationship between strategic planning and strategic planning outcomes compared to the other two (wider staff participation and task participation).

DISCUSSION

Study findings indicate that participation in the strategic planning process is fairly well embraced across the firms studied, employee participation and involvement in strategic planning influences the strength of the said relationship and that indeed there is a relationship between employee participation and firm performance. The assumption that the higher the level of participation and involvement in the strategic planning process, the higher the level of realization of strategic planning intermediate outcomes was, therefore investigated. Results of this analysis indicate that employee participation and involvement does moderate the relationship between the two variables. This is reflected by the falling Pearson correlation coefficient from 0.716 to 0.465 when controlling for employee participation. Hence, employee participation and involvement in strategic planning influences the strength of the said relationship. Further, the moderating effect of the various aspects of employee participation on the relationship between strategic planning and strategic planning intermediate outcomes, that is, leadership participation and involvement, wider staff participation and worker involvement in various strategic planning tasks was examined.

When controlling for leadership participation, wider staff participation and worker participation in various strategic planning tasks the strength of the relationship between strategic planning and strategic planning intermediate outcomes weakens as reflected by the falling Pearson correlation coefficient (from 0.716 to 0.421, 0.615 and 0.520 after controlling for leadership participation, wider staff participation and participation in strategic planning tasks respectively). Of the three aspects of employee participation and involvement in strategic planning,

leadership has a greater influence on the relationship between strategic planning and strategic planning intermediate outcomes compared to the other two (wider staff participation and task participation).

The finding that there is correlation between leadership involvement and innovativeness is also in agreement with the contention by Thompson, Strickland and Gamble (2007) that strategic leadership keeps the organization innovative and responsive. Our findings also appears to agree with those of Wooldridge and Floyd (1990) who observed that involvement of managers in strategy development was associated with improved company performance. Aosa (1992) in his study noted that managerial involvement is crucial in planning and strategy development. This finding concurs with the postulations by Thompson and Strickland (1989) that strategic leadership instills high levels of commitment amongst workers. These findings also conform to the argument by Cooke (1994) that worker participation enables workers to design and engage in the most efficient ways resulting in optimum productivity. It also concurs with arguments by Summers and Hyman (2005) that getting staff from various cadres, departments and geographical regions is one way of eliciting their voluntary commitment and support which is so critical for smooth implementation of company programmes. The study findings also appear to confirm to earlier similar studies' observations. Day (1984) and Robert (1991) observed that commitments come from widespread involvement in the decision making process.; Reid (1989) in his study of 94 companies in the UK, had noted that managerial involvement in planning is essential if companies were to benefit from planning; Guth and MacMillan (1986) observed that the involvement of middle managers in the strategy development was important as it enhanced success in its implementation.

CONCLUSIONS

The study set out to examine; the influence of employee participation on the perceived relationship between strategic planning and strategic planning outcomes and, the relationship between employee participation and firm performance. Study findings reveal that indeed a participatory orientation to strategic planning does influence the realization of the strategic planning outcomes and this effect is statistically significant. The specific elements within employee participation (leadership involvement, involvement of staff from across the organization and involvement in various strategic

planning tasks) indeed influence the direction and strength of the relationship between strategic planning and strategic planning outcomes.

IMPLICATIONS

Numerous theoretical arguments and studies have pointed to the direction that participation and involvement in the strategic planning process is one way of enhancing effective strategy formulation and implementation. This include sentiments from McDonnell (1990), Aosa (1992), Ansoff and Cooke (1994), Taylor (1995), Bryson and Millward (1997), Hooper and Potter (2000), Kermally (2002) Summers and Hyman (2005), and Thompson, Strickland and Gamble (2007). Result of the analysis reveals the existence of the moderating effect of a participatory orientation to strategic planning on the relationship between strategic planning and realization of strategic planning outcomes. This effect is statistically significant. Findings from this study in a way are an alert that worker participation is key if an organization is to successfully develop effective and ensure smooth implementation. There is also a correlation between employee participation and corporate performance. This implies that engaging leaders, managers and the rest of the staff in the company's strategic planning process need to be taken keenly by those tasked with the responsibility of spearheading the same. Further, it should be noted that, in order to tap from the excitement, energy, enthusiasm, support and commitment of staff, it is critical that they get engaged and involved in not only understanding the future of the company but also be allowed the opportunity to contribute during the strategy making process. This is likely to minimize the chances of resistance to the new order which normally emerges as a result of strategic paradigm shifts.

Given the study findings, employee participation should not be taken for granted. Through participation and involvement, workers voluntary commitment and desire to achieve even high is unlocked. Therefore companies leadership need to consider having key staffs across the organization participate in various activities for which they have the respective capacities for purposes of increased ownership and commitment which is critical in translating the strategic planning intentions into value.

"Our CEO is involved but the commitment from him and his entrusted team is not total" was a free comment from a manager in one of the companies.

Leadership goes beyond just participation. It must be strategic with commitment so as to drive the process effectively, unlock employee commitment and mobilize staff towards greater productivity and innovation.

Limitations and suggestion for further studies

This study focused on the internal stakeholders. It could be of interest to also examine the role of the involvement of the wider stakeholders' community, including the various external interest groups on the relationship between strategic planning and the realization of the anticipated strategic planning outcomes. Secondly a research could be carried out to focusing on the effectiveness of internally and externally driven strategic planning. The study was confined within the insurance sector. This may limit the generalization of its findings to other sector. This study can be taken further to with a focus to examining the same issues across the various service sub-sectors such as the banking sector, the hospitality industry, learning institutions among others.

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