ROLE OF STRATEGIC PLANNING PRACTICES IN ENHANCING COMPETITIVENESS OF MANUFACTURING ENTERPRISES IN KENYA: A CASE OF KEVIAN KENYA LIMITED

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ABSTRACT
The purpose of this study was to examine the role of strategic planning practices in enhancing competitiveness of manufacturing enterprises in Kenya. To achieve this goal, this study used the following objectives: to determine the influence of product optimization strategy on competitiveness in manufacturing firms in Kenya; to find out the effects of strategic finance sourcing on competitiveness in manufacturing firms in Kenya; to assess the effects of integration of workforce strategy on competitiveness in manufacturing firms in Kenya; and to establish the effects of community-firm relationship strategy on competitiveness in manufacturing firms in Kenya. The study used descriptive research design and used Kevian Kenya Limited as a case study. Both primary and secondary data collection approaches were used. Data collection targeted population of 260 respondents. Qualitative data was processed using Statistical Package for Social Sciences (SPSS) version 20. The study found a strong positive relationship between dependent and all the independent variables. Respondents expressed their satisfaction with KK’s strategic finance sourcing and product optimization strategy practices. On the other hand, majority of the respondents expressed dissatisfaction with the company’s integration of workforce strategy and community – firm relationship strategy. Overall, the findings of this study suggested that proper strategic planning practices improves firm’s competitiveness.

Key Words: Product Optimization, Strategic Finance, Workforce Integration Strategy, Community-Firm Relationship, Manufacturing Firms in Kenya
INTRODUCTION
In the current 21st business strategy, the attractiveness of an industry and its competitiveness are the key sources of challenges to firms and determine strategic direction. Study conducted by Elbanna (2008) revealed that an organization’s assessment of the industry’s competitive environment directly affects the approach it takes in positioning itself in the industry. Additionally, it determines the firm’s competitive strategy. The major actors on strategic direction pursued include the company’s business opportunities and the threats to its strategic position.

Strategic planning refers to a company’s process of defining its strategic direction and the decision it makes on allocating resources to implement and actualize the strategy, including but not limited to the firm’s capital and human resource. It fundamentally defines the tool that organizes the present in an effort to ensure that the forecasted goals are achieved. Ansoff, one of the pioneer contributors of strategic management practices, explain that strategic planning is a logical and rational analysis of the opportunities a business environment offers in light of the strengths, opportunities, and weaknesses of the firm, and selection of a match between two that are best likely to satisfy the projections of the firm (Ansoff, 1976). Olufemi, another popular management guru explains that strategic planning is a continuous process making critical entrepreneurial decisions with a great understanding of their futurity, systematically organizing the efforts required to implement the decisions, and quantifying the results of the decisions against the forecasted expectations using systematic feedback (Olufemi, 2009).

Recent literature documents that there is no definite single approach to “best practice” in strategic planning that can assure ultimate success. The process and timing differ extensively depending with the industry, size and culture of business, and market pressure (Pearce and Robinson, 2009). In the 1990s, strategic planning featured a five to ten strategy time horizon, yet in the 21st century it has become unreasonable to plan beyond two or three years. Meg Whitman, the eBay CEO explained that strategy meetings were held once a year, but today, they are held after every two weeks (Sanghera, 2003). It implies that strategic planning has become a typically oriented to a specific firm’s circumstances at a given time. Nonetheless, literature further documents that there are several effective practices and methodologies that can be implemented for any business.

The manufacturing industry, not only in Kenya but across the globe, faces numerous challenges that are peculiar to other industries. In the wake of the effects of the challenges, leaders in the industry are forced to have strategic business plan in place in preparation to any hurdle that might arise in future. Strategic management is critical to operating a successful, and efficient manufacturing enterprise (Sharabati & Fuqaha, 2013).

As far as firm competitiveness is concerned, strategic planning gives direction to organization members such that they know the direction the organization has taken and where to expand their major efforts. Basically, strategic planning guides in defining the business the organization is in, the ultimate goal it targets to achieve, and the means it intends to use to accomplish the ultimate goal. Asaari and Razak (2007) explained that a firm’s strategy offers a central purpose and direction to all the activities of the organization and to the entire workforce. Atieno (2014) contends that the principal goal of strategic planning is to offer guidelines to a firm in outlining its defining its strategic intent, priorities, and refocus itself.
towards realizing the same. Fred (2009) further expounds that strategic planning permits a firm to be more proactive than reactive in modeling its own future as well as initiate and influence activities. In this regard, strategic planning exerts control over a firm’s destiny.

A properly laid out strategic plan makes an organization more systematic in regards to terms of its development, which can lead to a significant proportion of an organization’s efforts being focused in achievement of its goals establishment at the planning phase. Crook et al., (2008) explains that the process of strategic planning is a way of transforming and repositioning an organization. They further postulate that primary goal of any strategy making is to shape a market position strong and competitive enough, which makes an organization strong enough to perform successfully despite the challenges and other unforeseeable events, internal difficulties, and potent competition. Strategic planning has long been successfully used by virtually all multinational companies to take care of uncertainties in the current dynamic business environment. Companies such as Toyota, Amazon, Samsung, and Apple among others have successfully used strategic planning to manage uncertainties and market positioning for profitability and long-term growth (Haberberg & Rieple, 2008). Proper strategic planning has been at the center of planning competitive market positioning in all the multinational companies. Owing to the current and predicted business environment uncertainties, strategic management is increasingly becoming a basic need not only in the manufacturing sector but also in any kind of business. Strategic planning stabilizes the equilibrium between a firm and external environment, which in the long-run ensures survival and growth (Liu, 2011).

For instance, small and medium manufacturing firms, which are more in number that established manufacturing firms, operate in highly fragmented industry structure where firms compete to acquire a relatively small share of the total market (Denscombe, 2008). In light of the highly competitive environment, practicing strategic management has become equally critical to these companies as it is for large companies. Nonetheless, the level of formality of the strategic planning process is likely to differ depending on the complexity, size and requirements of the firm (Al-Shammari & Hussein, 2008).

The Kenyan manufacturing sector has traditionally been protected by the Government of Kenya (GoK). Consequently, the sector has faced favorable regulations, much of which have given undue advantage to large firms and disadvantaged small and medium enterprises (Nyariki, 2013). Despite the protection, the sector is still underdeveloped to date. In this regard, an important concern to note is that the manufacturing exports is still labor-intensive, which has caused growth stagnation. Over-relying on labor-intensive production appears to be a strategic planning miscalculation in an era where production across the globe is hugely mechanized (Odundo, 2012).

Kevian Kenya Limited (KK) started its manufacturing journey in 1992 with its flagship product, Mt. Kenyan Water. It was not only the launching pad for KK as a company but also a pioneer brand in the local bottled-water industry (Kevian Kenya, 2016). Mt Kenyan Water notably changed the lifestyle landscape by paving way for other local and international bottled water brands, hence enlarging the industry.

**Statement of the Problem**
Strategic planning in business organization has attracted the interest of many researchers. Some of
GoK has done a commendable job to protect Kenyan manufacturers from undue competition from large multinational companies. Besides, GoK has rolled out several policies designed towards ensuring the risks and impediments caused by the macro-environment are reduced to the lowest possible level. It all started soon after independence in 1963 when GoK started with import substitution policies, which characterized the Kenyan manufacturing sector in the 1960s and 1970s. The result was reduced domestic competition and low capacity utilization. Later in the 1980s, GoK resorted to introduction of market liberalization policies, which yielded insignificant returns. In the 1990s, GoK turned to export orientation policy, which was again unsuccessfully arguably because of macro-economic mismanagement and poor implementation of fiscal policies (Kinyanjui, 2013). Despite the little success in ensuring better performance of the Kenyan manufacturing sector, GoK is still committed towards creating favorable environment for the firms. The latest government intervention, The Kenya Industrial Transformation Programme (KITP), rolled out in September 2015 is modeled to look beyond export-led policy regime and import-substitution to develop the Kenyan industries. Ultimately, it is expected that the plan will grow the manufacturing sector by at least 15% of Gross Domestic Product (GDP) from the static 11% over the past decade (Tralac, 2015). While launching KITP, Adan Mohamed, the Industrialization and Enterprise Development Cabinet Secretary explained that GoK has identified 10 opportunities with the programme’s established strategies that are likely to increase manufacturing sector jobs to roughly 435,000 extra jobs within the next 5 years. The programme is expected to add Kshs. 200 billion to Kshs. 300 billion to the GDP. It is undeniable that the future of Kenyan manufacturing sector relies on high-value production.

However, committed GoK might be at ensuring better performance of the Kenyan manufacturing sector, the success of individual firms fully depends on the management strategy adopted. GoK has opened up opportunities for the manufacturing firms to thrive. The realization and exploitation of these opportunities fully depends on the management of the firms. It is worrying to note that research has consistently demonstrated that most manufacturing firms in Kenya do not engage in strategic planning (Nderu, 2013; Nyariki, 2013; Odundo, 2012). This finding is at odds with most of strategy literature that decrees that firms must consistently and actively plan for the future to survive and compete effectively. It is against this background that this research proposes that Kenyan manufacturing sector has failed to thrive and realize its full potential not because of the macro-environment challenges, but because of poor strategic plans. It is on this basis that this research delved at producing empirical evidence regarding the role of strategic planning practices in enhancing competitiveness of manufacturing enterprises in Kenya.

Objectives of the Study
The general objective of this study was to examine the role of strategic planning practices in enhancing...
competitiveness of manufacturing enterprises in Kenya. The specific objectives were:

- To determine the influence of product optimization strategy on competitiveness in manufacturing firms in Kenya;
- To find out the effects of strategic finance sourcing on competitiveness in manufacturing firms in Kenya;
- To assess the effects of integration of workforce strategy on competitiveness in manufacturing firms in Kenya; and
- To establish the effects of community-firm relationship strategy on competitiveness in manufacturing firms in Kenya.

LITERATURE REVIEW
Theoretical Review
Residual Equity Theory
The study used residual equity theory to determine the influence of product optimization on competitiveness in manufacturing firms in Kenya. In the residual equity theory, changes in asset valuation, income and in retained earnings and changes in interest of other equity holders are all reflected in the residual equity of the common stockholders. The specific equities include the claims of creditors and the equities of preferred stockholders. The balance sheet equation becomes as follows: ‘Assets minus specific equities are equal to Residual equity’. The equity of common stockholders in the balance sheet should be presented separately from the equities of preferred stockholders and other specific equity holders. According to Taiwo & Idumo (2007) the residual equity point of view is a concept somewhere between the proprietary theory and the entity theory.

The objective of the residual equity approach is to provide better financial reporting as a consequence of good financial management practices. In a going concern situation, the current value of common stock is dependent primarily upon the expectation of future dividends (Sharabati & Fuqaha, 2013). Future financial status is dependent upon expectations of total receipts less specific contractual obligations, payments to specific equity holders and requirements for reinvestment. Since financial statements are not generally prepared on the basis of possible liquidation, the information provided regarding the residual equity should be useful in predicting possible future financial status to common stockholders (Taiwo & Idumo, 2007).

Contingency Based Theory
The study used contingency based theory to find out if the effects of finance human resource sourcing on competitiveness in manufacturing firms in Kenya. The development of contingency approach was stimulated by managers, consultants and researchers who tried to apply the concepts of the major schools of management to real-life situations (Qiu, 2008). They often found that methods that were highly effective in one situation would not work in other situations. They discovered that a technique that works in one case may not necessarily work in all cases because of differences in their respective situations. They then sought an explanation for these experiences which brought about the contingency based theory.

The contingency theory draws the idea that there is no one or single best way or approach to manage organizations. Organizations should then develop managerial strategy based on the situation and condition they are experiencing (Taiwo & Idumo, 2007). Contingency theory tries to identify and measure the conditions under which things will likely occur. Since human service practice varies substantially, contingency theory offers a useful approach to model and predict contingency approach practice. Contingency theory allows one to analyze a situation and determine what variables influence the decision with which you are concerned.
Institutional Theory
The study used institutional theory to assess the effects of integration of workforce on competitiveness in manufacturing firms in Kenya. This theory proposes that the institutional environment plays a critical role in influencing the development of formal structures in organizations (Amenta, 2003). They further indicate that institutional environment is plays more significant role than market pressures. Firms have innovative structures that promote technical efficiency, which are legitimized by the environment (Amenta, 2005). In the long-run, the innovations reach a legitimization level where failure to adopt them is perceived as negligence and irrationality. At this point, existing and new firms are likely to adopt structural form even when the form is less likely to improve efficiency (Amenta, 2003).

Proponents of the theory argue that often times, institutional myths are merely accepted ceremoniously in an effort to enable the organization to maintain or gain legitimacy in the institutional environment. Organizations favor the “vocabulary of structure” that is most suitable in their environment such as procedures, specific job titles, and organizational roles (Amenta, 2005). The prominent display of the institutionally-favored “trappings of legitimacy” preserves an aura of organizational action on the basis on “good faith”. It is imperative to note that legitimacy in the in the institutional environment assist in establishing and sustaining organizational survival (Amenta, 2003).

Contingency Management Theory
The study used contingency management theory to establish the effects of community-firm relationship management on competitiveness in manufacturing firms in Kenya. According to Flinsch (2010), the theory proposes that there is no best way to manage an organization or a process. The interplay between many internal and external constraints affects a proposed best way of managing an organization or process in a given situation. Consequently, the theory argues that the most appropriate way of managing depends on the situation at hand and its effect on what would be the best approach to solving the challenge. Fred Fiedler, one of the proponents of the theory, proposes that there is a correlation between a leader’s trait and his/her effective leadership. The theorist further explains that certain management trait helps in solving certain crises, thus the leadership is bound to change given a new set of circumstances. It implies that different managers will react differently to a similar situation, thus it follows that supply chain risk management approaches vary from an organization to another.

Conceptual Framework

![Conceptual Framework Diagram]

Independent Variables

- Product Optimization Strategy
  - Optimizing marketing resource allocation
  - Product advertising
  - Pricing

- Strategic Finance Sourcing
  - Financial inclusion measures
  - Periodical financial auditing
  - Budget and proforma creation

- Integration of Workforce Strategy
  - Employee welfare management
  - On-work training and development
  - Career development and promotions

- Community-Firm Relationship Strategy
  - Public image creation and maintenance
  - Community-firm relationship management
  - Social corporate responsibility-giving back to the community

Dependent Variable

- Competitiveness of Manufacturing Enterprises
  - Productivity
  - Profitability
  - Inventory Turnover

Figure 1: Conceptual Framework
Product Optimization Strategy
The main aim of production optimization is to improve utilization of the capacity of a production plant to get higher throughput. The idea is to operate production, at every instant of time, as near optimum as possible. While this goal is shared with most of the other process industries, optimizing production in the manufacturing industry presents some very peculiar aspects (Taiwo & Idumo, 2007). In addition to the production optimization of fruit manufacturing process, one has to consider operational costs, hardware abrasion, environmental requirements and operational difficulties. To further complicate the optimization task, the distinctive challenges change over time. Top performances can be therefore guaranteed only resorting to real-time monitoring and control applications (Patterson et al., 2007). Latest approaches are based on a proper combination of process and flow assurance knowledge, advanced process control technologies, and modern IT technology.

Today more than ever, the ability to develop and launch new products successfully and quickly is the key to business success. The number one success factor is product superiority. It is imperative to note premium products that deliver real and unique benefits to users are far more successful than "me too" products (Taiwo & Idumo, 2007). A superior product is comprised of six items, namely, offering unique features not available in competitive products, meeting customer needs better than competitive products, having higher relative product quality, solving a problem the customer has with a competitive product, reducing the customer’s total costs, and being innovative. If a proposed new product scores low on the above criteria, then the odds of success are low. Superiority must be defined from the customer’s standpoint, based on an in-depth understanding of customer needs and wants, and the competitive situation (Patterson et al., 2007). Developing a product with real advantages and benefits to customers entails: identifying the target market, conducting extensive market research to identify customer/user needs, wants and preferences, translating customer needs or problems into a technically viable solution, defining the product concept, testing and verifying.

Strategic Finance Sourcing
The ultimate goal of strategic finance sourcing is to maximize the financial wealth of the business owner(s). This general goal can be viewed in terms of more specific objectives: profitability and liquidity. Profitability management is concerned with maintaining or increasing the business’s earnings through attention to cost control, pricing policy, sales volume, inventory management and capital expenditures. Liquidity management ensures that the business’s obligations (wages, bills, loan repayments, tax payments) are paid. Taiwo and Idumo (2007) also viewed growth as another objective of financial management in relation to liquidity, growth and profitability. Financial management also aims to maximize the share price in the securities market and enhancing long-term value of the firm. When the relationship between financial management practices and financial performance is analyzed, it should be noted that there are other factors which account for potential influences on the relationship. Although these other variables are not directly related to the relationship between financial management practices and performance, it is important to take them into account in order to isolate their effect on performance. These variables include firm size, degree of risk, capital intensity, and leverage and industry factors such as growth, firm advertising, market share, research and development. This study will hold these variables as control variables (Patterson et al., 2007).
Nguyen (2001), sought to assess the relationship between financial management practices and profitability of small and medium enterprises in Australia. He focused his attention at various financial management practices and financial characteristics and demonstrates the simultaneous impact of financial management practices and financial characteristics on SME profitability. He further examined fixed (non-current) asset management practices of a sample of 99 trading and 51 manufacturing SMEs. He found out the nearly 80 percent of SMEs always or often evaluate capital projects before making decisions of investment and review the efficiency of utilizing fixed assets after acquisitions. Some 87 percent of SMEs stated that they used payback period techniques in capital budgeting; only 27 percent used the more sophisticated discounted cash flow techniques, the Net present value (NPV), internal rate of return (IRR) and modified internal rate of return (MIRR). These findings revealed that SMEs highly regarded fixed asset management although their knowledge of management techniques was not outstanding.

Integration of Workforce Strategy
Currently, many organizations take a silo approach to managing permanent workers, contingent labor and employee mobility. In many organizations, the permanent workforce is typically owned by HR and talent acquisition processes are supported with an Applicant Tracking System (Patterson et al., 2007). Over time, these systems have evolved to accommodate online career sites and integration with social networks such as LinkedIn. Contingent workforce management, in contrast, is typically owned by procurement, which relies on vendor management systems (VMS) to manage the sourcing process as well as intricacies related to SOX, co-employment, contractor misclassification and other compliance concerns (Kochan, Ely, Joshi and Thomas, 2002). In the past twenty years, the growing diverse workforce in organizations has led scholars to pay increased attention to the issue of workforce diversity (Gupta, 2013). The recognition of workforce diversity as a source of competitive advantage has become a reality in organizations today and has generated an enormous amount of interest over the recent years among business leaders, governments and within the civil society, (Kochan, Ely, Joshi and Thomas, 2002). Childs, (2005) argues that any business that intends to be successful must have a borderless view of the workforce by ensuring that workforce diversity is part of its day to day business conduct. Today’s workforce is getting more and more heterogeneous due to the effects of globalization (Kurtulus, 2012). When workforce diversity is not managed properly, there will be a potential for higher voluntary employee turnover, difficulty in communication and destructive interpersonal conflicts (Elsaid, 2012). The reverse leads to a more engaged workforce and subsequently improved organizational performance.

Organizations devote resources to diversity initiatives because they believe it is a business imperative and good for the bottom line, (Jayne & Dipboye, 2004). Konrad, (2003) has also stated that a global economy would require organizations have to attract and retain a diverse workforce so that they can effectively deal with an increasingly diverse customer base leading to increased market share. Firms are seeing the need to hire a workforce that reflects today’s diverse society and a major competitive factor for organizations is to attracting and retaining the best available human resource talent in the context of current workforce demographic trends ( Prietto et al., 2009). If firms use their diverse human resource in the right way, then it will be very profitable for them because human diversity increases the flow of new, creative and innovative ideas, (Afzal et al., 2013). According
to Richard et al. (2007), diversity is more conducive to performance in the service industry where firm members come into contact with customers who prefer to be served and interact with similar others, than in manufacturing industry. Diverse workforce ensures a high level of performance and productivity for human and intellectual capital and provides business organizations a competitive advantage in their expanded markets, (Okoro & Washington, 2012). Organizations will only be successful to the extent that they are able to embrace and encourage workforce diversity, (Gupta, 2013). Workplace diversity can also generate conflicts between employees. This conflict occurs due to differences of perception, ideas, behaviors, interest, attitudes, religious and political differences and unjustified distribution of resources, (Elsaid, 2012).

Community-Firm Relationship Strategy
Community-firm relationship management has been subjected to a lot of debate, comment, and research. In spite of the seeming endless discussion about it, it has seen a lot of development in both academic and practitioner communities all over the world, (Carroll & Shabana, 2010). Corporate social responsibility (CSR) is a concept whereby firms commit to improve their environmental and social performance beyond legal obligations. It is a commitment to improve the well-being of a community through discretionary business practices and contributions of corporate resources, (Chakrabarty, 2010). It is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development. Performing corporate social responsibility is necessary for firms that want to be successful in the long run, (Korkchi & Rombaut, 2006). Fundamentally, corporate social responsibility internalizes all external consequences of an action, both its costs and benefits. The term corporate social responsibility encompasses a variety of issues revolving around companies interactions with society.

The amount of literature available on corporate social responsibility is massive and it continues to grow. Over the years the social involvement of corporations has increased. Earlier corporate entities mainly focused on their economic objectives; profitability, cost of production, margins etc. Corporate entities are now posed with the challenge pertaining to the social responsibility of business, (Swapna, 2011). Companies can no longer satisfy just the needs of the investors, i.e. shareholder value. There are a number of persons or groups who influence the company. The company also influences these groups, which are called stakeholders.

Competitiveness of Manufacturing Enterprises
Firm performance comprises the actual output or results of an organization as measured against its intended outputs. It differs from one organization to the other with each trying to outdo the other. Internally, performance is driven by the organization’s motivation to perform (Sharabati & Fuqaha, 2013). Firm competitiveness is a capability of a firm to sustainably fulfill its double purpose: meeting customer requirements at profit. This capability is realized through offering on the market goods and services which customers value higher than those offered by competitors. A condition to this competitiveness is for the company, to be able to detect and adapt to changes in the environment and within the company by way of meeting competitive market criteria permanently more favorable than those rivals (Obulutsa, 2017). Porter postulates that competitive advantage results from the competitive strategy a firm adopts to neutralize threats or to exploit opportunities presented by an industry. According to Muogbo (2013),
competitiveness is a different way of saying productivity, considering the rate of growth of one firm relative to others. In business environment, dynamic capabilities, flexibility, agility, speed, and adaptability are becoming more important sources of competitiveness.

Obulutsa, (2017) postulates that current strategic management literature suggests that there should be a strong linkage between strategic plans and performance measures. One means of measuring the different elements that maybe associated with success of an organization and one that can provide this linkage is the balanced scorecard. According to Muogbo (2013) this is a multidimensional approach to corporate performance that incorporates both financial and nonfinancial factors (Sharabati & Fuqaha, 2013). To achieve competitive advantage and high performance, strategic planning is viewed as a primary resource as supported by the resource-based theory. The resource-based theory is a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Obulutsa, 2017).

Empirical Review
An empirical review is an overview of existing literature and theories concerning the topic under study (Ismail & Ajija, n.d). It gives the historical background of the topic. An empirical review is important because it demonstrates researcher’s understanding of the topic or field he/she is studying (Balgescu & Young, 2005). Second, empirical review demonstrates that the topic being studied has not been covered before.

Product Optimization Strategy
Product optimization, which is a critical component of internal marketing practices would be better understood when explained alongside external and interactive marketing. In external marketing, the goal is to set promises to customers and potential customers (Azizi et al., 2012; Boohene et al. 2012). External marketing operates on three basic aims (Eris et al., 2012; Chin et al., 2013): first, marketing to customers and potential customers; second, pricing strategy, promotional activities, and all communications with customers; and third, implementation of activities to capture the attention of the market and arouse interest in the service. It is therefore apparent that external marketing largely involves delivering brand-related promises to customers and the public. Internal marketing, on the other hand, deals with honoring and offering the promises made in external marketing (Morgan, 2012; Vazifehdoost et al. 2012; Zaman, 2014). With internal marketing, the business shapes its human resources and the environment in which they are found to trigger their ability to develop and implement policies for external and interactive marketing activities. Logically therefore, the primary objective in internal marketing is to market to employees.

Empirical studies have shown that the effectiveness and outcomes of external marketing and interactive marketing depend on internal marketing (Morgan, 2012; Vazifehdoost et al. 2012; Zaman, 2014). Invariably, the effectiveness and outcomes of external and interactive marketing depend on how well the internal market environment is structured, especially at the levels of employee motivation and competency (Azizi et al., 2012; Boohene et al. 2012). If employees are regularly trained on the basis of their job roles and given satisfactory compensation, then internal marketing would be expected to positively affect external and interactive marketing, service quality, customer satisfaction and the firm’s growth. Yet, there are many other determinants of internal marketing effectiveness, examples being recruitment and selection, work condition, nature of work environment, to mention but a few.
Strategic Finance Sourcing

Financial management practices relates to financial structure of the firm performance. For instance, the debt to asset ratio is a commonly used measure of financial structure (Abanis et al., 2013; Baños-Caballero et al., 2012). It reflects the proportion of the firm’s assets that are financed with debt and reflects the leverage decision made by farmers. Manning (2010) analyzed the impact of several other measures of financial structure (inverted current ratio, total assets, net worth, asset turnover ratio, operating expense ratio, depreciation expense ratio, interest expense ratio, and net farm income ratio). Likewise, Karadag (2015) use a ratio of equity to assets, operating margin, interest as a percent of cash expenses, and debt per cow to explain performance.

In most cases, measures of financial structure are treated as exogenous variables and the empirical findings related to the impact of debt on farm profitability are mixed. For instance, Lavia-Lopez & Hiebl, (2015) show no significant effect Price et al. (2011) show mixed results. Shinozaki (2012) examine the relationship between the use of debt and nonparametric efficiency of Illinois grain farms. They find that farms with debt tend to be more efficient than less leveraged peers. Researchers have also conducted studies to examine the determinants of capital structure. These studies have typically examined how factors such as tax policy, use of contract production, interest rates, wealth, farm size, and business risk impact the use of debt (Abanis et al., 2013; Baños-Caballero et al., 2012). Other studies have examined the relationship between profitability and record keeping practices, leasing practices, and forward contracting practices. For instance, Mishra, ElOsta, and Johnson (1999) found that financial measures and practices such as machinery costs, use of forward contracting practices, renting land, keeping formal records, and using extension information were significantly related to the net farm income of U.S. cash grain farmers. Although there have been many studies which have examined financial structure, financial performance, and their relationship, relatively few have examined the specific financial management practices adopted by farmers.

Integration of Workforce Strategy

According to Collins and Holton (2004), people are one of the most important factors providing flexibility and adaptability to organizations. Elem (2007) argues that one needs to bear in mind that people (managers), not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment. Several scholars have noted that managing people is more difficult than managing technology or capital (Liao et al., 2006). However those firms that have learnt how to manage their human resources well would have an edge over others for a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer (Okpara & Wynn, 2008). The effective management of human resources requires sound Human Resource Management systems. Oladipo et al. (2011) defines HRM as a distinctive approach to employment management which seeks to obtain competitive advantage through the deployment of a highly committed and skilled workforce, using an array of techniques.

But according to Chandler and McEvoy (2000), one of the lingering questions in HRM research is whether or not there is a single set of policies or practices that represents a ‘universally superior approach’ to managing people. Theories on best practices or high commitment theories suggest that universally, certain HRM practices, either separately or in combination are associated with improved organizational performance. Researchers have also
found that those well-paid, well-motivated workers, working in an atmosphere of mutuality and trust, generate higher productivity gains and lower unit costs (Boxall, 1996; Lowe and Oliver, 1991; Pfeffer, 1994).

Several attempts have been made from time to time by different researchers to identify the type of HRM practices in different sectors. Initially Pfeffer (1994) identified 16 practices which denote best practice. This was later refined to the following seven practices: employment security, selective hiring, self-managed teams/team working, high compensation contingent on organizational performance, extensive training, reduction in status difference, and sharing information.

**Community-Firm Relationship Strategy**

To date, there is a paucity of empirical evidence on the ethics of community – firm relationship practitioners. As recently as 1982, empirical investigation into the ethics of public relations practitioners was virtually nonexistent, and the qualitative research on the subject was minuscule (Wright, 1982). Even as recently as the spring of 1988, a Public Relations Society of America (PRSA) task force described only 16 journal articles and two books as the initial readings that dealt extensively with ethics issues in public relations (Benn et al., 2010). Since 1984, when Ryan and Martinson (1984) published their seminal empirical work on the subjectivism theory of public relations ethics, and since 1985, when Wright (1985) surveyed the ethics of public relations practitioners, there has been some interest in the subject. The summer 1989 issue of Public Relations Review, for example, was the first issue of a U.S. scholarly journal explicitly devoted to public relations ethics.

Mittal et al (2008) investigated the relationship between community – firm relationship (CFR) and organizational profitability in terms of economic value added (EVA) and market value added (MVA). The authors found that there exists a positive relationship between CFR and company's reputation and that there is little evidence that companies with a code of ethics would generate significantly more economic value added (EVA) and market value added (MVA) than those without codes.

Also Hossein et al. (2012) examined the link between CFR and economic performance by examining different impacts of positive and negative CFR activities on financial performance of hotel, restaurant and airline companies, theoretically based on positivity and negativity effects. Findings suggest mixed results across different industries contributing to companies’ appropriate strategic decision-making for CFR activities by providing more precise information regarding the impacts of each directional CFR activity on financial performance.

Similarly Emilson et al., (2012) researched into the correlation between CFR and profitability using economic value added (EVA). The study shows a low positive correlation between profitability and CFR. But previous research and the practical examples from the selected companies show a strong positive correlation between CFR and profitability. In the same vein, Skare and Golja (2012) investigated the relationship between CFR and financial performance. The authors confirmed that CSR firms in the average enjoy better financial performance that nonCSR firms.

**RESEARCH METHODOLOGY**

This study was quantitative in nature and employed an explanatory research design. This is because the study provided an understanding of the relationships among the research variables. This study targeted 260 employees of KK. The respondents were derived from several departments including executive management,
human resource, marketing, financing and accounting, supply chain management, production and quality improvement and information and communication.

Firm competitiveness in the manufacturing sector was a regression of four variables, named, product optimization, finance human resource financing, integration of workforce, and community – firm relationship. The regression equation is:

\[ y = \beta_0 + \beta_1 X_{po} + \beta_2 X_{fs} + \beta_3 X_{wi} + \beta_4 X_{cfr} + \epsilon \]

Where:

\( \beta_0 \) is the regression constant for the y-intercept

\( \gamma \) Denotes competitiveness of manufacturing enterprises

\( \beta_1, \beta_2, \beta_3, \text{ and } \beta_4 \) Are regression coefficient

po: product optimization strategy

fs: strategic finance sourcing

wi: integration of workforce strategy

cfr: community-Firm relationship strategy

**FINDINGS AND DISCUSSION**

**Product Optimization Strategy**

This study used several criteria to ascertain the influence of product optimization on competitiveness in manufacturing firms in Kenya. Table 1 showed that in all the ten criteria used, majority of the respondents (at least 51%) were satisfied that the company conducts proper product optimization practices. On the basis of sales planning and management just 12% of the respondents were not satisfied with the conduct of KK. 28%, 36%, and 24% of them explained that the company had satisfactory, good, and excellent practices respectively. Nonetheless, it appears that the company has not yet put in order its marketing practices because 38% and 48% of the respondents were dissatisfied with the company’s market feedback mechanism and analysis of customer perception respectively.

**Table 1: Product Optimization Strategy**

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>1</td>
<td>Sales Planning And Management</td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>Market Feedback Mechanisms</td>
<td>38%</td>
</tr>
<tr>
<td>3</td>
<td>Analyzing Customer Perception</td>
<td>48%</td>
</tr>
<tr>
<td>4</td>
<td>Optimizing Product Distribution</td>
<td>2%</td>
</tr>
<tr>
<td>5</td>
<td>Tracking Consumer Satisfaction</td>
<td>12%</td>
</tr>
<tr>
<td>6</td>
<td>Access To Periodical Market Information</td>
<td>39%</td>
</tr>
<tr>
<td>7</td>
<td>Pricing</td>
<td>0%</td>
</tr>
<tr>
<td>8</td>
<td>Product Advertising</td>
<td>5%</td>
</tr>
<tr>
<td>9</td>
<td>Optimizing product distribution</td>
<td>0%</td>
</tr>
<tr>
<td>10</td>
<td>Optimizing Marketing Resource Allocation</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Strategic Finance Sourcing**

Respondents reported differently in matters of strategic finance sourcing at KK. All the respondents
(100%) expressed their full satisfaction with how the company periodical financial reporting, financial forecasting, and budget and proforma creation as shown in table 2. Nonetheless, 68% of the respondents expressed their dissatisfaction with the company’s financial benchmarking. It suggests that the company’s financial benchmarking is not conducted in a satisfactory manner. Furthermore, 48% of the respondents expressed their worries on the company’s financial inclusion measures. Generally, it implies that on the basis of financial HR sourcing aspect of strategic planning, KK performance is average.

**Table 2: Strategic Finance Sourcing**

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>1</td>
<td>Finance Human Resource Sourcing</td>
<td>36%</td>
</tr>
<tr>
<td>2</td>
<td>Financial Benchmarking</td>
<td>68%</td>
</tr>
<tr>
<td>3</td>
<td>Periodical Financial Reporting</td>
<td>0%</td>
</tr>
<tr>
<td>4</td>
<td>Financial Forecasting</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>Budget And Proforma Creation</td>
<td>0%</td>
</tr>
<tr>
<td>6</td>
<td>Financial Inclusion Measures</td>
<td>48%</td>
</tr>
<tr>
<td>7</td>
<td>Periodical Financial Auditing</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Integration of Workforce Strategy**

As far as integration of workforce practices are concerned, this study noted that KK is performing averagely. On the basis of linking integration of workforce with strategic policies, 80% and 20% of the respondents rated the company’s performance as good and excellent respectively as shown in table 3. On the basis of on-work training and development, 100% of them expressed their satisfaction with the conduct of the company. Nonetheless, 62% of the respondents were dissatisfied with how KK carries out career development and promotions. Furthermore, majority of them (52%) explained that the company’s employee welfare management approach is weak and dissatisfying. On the basis of other parameters such as integration of workforce, employee identification with the firm, and linking human resource policies with strategic goals the company is performing well.

**Table 3: Integration of Workforce Strategy**

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>1</td>
<td>Integration of Workforce</td>
<td>8%</td>
</tr>
<tr>
<td>2</td>
<td>Linking Human Resource Policies with Strategic Goals</td>
<td>0%</td>
</tr>
<tr>
<td>3</td>
<td>Internalization of Workforce into the Firm</td>
<td>42%</td>
</tr>
<tr>
<td>4</td>
<td>Employee Identification with the Firm</td>
<td>30%</td>
</tr>
<tr>
<td>5</td>
<td>Career Development and Promotions</td>
<td>62%</td>
</tr>
<tr>
<td>6</td>
<td>Management of Psychosocial Staff</td>
<td>80%</td>
</tr>
</tbody>
</table>
Community – Firm Relationship Strategy
Community – firm relationship practices are critical in improving a company’s image to the public. An outstanding positive image does not only appeal to the customers but also creates a superior brand image. On this basis, KK performs well on some standards and badly on others. For instance just 12% of the study respondents expressed their dissatisfaction with the company’s customer care management, while the majority (88%) were satisfied as shown in table 4. The same is the case with criteria such as mechanisms management, public image creation and maintenance, and internal communication. On the other hand, 60% of the respondents (majority) expressed their fears with how the company conducts corporate social responsibility. They explained that the company does not have a well-laid out strategy on how to give back to the society.

Table 4: Community – Firm Relationship Strategy

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>1</td>
<td>Customer Care Management</td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>Mechanisms Management</td>
<td>0%</td>
</tr>
<tr>
<td>3</td>
<td>The Internal Communication</td>
<td>22%</td>
</tr>
<tr>
<td>4</td>
<td>Social Corporate Responsibility - Giving Back To the Community</td>
<td>60%</td>
</tr>
<tr>
<td>5</td>
<td>Public Image Creation and Maintenance</td>
<td>0%</td>
</tr>
<tr>
<td>6</td>
<td>Community-Firm Relationship Management</td>
<td>48%</td>
</tr>
</tbody>
</table>

Inferential Analysis
Correlation Analysis
Table 5 shows the correlation analysis between the variables. It is evident that all the independent variables have a positive relationship with firm competitiveness as justified by the specific correlation coefficient of the specific variables: product optimization strategy (r=0.562), strategic finance sourcing (r=0.498), Integration of workforce strategy (r=0.402), and community – firm relationship strategy (r=0.315). Additionally, it is imperative to note that all the relationships are significant because their p values are less than 0.04. It implies that if strategic planning practices are implemented in the right way and subject to the needs of an organization, overall firm competitiveness is likely to improve. KK has successfully improved its competitiveness by putting in place several strategic planning practices. The company needs to continue improving its process because the contemporary business environment is so dynamic. Open mindedness and welcoming change are critical steps that help avoid system redundancies.
Table 5: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Product Optimization Strategy</th>
<th>Strategic Finance Sourcing</th>
<th>Integration of Workforce Strategy</th>
<th>Community – Firm Relationship strategy</th>
<th>Competitiveness of Manufacturing Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance Human Resource Sourcing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Optimization</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.848**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>38</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integration of Workforce</strong></td>
<td>Correlation</td>
<td>.440**</td>
<td>.445**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.004</td>
<td>.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>38</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community – Firm Relationship</strong></td>
<td>Correlation</td>
<td>.396**</td>
<td>.316**</td>
<td>.402**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.170</td>
<td>.402</td>
<td>.339</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>38</td>
<td>38</td>
<td>38</td>
<td>1</td>
</tr>
<tr>
<td><strong>Firm Competitiveness</strong></td>
<td>Correlation</td>
<td>.562**</td>
<td>.498**</td>
<td>.402**</td>
<td>.315**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.004</td>
<td>.012</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>38</td>
<td>38</td>
<td>38</td>
<td>38</td>
</tr>
</tbody>
</table>

Regression Analysis

In determining the relationship between dependent (strategic planning practices) and independent (firm competitiveness), the study used multiple regression analysis. Additionally, to quantify the goodness of fit regression equation, it was prudent to use a correlation coefficient between the dependent and the independent variables. The results of these analyses are shown in table 6. It is evident that the model has a positive relationship between the independent and the dependent variables because their Pearson correlation value is 0.811. Furthermore, a determination coefficient value of 0.653 and 0.579 when adjusted indicates that the independent variables make up 57.9% of the change in firm competitiveness function. Additionally, the study made use of the Durbin-Watson test to ascertain that the residual of the model was not auto-related owing to the fact that the independence of the residual is a basic hypothesis of regression analysis. The DW value was 1.799, which is close to the prescribed value of 2.0. It indicates that there was no autocorrelation.

Table 6: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.811a</td>
<td>0.653</td>
<td>0.579</td>
<td>0.11363</td>
<td>1.799</td>
</tr>
</tbody>
</table>
a. Predictors: (Constant), community – firm relationship management, integration of workforce, Finance human resource Sourcing, Product Optimization
b. Dependent Variable: Overall overview

**Analysis of Variance (ANOVA)**

ANOVA was used to test a simultaneous association between two or more means. Precisely, it was used to examine the extent of relationship between the dependent and the independent variables, which helped in expressing the significance of the regression model. The results are presented in table 7. It is evident that the regression model had a margin error of 0.005, which implies that the model presents a risk of 0.5% of giving a false prediction. Additionally, the table shows that the F-ratio (F=24.928, p=.005) was statistically significant. It implies that this used an appropriate model and the association of the variables was not by chance.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>17.701</td>
<td>1</td>
<td>17.701</td>
<td>24.928</td>
<td>.005</td>
</tr>
<tr>
<td>Residual</td>
<td>102.250</td>
<td>146</td>
<td>.712</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>119.948</td>
<td>147</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Overall overview
b. Predictors: (Constant), community – firm relationship management, integration of workforce, Finance human resource Sourcing, Product Optimization

Table 8 shows the results of the estimated coefficient, which illustrates the contribution of the independent variables to the variation in the dependent variable. It is evident that product optimization (β=.556, p=.020) significantly and positively affected the organization competitiveness. Furthermore, the results indicated that finance human resource sourcing (β=.436, p=.010), integration of workforce (β=.389, p=.000), and community – firm relationship management (β=.289, p=.012) positively and significantly affected organization competitiveness at KK.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Optimization</td>
<td>.556</td>
<td>.309</td>
<td>-1.235</td>
<td>.002</td>
</tr>
<tr>
<td>Finance Human Resource Sourcing</td>
<td>.436</td>
<td>.312</td>
<td>2.956</td>
<td>.001</td>
</tr>
<tr>
<td>Integration of Workforce</td>
<td>.389</td>
<td>.288</td>
<td>-4.56</td>
<td>.000</td>
</tr>
<tr>
<td>Community – firm relationship management</td>
<td>.289</td>
<td>.241</td>
<td>1.256</td>
<td>.001</td>
</tr>
</tbody>
</table>

To ascertain the relationship between the dependent and the independent variables, this study used the regression analysis highlighted below.

\[ y = \beta_0 + \beta_1 X_{po} + \beta_2 X_{fs} + \beta_3 X_{iw} + \beta_4 X_{cfr} + \varepsilon \]

Where:
\[ \beta_0 \text{ is the regression constant for the } y \text{-intercept} \]

\[ \gamma \text{ Denotes competitiveness of manufacturing enterprises} \]

\[ \beta_1, \beta_2, \beta_3, \text{ and } \beta_4 \text{ Are regression coefficient} \]

\[ \text{po: product optimization strategy} \]

\[ \text{fs: strategic finance sourcing} \]

\[ \text{iw: integration of workforce strategy} \]

\[ \text{cfr: community – firm relationship strategy} \]

\[ \gamma = 3.211 + 0.556X_{\text{po}} + 0.436X_{\text{fs}} + 0.389X_{\text{iw}} + 0.289X_{\text{cfr}} + \varepsilon \]

The established regression equation indicates that \textit{ceteris paribus}, firm competitiveness is 3.211 units. Additionally, \textit{ceteris paribus}, an improvement in product optimization practices by one unit increases firm competitiveness by 0.556, an increase in finance human resource sourcin by one unit will increase firm competitiveness by 0.436, an increase in integration of workforce by one unit increases firm competitiveness by 0.389, and an increase in community – firm relationship management by one unit increases firm competitiveness by 0.289. Thus, this study has established that among the four predictors used in this study, product optimization practices have the greatest contribution to firm competitiveness.

\section*{CONCLUSION AND RECOMMENDATIONS}

This study found out a strong positive relationship between product optimization and firm competitiveness. The study used several standards to assess this relationship, namely, sales planning and management, market feedback mechanisms, optimizing product distribution, tracking consumer satisfaction, access to periodical market information, pricing, product advertising, optimizing product distribution, and optimizing marketing resource allocation. Based on all this standards, majority of the respondents (at least 51%) reported that KK is performing well. It is apparent that the company understands that proper product optimization creates a unique brand positioning, which customers can relate to. Consequently, the strategy appears to be working because the company continues to increase its market share and sales each year.

As per the response received, it is apparent that KK understands the role of proper financial reporting and the role it plays in improving overall firm performance. It was evident that the company practices excellent periodical financial reporting, budget and proforma creation, and financial forecasting. Furthermore, 100% of the respondents expressed full confidence in how the company contacts periodical financial auditing. Overall, this study found out a strong correlation between observing proper finance human resource sourcing and firm competitiveness.

This study found out that an increase on integration of workforce translates to an increase in firm’s competitiveness. It is however imperative to note that KK does not conduct proper human resource management practices. Based on standards such as management of psychosocial staff relationship, employee welfare management, career development and promotions, majority of the respondents (at least 50%) expressed their dissatisfaction with the company practices. This explains why the correlation between human resource management practices and firm competitiveness was weak.

In the modern business environment, firms have a social responsibility of making positive contribution to the society. Making positive impact to the society indicates that the company is not only profit oriented. It tells the community that the company is
concerned about their well-being. In so doing, the community identified itself with the company. Even though this study established a strong positive relationship between corporate social responsibility and firm competitiveness, respondents indicated that KK does not have a well-defined plan on how it intends to give back to the community.

**Conclusion**

This study found out that KK uses several strategic planning practices including product optimization, finance human resource sourcing, integration of workforce and community – firm relationship management. The strategic planning practices were found to be highly beneficial to the firm in that they help the firms gain efficiency in firm operations, increase productivity, improve market penetration, ensure intensive human resource participation in all firm’s activities hence optimizing input, improves customer-firm relationship; ease internal processes; enhance cost effectiveness, increase income and profitability of the firms, improve conflict management measures and preparedness, ease funding through concrete financial reporting; and reduces work load for the managers.

The study therefore concludes that strategic planning practices are widely applied in the manufacturing sector where the firms that apply these practices benefits immensely from them. It can also be concluded that these strategic practices are departmentalized for better outcomes and have been effective in meeting intended outcomes within the firms in the sector. The study observes that though there are challenges involved in strategic planning in the sector, these challenges can be easily resolved at the strategic plan creation level where counter measures are observed so as to avoid the challenges.

**Recommendations**

This study found a strong positive relationship between product optimization strategy and competitiveness of manufacturing enterprises. Nonetheless, the study further noted that since growing revenues and cutting costs is a longstanding plan for increasing profits, KK just like other manufacturing companies, is focused on tried processes and true basics as they continue the climb out of the economic downturn of the last few years. In this regard, this study recommends that there is need to encourage innovations within the manufacturing industries. Innovation invents new approaches that are more efficient and effective. We are living in a modern community where technology drives everything. In this regard, innovativeness might be a critical success factor.

As per the findings of this study, strategic finance sourcing strategy has a strong positive relationship with competitiveness of manufacturing enterprises. There are several other standards of assessing how well a firm is performing in strategic finance sourcing. The standards are not limited to the ones assessed by this study. There is need for manufacturing firms to look into the influence of other variables in an effort to understand the ones that are effective to the company.

Results indicated that competitiveness of manufacturing enterprises is positively correlated with workforce integration. An increase to workforce integration translates to increased competitiveness. Respondents to the study indicated that workforce at KK is not integrated to expected standards. Thus, this study recommends that there is need to establish or designate and invest in an entity to analyze specific integration workforce needs and capacity for state and localities. Describe the current and long term distribution of the workforce necessary to provide integrated care, with special attention to diversity.
and geographic proximity to populations being served.

Even though this study found a positive relationship between community-firm relationship strategy and competitiveness of manufacturing enterprises, it was evident that KK had not invested significantly in this concern. Business organizations create and manage their relationships with neighboring communities in a wide variety of ways; not only through social investment programs and community relations staff, but also through all their staff, contractors and the ways in which they procure goods, build infrastructure and use resources. Positive trusting community relationships can help ensure extractive industries are able to obtain and maintain access to land, have a more stable operating environment and be more resilient to disruptive social pressures. However, some companies fail to recognize the direct impact interactions with community members have on a project’s success. Failure to build and maintain good relationships can lead to high costs, delays, and ultimately to the shut-down of a project.

The results infer that increased practices of strategic planning practices lead to high levels of business performance. It is therefore important for manufacturing firms’ owners and managers to understand the strategic planning factors in order to establish how to apply each factor to improve the performance of their businesses. A business should implement all dimensions of strategic planning as each dimension can assist to enhance the performance. In terms of the regression analysis, the results indicate that the formality of product optimization strategy is the most influential dimensions to improve business performance. In this regard, manufacturing firms should prioritize the implementation of this dimension.

The positive relationship between strategic planning practices and competitiveness of manufacturing enterprises should encourage firms to embrace the practice of strategic planning practices. By doing so, manufacturing firms can enhance their performance, increase their chances to grow, and consequently strengthen their competitive advantage and prosper within the national economy. There is need for businesses to scan the environment due to high levels of competition, uncertainty, and turbulence. This will assist them to gather information from the environment that is useful in strategic planning (Karami, 2008). It is recommended that in order to address this knowledge gap, the government can assist by providing training on basic strategic planning practices education. This can serialized through funded or subsidized workshops, short courses, flexible university or college courses. This may help to improve the environmental scanning skills and knowledge of manufacturing firms’ owners and managers. In order to establish a common purpose, inspire, and motivate personnel in the business, (Forbes & Seena,2006), firms need to increase the usage of mission and vision statements. According to Mazzarol et al. (2009), SMEs need to recognize the importance of having a clear mission and vision statement, which is communicated to the employees. Being mission and vision driven will help them to have more focus on their long-term future and, hence, goal achievement. Due to the increased complexity of their competitive environment, strategic planning in manufacturing firms needs to be more formalized. Although not a panacea to business success, having a formalized and documented strategic plan will enable the firms to communicate their intentions and to meet the requirements for government grant and bank loan applications.

Areas of Further Research
The study focused on strategic planning practices adopted by Kevian Kenya Limited. The study recommends that further research should be done on the challenges faced during implementation of strategic plans in manufacturing firms. This will enable strategic planners to identify aspects to improve on during future strategic planning.

This study foresees the need to conduct further studies on stakeholder participation in strategic planning process in manufacturing firms in Kenya. This will give an insight on stakeholders’ role in strategic planning as well as create awareness to organization strategic planners on the importance of stakeholder participation in the planning process.

REFERENCES


