



OWNERSHIP MOTIVATION AS A DETERMINANT OF STRATEGIC PLANNING IN SMALL AND MEDIUM ENTERPRISES IN KENYA

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Abstract

Strategic planning is concerned with the setting of long-term organizational goals, the development and implementation of plans to achieve these goals and the allocation or diversion of resources necessary for realizing these goals. Comprehensive reviews of extant studies into SMEs suggest that, ceteris paribus, a key determinant of business success lies in the absence or presence of strategic planning. Hence, the purpose of this study was to establish motivational determinants of strategic planning in SMEs in Kenya. The findings are that majority of the enterprises had no business plans. Of those with plans, most were informal, long-term and were reviewed half yearly or yearly. Furthermore, majority of the enterprises had no vision and mission statements. However, most of the owner-managers had formulated strategic objectives and strategies for their enterprises. The study further established that motivation for business ownership had a partial influence on strategic planning in SMEs in Kenya. Specifically, personal development and push motivations had an influence on strategic planning in SMEs in Kenya while financial and flexible lifestyle motivations did not have an influence.

Keywords: *Motivation for Business Ownership, Strategic Planning, Small and Medium Enterprises*

Introduction

Even though the concept of strategy may have had its original underpinnings in the military and its war efforts, over many decades it has become a mainstay and a major process (organizational activity) in for-profit and not-for-profit organizations. These organizations have refined and used the process to understand issues which they cannot control but have a significant influence on their survival and success; in the manner they use their limited resources and competencies to improve their competitive positions. It was hypothesized that by consciously using formal planning, a company could exert some positive control over market forces, create competitive advantages, improve organizational effectiveness, and improve its performance (Efendioglu & Karabulut, 2010). Hence, strategic planning has remained a dynamic activity within the strategic management process and is most critical times of change and unfamiliar environments (Kargar & Parnell, 1996). For instance, a study by O'Regan and Ghobadian (2007) reveals that 81% of companies worldwide reported doing strategic planning and in the United States, for example, 89% practice it. Strategic planning enhances both large and small enterprises' ability to cope with the challenges in the globalized, regionalised and liberalized world order and enables their long-term survival (Kargar & Parnell, 1996). While it is certainly true that SME

performance success is driven by more than strategic planning alone, findings generally support the contention that there are, on balance, greater advantages to planning than not planning.

However, given all the evidence, it is well recognized that strategic planning is rare or non-existent in most SMEs. In practice, SMEs tend to orientate towards short-term operational rather than long-term strategic issues, and decision-making tends to be reactive rather than proactive (Stonehouse & Pemberton, 2002; Mazzarol, 2004). In SMEs that claim to plan, plans are frequently *ad hoc* and intuitive rather than formally written and provide a little basis upon which business performance can be measured or analysed (Kelmar & Noy, 1990). Berry (1998) argued that whether formal or informal strategic planning is carried out, managers should emphasize the substantive analytical elements of the process: scanning the environment; analyzing competitive activity; assessing strengths and weaknesses; identifying and evaluating alternative courses of action; reviewing and revising plans. Welsh & White (1981) argued that small businesses should use the same management techniques as their larger counterparts. Indeed, studies indicate that increasing numbers of small businesses are adopting strategic planning because of its benefits (Berry, 1998). For instance, Peel & Bridge (1998) found that strategic planning is crucially important for performance enhancement in small and medium sized British manufacturing companies. In their meta-analysis, Schwenk and Shrader (1993) reviewed twenty-six researches of small businesses. The study found a positive relationship between strategic planning and performance.

Literature Review and Hypothesis

Motivation for Business Ownership and Strategic Planning

SMEs frequently are found to be not participative in strategic planning due to many limitations such as scarcity of time, skills, resources and the likelihood to centralize the process of decision making (Robinson & Pearce, 1984; Mulford, Shrader, & Hansen, 1988; Crusoe, 2000). While earlier studies do help to illuminate the reasons for the lack of involvement of SMEs in strategic planning, the focuses of these studies are mainly on the characteristics of the firm itself. Emphasising on the firm may lead to ignoring the crucial consideration of the single most important party influencing the strategic process itself, the owner-manager (Marn, Hin, & Bohari, 2016). Although generally treated as independent areas of study in the small business literature, ownership motivations, and strategic planning are intricately linked. This is because most small businesses operate as “extensions” of their operators and the strategic (or other) visions of the business are closely aligned with the private motivations and ambitions of operators (LeCornu, McMahon, Forsaith, & Stanger, 1996). In essence, the operator is the business. Therefore, questions concerning the strategic vision of the business need to be investigated in relation to the private motivations and ambitions of the individual (Cliff, 1998). Wang, Walker, and Redmond (2007) postulates that initial motivations for being in business determine whether owner-managers will pursue either (a) profit and/or growth maximization goal or (b) personal fulfillment goal. This choice of goals subsequently determines the strategic imperatives of the business. Given that strategic planning is recognized as a vehicle to drive business development, competitiveness and hence, economic success, owner-managers pursuing a profit and/or growth maximization agenda will be more inclined to engage in strategic planning. Conversely, those pursuing personal fulfillment objectives will be less inclined (Vicere, 1995). Furthermore, only a small percentage of SMEs (5% to 10%) are ‘gazelles’ or ‘high flyers’ i.e., dynamic enterprises with high growth or expansion intentions and that the majority are typical ‘trundlers’ i.e., enterprises that just survive (Storey, 1994; Peacock, 2004). Motivations for being in business are complex and often, small business ownership is inextricably tied up with the personal lives of business operators and their families (LeCornu, McMahon, Forsaith, & Stanger, 1996; Culkin & Smith, 2000). With respect to small business

ownership, individuals are either 'pulled' or 'pushed' into business. Common 'pull' factors include independence or autonomy, being one's own boss, wealth creation, lifestyle change and the desire to use or apply personal experiences and knowledge; the desire to achieve job satisfaction, the desire to have a flexible lifestyle, the desire for personal challenge; a need for personal development, a need for approval, a wish for autonomy and a desire to use existing experience and knowledge.

These reasons are internally focused and are not generally related to a financial imperative business (Wang, Walker, & Redmond, 2007). Although personal financial motives can exert a 'pull' force, this is more fundamentally related to the ability of owner-managers to take control of their lives and do something for themselves. Overall, financially-framed motives are often secondary to more personal and internal drivers as factors for being in small business (Wang, Walker, & Redmond, 2007; Marn, Hin, & Bohari, 2016). In contrast, 'push' motivations are external negative drivers and typically encompass aspects such as job frustration, perceived lack of advancement opportunities, avoidance of low-paid occupations, escape from supervision and constraint of subservient roles, unemployment, and retrenchment (Wang, Walker, & Redmond, 2007; Marn, Hin, & Bohari, 2016). This is substantiated by numerous studies into the business aspirations of small business operators (for example, Sexton, 1989; Holmes & Zimmer, 1994; Rosa, Carter, & Hamilton, 1996; Gray, 1998; Fielden, Davidson, & Makin, 2000). For example, Fielden, Davidson, and Makin (2000) found that although a large proportion of their sample (88%) initially listed making money as a primary goal of being in business, further probing revealed that, for at least 71% of owner-managers, job satisfaction, greater independence, creating opportunities, encountering new challenges and pursuing one's own interests were criteria which were of real importance to them. In his study, Gray (1998) reported that 33% of SMEs could be classified as growth orientated while the remaining 67% were either growth-averse or were exiting/retiring or selling their businesses; Rosa, Carter, and Hamilton (1996) reported that only a third of SMEs in their study had intentions to expand. Holmes and Zimmer (1994) and Sexton (1989) noted that most SMEs were interested only in 'limited', 'incremental' or 'satisfactory' long-term growth. It should be noted that not all owner-managers will naturally engage in strategic planning simply because it is advantageous to the performance of SMEs and numerous researchers advocate [it] (Miller & Cardinal, 1994). A targeted approach (e.g., one that identifies and selects only SMEs with strong growth intentions for 'enhancement' assistance in strategic planning or other areas of need) is needed if, for example, governments, researchers and others interested in the sustained development of SMEs are to effectively encourage and support growth of the sector (Wang, Walker, & Redmond, 2007). Thus, it is hypothesized that:

H₁: *Ownership motivation is a determinant of strategic planning in SMEs in Kenya*

H_{1a}: *Flexible lifestyle motivation determines strategic planning in SMEs in Kenya*

H_{1b}: *Financial motivation determines strategic planning in SMEs in Kenya.*

H_{1c}: *Push motivation determines strategic planning in SMEs in Kenya*

H_{1d}: *Personal development motivation determines strategic planning in SMEs in Kenya*

Methodology

Research Design

The study used a descriptive survey design with mixed methods. Exploratory research design, also known as formulative research studies, formulates a problem for more precise investigation or of developing the working

hypothesis from an operational point of view. The major emphasis of exploratory research studies is on the discovery of ideas and insights (Kothari, 2004). Descriptive research is typically guided by hypothesis and focuses on the frequency with which something occurs or the relationship between variables while a causal research is concerned with determining cause-and-effect relationships studied via experiments (Churchill & Iacobucci, 2005).

Target Population

The population for the study were Small and Medium Enterprises in Kenya, using members of Kamukunji Jua Kali Association as the target population. The target population is sufficiently representative of SMEs in Kenya and it is the most developed with comprehensive official statistics and a regularly updated list of membership aptly maintained by the association's officials (Kimemia, Gakure, & Gichuhi, 2014). The estimated registered members of the association are 1800 enterprises (Kamukunji Jua Kali Association, 2015). Owner-managers were the target respondents mainly because this group would usually be the ones that are in the position to engage in planning and to provide internal details and information related to performance, strategy and planning of the enterprise (Marn, Hin, & Bohari, 2016).

Sample and Sampling Technique

The sampling technique that was used in the study is simple random sampling and the sample size was 317 enterprises. With simple random sampling, each unit of the population had an equal probability of inclusion in the sample (Bryman & Bell, 2011). In addition to the purpose of the study and population size, three criteria were specified to determine the appropriate sample size for a simple random sample design: the level of precision, the level of confidence or risk, and the degree of variability in the attribute being measured (Miaoulis & Michener, 1976). The level of precision, sometimes called sampling error, is the range (often expressed in percentage points e.g. $\pm 5\%$) in which true value of the population is estimated to be. The confidence or risk level is based on the idea that when a population is repeatedly sampled, the average value of the attribute obtained from those samples is equal to the true population value. The degree of variability in the attributes being measured refers to the distribution of attributes in the population. The more heterogeneous a population, the larger the sample size required to obtain a given level of precision. The less variable (more homogenous) a population, the smaller the sample size (Israel, 2013).

Data Collection Instrument

The data collection instrument for the study was a two-part self-completion questionnaire. With a self-completion questionnaire, respondents answered questions by completing the questionnaire themselves. The self-completion questionnaires were cheaper and quicker to administer; there was the absence of interviewer effects and variability; and were more convenient for respondents because they completed the questionnaire when they wanted and at the speed they wanted to go (Bryman & Bell, 2011).

Data Processing

Measure of Strategic Planning

Successful strategic planning can be measured in different ways. In the study, successful strategic planning, with some modifications, was operationalized using two criteria: by its final product or outcome of the process of strategic planning. That is, presence of a business plan (French, Kelly, & Harrison, 2004); vision and mission statements, strategic objectives and strategies (Al-Shammari & Hussein, 2008).

Measure of Motivation for Business Ownership

Ownership motivation was assessed using a 16-item comprising ‘pull’ and ‘push’ factors of small business ownership. The most common ‘pull’ factors cited in the literature included independence or wanting to be one’s own boss, desire to achieve job satisfaction, the desire to have a flexible lifestyle, the desire for personal challenge, a need for personal development, a need for approval, a wish for autonomy, and a desire to use existing experience and knowledge (Wang, Walker, & Redmond, 2007). In contrast to ‘pull’ factors, ‘push’ factors centered on an element of frustration for individuals with being in paid employment. Frustrative factors such as constraints of being in a subservient role, perceived lack of opportunity for advancement, avoidance of low-paid occupations, and escape from supervision typically ‘push’ individuals to leave paid employment and venture into business for themselves. An important ‘push’ factor in business ownership is job loss. Redundancies or retrenchment often create both huge emotional and financial crises which are compounded when individuals are unable to find alternative employment over prolonged periods. In such instances, businesses are started as a means for owner-managers to be self-supporting which, in some cases, create distressed, unwilling or reluctant entrepreneurs (Keeble, Bryson, & Wood, 1992; Stanworth & Stanworth, 1997).

Data Analysis

Quantitative data was analyzed using descriptive and inferential statistics. Descriptive statistics include the rate of response, mode, mean, and standard deviation. Linear regression model with logarithmic transformations was used to examine the influence of motivation for business ownership attributes on strategic planning. Since there exists a non-linear relationship between the independent and dependent variable, logarithmic transformation of variables in a regression is a common way to handle the situation. Using the logarithm of one or more variables instead of the un-logged form makes the effective relationship non-linear, while still preserving the linear model. Logarithmic transformations are also a convenient means of transforming a highly skewed variable into one that is more approximately normal(Benoit, 2011).

Results and Discussions

Pilot Testing and Normality Test

Pilot testing was an important component of the data collection process. One form of pilot testing is *pre-testing*, which may be repeated several times to refine the questions, the instrument or procedures (Cooper & Schindler, 2011). According to Mugenda & Mugenda (2003) a sample of at least 10% of the sample size is usually acceptable in a pilot study. Therefore, to pre-test the research instrument a sample of 32 enterprises were used. Validity was established by a logical link between questions and the objectives as per Kumar (2005) recommendation. To begin with, the phrasing of questions was kept in line with the concept of Zikmund (2010) to increase the validity of the study regarding face validity, content validity and construct validity. Cronbach's Alpha reliability coefficient, α , was used for the internal reliability test. Results are summarised in Table 1.

Table 1: Cronbach’s Alpha Reliability Test

Scale Title	Number of Items	Cronbach’s Alpha Score
Flexible lifestyle motivations	2 items	0.835
Financial motivations	4 items	0.725
Push motivations	5 items	0.721
Personal development motivations	5 items	0.842

The study used Shapiro-Wilk test for test for normality. One of the assumptions for most parametric tests to be reliable is that the data is approximately normally distributed. The normal distribution peaks in the middle and is symmetrical about the mean. However, data does not need to be perfectly normally distributed for the tests to be reliable (Samuels & Marshall, 2018). Using Shapiro-Wilk test for normality, which is considered more reliable than Kolmogorov-Smirnov test, ownership motivation had P -value greater than 0.05 (i.e., P -value=0.440). The study, therefore, failed to reject the corresponding null hypotheses and concluded that the data set for this variable fits the normal distribution.

Response Rate

A total of 317 questionnaires were dropped off from June 2017 to July 2017. As recommended by Churchill and Iacobucci (2002), the researcher distinguished between flagrant and sporadic non-response to items. If too many questions in a questionnaire were left unanswered, the reply was considered unusable and removed from the sample (flagrant non-response); while questionnaires with a few items left unanswered were considered usable (sporadic non-response). Regarding the former type of non-response bias in the items, 7 questionnaires were found to have too many questions left unanswered, hence they were deemed unusable. Therefore, 310 completed questionnaires were collected and included in the analysis, representing a 97.79% response rate. Kothari (2004), observed that a response rate of 50% is considered average, 60-70% is considered adequate while above 70% is considered excellent. The response rate was, therefore, considered to be excellent.

Strategic Planning in SMEs in Kenya

Business Planning, Formality and Review of Business Plans

Business planning refers to whether owner-managers' had a business plan for their businesses. As shown in Table 2 majority of the businesses had no business plans (71.3%). Formality of business plans refers to whether business plans were formal (that is, written) or informal (that is, unwritten, 'in my head' only). Of those with business plans, most were informal (69.7%). Timeframe refers to the planning period covered by business plans. In the study, two planning periods were compared: short-term only (for plans that covered periods 12 months or less) and long-term only (for plans that covered periods more than 12 months). From the results, majority of the plans were long-term plans (71.91%). The final investigation of strategic planning activity explored the frequency of owner-managers' review of business plans. Of those with plans, most reviewed their plans on a timely basis - half yearly or yearly (68.54%). From the findings, the study concludes that majority of the owner-managers had no business plan for their businesses. Of those with plans, most were informal, long-term and reviewed half yearly or yearly. Our findings is in agreement with the finding of Kang'ethe, Bwisa, Muturi, and Kihoro (2017) who, in their study, found that the adoption of strategic planning in SMEs in the manufacturing sector in Kenya to be low compared to large firms and public institutions. However, these findings are in contrast with past findings. For example, Elbanna (2010) found out that 82.3% of small organizations sampled had moved beyond daily managing and were planning for the future. In their study, Wang, Walker, and Redmond (2007) established that 67% of all business operators had a business plan while 33% had none. Of those with business plans, 50% were formal (i.e., written) and 50% were informal (i.e., unwritten/'in my head'). Additionally, 31% had plans that were short-term only, 16% had plans that were long-term only while 53% had plans that were both short-term and long-term. Of those with plans, 83% reviewed their plans on a timely basis (i.e., half yearly or yearly) while 17% did not (longer than every two years). In SMEs that claim to plan, plans are frequently *ad hoc* and intuitive rather than formally written, and provide a little basis upon which business performance can be measured or analysed (Kelmar & Noy, 1990). Baker,

Adams, and Davis (1993) studied the practice of strategic planning in US small high growth firms. The study found that most of these companies perform strategic planning; 95% of the companies which perform strategic planning have a written plan. This finding contradicts the current research findings. The research findings, thus, clearly showed that strategic planning among SMEs in Kenya was low.

Table 2: Business Planning, Formality and Review of Business Plans

		Frequency	Percentage
Presence of a business plan	Having a business plan	89	28.7
	Not having a business plan	221	71.3
Formality of the business plan	Formal (i.e. written)	27	30.3
	Informal (i.e. unwritten/'in my head')	63	69.7
Timeframe of the business plan	Short-term	25	28.09
	Long-term	64	71.91
Review of the business plan	Half yearly or yearly	61	68.54
	Less than once every two years	28	31.46

Outcomes of the Process of Strategic Planning in SMEs in Kenya

On the basis of the results shown in Table 3, we discuss the outcomes of the process of strategic planning. Of the respondents, majority disagreed that the business had a vision statement (57.1%) and a mission statement (38.1%). However, most agreed that the enterprise had formulated strategic objectives (35.5%) and strategies (40%). This finding is in line with previous studies. Kang'ethe, Bwisa, Muturi, and Kihoro (2017) found out that SMEs in the manufacturing sector had set objectives and had strategies through which the mission and objectives will be achieved. From his study, Berry (1998) studied the practice of strategic planning in small 'high tech' UK companies. The study found that most of these companies believe that strategic planning was either very important or essential. In terms of strategy, 80.67% had a long-term strategy developed in relation to products and markets. 38% indicated that these strategies were formal/explicit while 42% indicated that these strategies were informal/implicit. However, this research finding contrasts Kang'ethe, Bwisa, Muturi, and Kihoro (2017) findings. From their study 80.1% of the surveyed small and medium-sized firms had vision statements while 59.4% had mission statements.

Table 3: Outcome of the Process of Strategic Planning

	Percent				
	1	2	3	4	5
My business has a vision statement	16.8	57.1	2.9	16.8	6.5
My business has a mission statement	38.1	29.7	6.8	22.6	2.9
My business has set strategic objectives	1.0	31.3	2.3	30.0	35.5
My business has formulated strategies which it uses to achieve its strategic objectives	5.2	22.9	1.3	30.6	40.0

n=310;

1=Strongly Disagree, 2=Disagree, 3=Neither Agree nor Disagree, 4=Agree, 5=Strongly Disagree

Ownership Motivation and Strategic Planning in SMEs in Kenya

Regression Results on Ownership Motivations and Strategic Planning

In reference to Table 4, which is the model summary, the multiple correlation R is found to be 0.331. This R figure represents the total combined correlation of the independent variables in the study; namely personal

development motivations, financial motivations, push motivations, and flexible lifestyle motivations. The R^2 in the model summary is 0.110 meaning that the independent variables explain 11% of the variation in the independent variable (strategic planning) while 89% of the variation is explained by other factors outside the model.

Table 4: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.331 ^a	0.110	0.098	0.20591

a. Predictors: (Constant), Flexible lifestyle motivations, financial motivations, push motivations, personal development motivations

Table 5 presents the results of the ANOVA test. The p value for the F statistic is <0.05 . From the results, the four independent variables combined are significant predictors of strategic planning ($F=9.40, \text{Sig.}=0.000, p<0.05$). This indicates that personal development motivations, push motivations, financial motivations, and flexible lifestyle motivations are significantly related to strategic planning. Thus, the chances of obtaining these results by chance are slim and the multiple regression is highly significant. The t of each coefficient β needs to be >2 or <-2 and the significant level <0.05 .

Table 5: ANOVA^a

	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.596	4	0.399	9.409	0.000 ^b
Residual	12.932	305	0.042		
Total	14.527	309			

a. Dependent Variable: Strategic planning

b. Predictors: (Constant), Flexible lifestyle motivations, financial motivations, push motivations, personal development motivations

Table 6 shows the coefficient results: personal development motivations have a β of 0.402 at a significant level of 0.000 and $t=4.59$; financial motivations have a β of -0.029 at a significant level of 0.615 and $t=-0.503$; push motivations have a β of -0.154 at a significant level of 0.001 and $t=-3.464$; while flexible lifestyle motivations have a β of -0.065 at a significant level of 0.202 and $t=-1.280$. These results indicate that significant coefficients are personal development motivations ($\beta=0.402, P=0.000$) and push motivations ($\beta=-0.154, P=0.001$). Financial motivations ($\beta=-0.029, P=0.615$) and flexible lifestyle motivations ($\beta=-0.065, P=0.202$) were found to be insignificant. It can be concluded from these significant levels that personal development and push motivations contribute to the regression equation, thus making a significant contribution to the predictive extent of the model. However, financial and flexible lifestyle motivations do not.

Table 6: Coefficients^a

	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	0.764	0.090		8.527	0.000		
Personal development motivations	0.402	0.088	0.412	4.590	0.000	0.362	2.765
Financial motivations	-0.029	0.057	-0.028	-0.503	0.615	0.931	1.074
Push motivations	-0.154	0.045	-0.210	-3.464	0.001	0.794	1.259
Flexible lifestyle motivations	-0.065	0.051	-0.110	-1.280	0.202	0.397	2.517

a. Dependent Variable: Strategic planning

Furthermore, multicollinearity was not a concern because the VIF score of each independent variable was less than 3 (VIF < 3, push motivations VIF=2.765, financial motivations VIF=1.074, push motivations VIF= 1.259, and flexible lifestyle motivations VIF=2.517), *see* Table 6. In addition, hypothesis 1 is partially supported. Results of the hypothesis tests are outlined in Table 7.

Table 7: Hypotheses Results

Hypothesis	Result
H₁ <i>Ownership motivations is a determinant of strategic planning in SMEs in Kenya</i>	Partially supported
H_{1a} <i>Personal development motivations determine strategic planning in SMEs in Kenya</i>	Supported
H_{1b} <i>Financial motivations determine strategic planning in SMEs in Kenya</i>	Not supported
H_{1c} <i>Push motivations determine strategic planning in SMEs in Kenya</i>	Supported
H_{1d} <i>Flexible lifestyle motivations determine strategic planning in SMEs in Kenya</i>	Not supported

Conclusion and Implications

Consistent with the findings of Kang'ethe, Bwisa, Muturi, and Kihoro (2017), this study has shown that majority of the SMEs in Kenya had no business plan. Our findings, however, do not support Elbanna (2010); Wang, Walker, and Redmond (2007); and Baker, Adams, and Davis (1993) findings that small organizations were planning for the future and had business plans. Hence, this study lends support to the argument of Stonehouse and Pemberton (2002) that a lack of awareness of strategic planning, especially its tools, may be a fundamental reason for not planning. This shows that there is a clearly need for SMEs to undergo training on strategic planning, and in particular preparing business plans. Furthermore, institutions of higher learning, and by extension the Government of Kenya, should organize business planning competitions. In many countries business plan competitions are a central instrument to foster entrepreneurship and regional development. Our results show that there is a statistically significant relationship between personal development motivations, push motivations and strategic planning in SMEs in Kenya. However, financial motivations and flexible lifestyle motivations had no significant relationships. The regression results also confirm that motivation for business ownership had a partial influence on strategic planning in SMEs in Kenya. The findings on the regression analysis seem to concur and contradict previous studies. For instance, Marn, Hin, and Bohari (2016), in their study of Malaysian SMEs, found ownership motivation to have a partial influence on strategic planning among the SMEs surveyed. In particular, their study established that SMEs operators driven primarily by financial motivations and personal development motivations exhibited greater level of strategic planning. Operators driven by flexible lifestyle exhibited lesser level of strategic planning. Finally, SME operators driven by push factors placed no emphasis on strategic planning. In their study of Australian SMEs, Wang, Walker, and Redmond (2007), found out that operators motivated by financial goals were more likely than other operators to engage in strategic planning to improve the performance of their businesses. Small business operators motivated by personal development goals showed considerable propensity to strategically plan. On the other hand, our findings contradicts Wang, Walker, and Redmond (2007) findings. Their study established that small business operators in the 'push' and flexible lifestyle groups were more likely not to engage in strategic planning. Overall, our study's findings represent an important contribution to understanding strategic planning activities of SMEs in Kenya. Beyond simply re-confirming results from previous studies of motivation in small business, the present findings have implications for strategic planners and those interested or involved in the overall growth and development of the small business sector. Given that strategic planning is vital part of business success, assistance (training on how to develop a business plan) should be afforded to

small business operators. Furthermore, a more target approach is necessary to differentiate operators with strong growth imperatives who wish to develop their business and operators with less ambition who may be more interested in maintaining a status quo (Wang, Walker, & Redmond, 2007).

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