

**STRATEGY EVALUATION PRACTICES ADOPTED BY NEW KENYA  
COOPERATIVE CREAMERIES LIMITED**

**BY  
JAMES MUKUI  
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**DECLARATION**

This research project is my original work and has not been submitted for examination in any other university.

Signature .....

Date .....

**JAMES MUKUI**  
**D61/84135/2015**

This project has been submitted for examination with my approval as the University Supervisor.

Signature .....

Date .....

**DR. MARGARET KARIUKI**  
**LECTURER, SCHOOL OF BUSINESS**  
**UNIVERSITY OF NAIROBI**

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## **DEDICATION**

This project is dedicated to my family members for their support and consolation amid the time of my study.

## **ABSTRACT**

The aim of the study was to verify the strategic evaluation approaches implemented by New Kenya Cooperative Creameries Limited and to determine the strategy evaluation challenges facing New KCC. The study was guided by goal setting theory and open systems theory. The target population of the study was the New KCC's staff, Head of Business Strategy & Development, Chief Manager Factory Operations, Chief Manager Sales & Marketing, Chief Manager Finance, Head of Procurement, Head of Engineering, Head of Productions, and Head of Information Communication & Technology because they are the ones involved in strategic evaluation in the head office at creamery house. This research was a case study. The research study utilized an interview guide to collect data. The data obtained was analyzed by way of the content analysis method. The study concludes the strategy evaluation practices identified at new KCC to include bench marking, internal audits, balanced score card, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology programs. The challenges that were identified in the study in the evaluation of strategies include; an ineffective performance management system, formulation of inappropriate performance indicators, data gathering and reporting systems and evaluation and review mechanisms, flawed objective setting process, lack of proper training of staff on performance management and evaluation, Poor internal communication, lack of information on the outcomes of evaluation and control actions, no established clear reporting schedules, channels and feedback mechanisms, low staff commitment ,resistance to change , lack of ownership, integrity issues, incorporation of incorrect information or lack of adequate information so as to make objective conclusions, lack of training in strategy evaluation and control practices, Poor support services, inadequate resources, poor infrastructure, testing and certification organisations, and lack of cooperation from new KCC stakeholders. The study recommended that new KCC develops an effective strategy evaluation framework. The new KCC assessment system should support an annual evaluation of the outcomes resulting from the execution of the strategy, so as to determine whether organizational goals are attained in line with the program. In addition to the internal evaluations, a mid-term evaluation of the strategy should be done yearly and at the end of the Plan period.

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## **ABBREVIATIONS AND ACRONYMS**

**BSC:** Balanced Scorecard

**SWOT:** Strengths, Weaknesses, Opportunities and Threats

**CBK:** Central Bank of Kenya

**NEW KCC:** New Kenya Cooperative Creameries Limited

**CI:** Continuous Improvement

**KPIs:** Key Performance Indicators

**JIT:** Just-in- Time

**TQM:** Total Quality Management

**MBO:** Management by Objectives

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background**

Strydom (2011), strategy evaluation enlightens the managers about the motives that attribute to the letdown to meet a specific objective, performance standard and/or any other performance display. In this sense evaluation is used as strategic learning tool and has continued to play a role in strategy formulation and implementation. Despite this, there still lacks clear understanding on the role played by evaluation. Preskill and Mack (2013) lament that in numerous firms, the importance and ease of use of assessment data has been restricted on account of its detachment from key and hierarchical level basic leadership. They set that if learning and assessment endeavors are to advise an association's basic leadership hones, then there should be a complete system for assessing the technique itself and the association's adequacy. Strategy evaluation is critical element of organizational survival in a turbulent environment.

This study was guided by goal setting theory, and open systems theory. The theory of goal setting informs us that individuals who have complex but achievable goals are better performers when compared to those with less complex goals (Locke & Latham, 2015). Goal setting entails the mindful process of forming levels of performance with the aim of achieving the needed outcomes. The Open Systems Theory was established after World War II with the aim of responding to earlier theories of the organization such as the administrative theories of Hewi Fayol, and the human relations perspectives of Elon Mayo that reflected on the organization as a self-contained entity (Scott & Davis, 2015). The history of milk processing in Kenya dates back to 1920s when Kenya Cooperative Creameries (KCC) Ltd began operations in Naivasha. KCC Ltd operated as a monopoly until 1992 when the milk market was liberalized. Milk market liberalization attributed to entry of more companies in milk processing and marketing and deregulation of both producer and consumer prices. This led to improved rivalry in milk processing and marketing. The milk processing firms strive to survive and grow through improved efficiency in milk procurement, processing and distribution and competitive prices to

farmers and consumers by their successful implementation of the strategies (EPZ, 2005). Kenya Cooperative Creameries constitutes one of the leading milk processing firms in Kenya. The company enjoyed monopoly till 1992 when milk marketing was eased up (Rosemary & Karuti, 2005). This entry of new players into the milk processing industry led to intensified competition leading to diminished returns. This necessitates the management to constantly evaluate its operation strategies, such as transport and logistics management to remain dominant. However, the effects that these strategies have on performance aren't well established by the existing literature.

### **1.1.1 Strategy Evaluation Practices**

Strategy evaluation entails establishing control processes to constantly assess as well as offer response regarding the implemented strategies to regulate if the anticipated outcomes are being attained such that counteractive procedures may be taken if needed. Strategy Assessment is as important as strategy preparation since it reflects on the competence and value of the inclusive plans in attaining the anticipated outcomes (Gerry, 2010). The leaders can similarly measure the suitability of the present strategy in the modern dynamic world with political, socio-economic, and technological inventions (Earl, 1994). Strategic Assessment is important due to several aspects for instance establishing contributions for new strategic planning, the need for response, assessment and remuneration, establishment of the strategic management procedure, judging the rationality of strategic decision.

Strategy evaluation is that stage of the strategic planning process in which the best supervisors decide if their key decision as executed is achieving the targets of the venture. Whereas evaluation is the last advance in the key arranging process, it very well may be regarded as a new beginning. Data acquired in the assessment procedure is utilized to settle on choices about the fittingness of the company's goals, strategy and usage plan (Glueck and Snyder, 1982). Strategy assessment results in removal, adjustment or validation of current systems as well as plans (Mintzeberg, 1979). It primarily deals with the investigation and evaluation of intercessions at the dimension of

major goals. The question of key evaluation entails the investigation and examination of the importance of overall headings of interventions determined at the programming phase. As indicated by Thompson and Strickland (1995) strategy assessment and control process is expected to fill in as a component for recognizing and following up on chances to enhance the association by and large viability by enhancing the board frameworks and procedures. It is likewise the fundamental component in the association learning process.

Strategy assessment process is essential in light of the fact that simply subsequent to picking up a careful comprehension of the strategy's quality would one be able to recognize what components of strategy ought to be changed and, similarly imperative, which components of the strategy are sound and ought not be modified. Also, the assessment procedure itself will recommend vital choices. Strategy of a company is best assessed by analyzing it through an assortment of focal points. Every focal point will give an alternate point of view and, conceivably, extraordinary answers. It is just through the joined point of view that originates from taking a gander at past outcomes, feasible arrangements, and the hazard inalienable in a company's strategy that a strategist can evaluate the general nature of the association's key pushed. Slope and Jones (1999) out that, key assessment is the exceptional center is the partition between evident current working outcomes and the variables that underlie achievement or disappointment in the picked area of movement.

### **1.1.2 Competitive Advantage**

Competitive preferred standpoint is achieved when an association develops or safeguards an planning of properties (or implements undertakings) in order to outdo its competitors (Wang, 2014). "Basically a competitive preferred standpoint answers the inquiry, for what reason should the client buy from this activity as opposed to the competition?"(Ehmke, 2008). Watchman (1985) says that "competitive preferred standpoint is at the core of a firm's execution in competitive markets. He contended that a firm's capacity to outflank its rivals lay in its capacity to make an interpretation of its competitive strategy into a competitive favorable position" (Beal, 2001).

Competitive preferred standpoint can be characterized distinctively given the unit of investigation the firm or the business (Barney 2001). For Barney (2001) a firm is said to have a competitive preferred standpoint when the exercises in participates in increment its proficiency or viability in manners that contending firms are not, withstanding the way that those different firms are in a specific firm"s industry. The second definition alludes to firms that deliver higher returns than were normal by investors. He said that his meaning of competitive favorable position is frequently called a "monetary lease".

### **1.1.3 Dairy Sector in Kenya**

The Kenyan dairy industry is composed of exotic breeds and their cross-breeds with foreign breeds. Bos Taurus dairy cattle breeds such as Guernsey, Jersey, Holstein-Freshian, Ayrshire, and crosses among themselves, and with Sahiwal or the East African Zebu are found in diverse ecological zones where they are reared in varying production systems.

Over 76% of dairy cattle are reared under small pouch productions system while the rest are reared in production systems found on medium and large-scale farms (Peeler and Omare 2013) Small holder production systems predominate where land sizes are small, while medium and large scale farms are common where land is not limited. Therefore, their milk productions vary in terms of some milk being of high quality than others. If the breeds being used are producing less milk than what is being demanded, then customers loose thrust in them.

Marketing of dairy products in Kenya has become highly competitive and this is due to the struggle between the producer at the primary level and the processing organization at the secondary level. Due to this, stiff competition occurs and hence the marketing of these dairy products is difficult. The reality of today's business environment is that it is continually changing. The rapid changes in the business environment, calls for innovative method to strategic management. Evaluating the strategic management practices for the

industry is necessary to determine whether the changes made were effective enough in terms of the mission it helps to see where the organization is. Evaluations need to be performed continuously to keep up with the changes in the environment and usually are done quarterly or yearly. However, research reveals that successful implementation of strategies and lack of strategy evaluation mechanisms leads to under-performance of companies (McKinsey, 2008).

#### **1.1.4 New Kenya Cooperative Creameries (KCC)**

The post-world war one depression led to reduction of milk prices which ultimately forced various creameries that were in existence to merge leading to the Kenya Cooperative Creameries (KCC) in 1925 with the task of facilitating the production, processing and eventual marketing of the dairy products to shield the farmers from the effect of the despair (Hornsby, 2013). The cooperative also became an agent through which statutory controls in milk prices could be implemented.

In 1970, KCC however, began to experience trading losses which was characterized by farmers having their payments delayed and irregular too. By late 80s, the cooperative could not cope with the growing demand. Some of the farmers had stopped supplying milk to KCC and had taken up the option of selling their milk to emerging private companies and cooperatives. This further strained KCC financial position (Kaitibie et al., 2008).

The government proceeded to launch an initiative in the dairy sector to bring KCC back to ownership by the public. This led to its renationalizing in June of 2003 and the repurchase was completed in February 2003 and the cooperative was renamed 'New KCC'. After the takeover finalization, a new board was chosen to run the New KCC and revitalize other smaller dairy cooperatives while improving on management (KCC, 2017). The company is keen in efficiency and with the recent introduction of transport and logistics services as an operational strategy, the company is expected to performance even better

## **1.2 Research Problem**

Strategy evaluation and control just like any other step in the strategic management is important e.g. they wonder how the achievements and successes of a business strategy can be measured if there is no critical evaluation of the implementation plan put in place? The need for controlling and evaluation of strategies is therefore to inform the process of direction and to enable an efficient and effective achievement of strategic objectives (Arasa & K'Obonyo 2012). Gomes (2010) recommends organizations are most powerless when they are at the pinnacle of their prosperity. Gomes (2010) take note of that the destinations that were set up in the procedure detailing part of the vital administration prepare (managing benefit, piece of the pie and cost decrease, among others) ought to unquestionably be utilized to gauge corporate or general execution once the systems have been actualized. Assessment and control data comprises of execution information and movement reports. Assessment and Control data must be applicable to what is being observed. Gomes (2010) watches that assessment and control are difficult exercises; one of the impediments to viable control is the trouble in creating fitting measures of critical exercises and yields.

The dairy industry has endeavored phenomenal endeavors to expand nourishment wellbeing requiring a consistently expanding level of consideration. Considerable help for this advancement lies in the dynamic innovative improvement process found in the dairy part. Ultra-current dairy innovation and research empower organizations to ensure clear quality and make due in the undeniably troublesome and worldwide markets. KCC has been key in the Economic Revival Strategy for Kenya as the dairy company recorded a non-tax estimated profit of half a billion Kenyan shillings in 2015/08 financial period from an astounding eight million shillings' loss in 2005/06 financial year (Ngati, 2009), However, the company has not been performing well as expected despite even renationalizing in June of 2003 and its repurchase in February 2003 to New KCC. Though the company has opted to invest highly on strategy evaluation practices, the exact challenges these practices face is not well established by the available literature.

Different researchers have carried out research on strategic management processes. Muiruri, (2014) carried a research on Strategy assessment and control processes at the University of Nairobi. The results of the research were that evaluation and control was undertaken regularly. Some departments had this practice on a quarterly basis while others undertook the practice twice a year. Evaluation has enabled the University of Nairobi monitor the performance of its various activities against the set targets of the strategic plan. The evaluation ensured that the institution was on the right path towards achieving the objectives of the strategic plan and also through control, the management was able to avoid any deviations from the goals or objectives. However, the study was done at the University of Nairobi and thus the findings cannot be generalized to KCC.

A study on Strategy evaluation and control practices at Kenya Bureau of Standards was done by Nyakoe (2014). The research findings indicate that KEBS had a well thought out strategic plan that included all aspects of formulation, implementation, performance indicators, evaluation and control. A number of staff from key departments was engaged in the strategic blueprint formulation. An independent unit for monitoring, evaluation and control however needs to be set up which assists the organization on undertaking evaluation and control. However, the study findings are only relevant to Kenya Bureau of Standards. Chelimo (2010) studied evaluation and control of strategy the National Social Security fund (NSSF) found that NSSF needs to bench mark with similar organisations so as to use the best practice in the industry, he recommended further research to be undertaken in the area of evaluation and control of strategy in various organisations so as to develop best practices and build competent strategic management undertakings in the public sector. Ngumi (2010) studied the evaluation of strategy in Kenya Civil aviation authority and found the challenges similar to those experienced at NSSF. KEBS is a regulator whose mandate is to ensure conformance of products to standard requirements so as to facilitate trade and falls under the ministry of Industrialization and enterprise development. A study carried out by Ronga (2008) looked at Challenges to strategy implementation at Madison Insurance Company (K) Limited. She found that some of the challenges to strategy implementation in Madison Insurance Company (K) Limited

includes; organizational culture, structure, high degree of staff turnover, ineffective communication, inadequate resources, resistance to change, lack of teamwork, and a very competitive business environment. Though strategic evaluation is the same all over the world, the context in which it is practiced vary from culture, religion, industry as well as companies. This research therefore attempted to bridge the knowledge gap on strategy evaluation Practices adopted by new KCC in Kenya. It was intended to answer the question, what was the strategy evaluation Practices adopted by New KCC in Kenya?

### **1.3 Research Objectives**

The objective of the study was to:

- i) To establish the strategy evaluation Practices adopted by New KCC in Kenya
- ii) To verify the strategy evaluation challenges facing New KCC in Kenya

### **1.4 Value of the Study**

This research may be useful in different ways. The findings of this research may assist the organization in effective assessment of their strategies in order to achieve their mission, vision and values. New KCC Managers of may draw applicable lessons from this report, while managers of other organizations will find this report useful in understanding how well they undertake their strategy evaluation.

The results from this project may provide insight into key evaluation Practices impacting organizational performance and effectiveness in milk processing firms. This should allow them to better learn how to improve their abilities in service delivery. The study may provide New KCC with new concepts and educational resource to improve their strategic insights about performance and effectiveness in their organizations. That is vital information on what works and what does no work in strategy evaluation.

Results of this study maybridge the gap in knowledge on strategy evaluation and control practices in milk processing firms. Finally milk processing firm's stakeholders may have vital information on what works and what does not work in strategy evaluation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Today's fast shifting business setting calls for an innovative approach to strategic management. Research reveals that unsuccessful implementation of strategies and lack of strategy evaluation mechanisms leads to underperformance of companies (Kariuki, 2008). Strategy evaluation is the assessment of plans or the results of plans that centrally fear or affect the intricate mission of an initiative. Its outcome is the dismissal, alteration or sanction of prevailing strategies and plans (Mintzberg, 1979).

#### **2.2 Theoretical Foundation**

Theoretical foundation was pegged on two theories. Goal Setting Theory and Open Systems theory. Goal setting theory centers its attention on how the management can guarantee that the employees direct their personal contribution to the goals and objectives of the company. These theory emphasizes on how well managers can safeguard that organizational member's emphasis their contributions in the direction of high performance and the attainment of organizational goals. The open system theory reflects on organizations as collected of a number of interconnected sub-systems (Burnes, 2004). It is evident that any alteration to one part of the scheme will have an influence on other sections of the system, and in turn, on its general performance (Scott, 1987).

##### **2.2.1 Goal Setting Theory**

The objective setting hypothesis was pushed by Locke and Latham (2015) and they articulated that inspiration and performance are greater when individuals outline a specific objective, when acknowledged goals are difficult, and when feedback on performance is present. The two most essential discoveries of this hypothesis are that defining particular goals produces more elevated amounts of performance than defining ambiguous goals. Goals that are more particular, and in this manner all the more difficult and harder to accomplish, regularly have an immediate and positive effect on performance. This depends on the idea that the harder the objective, the more a man will

endeavor to progress in the direction of it. Be that as it may, such effects on performance are interceded by two conditions. As a matter of first importance, the objective must be acknowledged and recognized and besides, feedback must be utilized to create territories of shortcoming.

Giving feedback on the strategies that are utilized to acquire objectives is critical, particularly for complex work, as trying objectives put accentuation on the ultimate result as opposed to on performance strategies. This enables weaknesses in performance to be neglected which can be impeding in the long haul. Feedback is essential to improve comes about because of defining objectives by beating weaknesses and in addition continuing inspiration and promise to accomplishing the objective (Locke and Latham, 2002). Great feedback ought to be given in a positive setting, utilize productive and positive dialect, center around practices and strategies, be custom fitted to the requirements of the individual and be a two-way communication process. The viability of objective setting might be constrained if colleagues can't assess and enhance their performance. It is thusly indispensable that individuals know about their performance level and on the off chance that they are on track, to enable them to advance, and additionally modify their performance strategies in territories of shortcoming.

### **2.2.2 Open Systems Theory**

Open systems concept makes reference basically to the notion that organizations are definitely affected by their condition. The world has various organizations that use dissimilar powers of a monetary, social or political kind. The world similarly offers essential resources that continue the organization and prompt transformation and continued existence. Open systems concept was created after World War II following previous theories of organizations, for instance, the human relations approach of Elton Mayo as well as the administrative theories of Henri Fayol, which regarded the organization to a higher degree as an autonomous constituent (Scott and Davis, 2015).

Every single current theory of organization should adopt the open systems approach. Therefore, open systems theories come in various aspects. For example, possibility scholars put forward that organizations are instituted in manners that is appropriate to the world in which they are installed. Institutional scholars regard organizations to be a method by which the societal attributes as well as principles are inserted in organizational structure and conveyed in organizational transformation. Asset reliance scholars regard the organization as adapting to the earth as directed by the suppliers of its assets. Even though an unusual variations in the approach of open systems theories exists, they congruent in the view that an organization's continued existence is depends on its relationship with the world (Aldrich, 2008).

### **2.3 Strategy Evaluation Practices**

Assessment alludes to an intermittent process of get-together information and after that investigating or requesting it so that the subsequent data can be utilized to decide if a 4 organization or program is doing arranged exercises, and the degree to which it is accomplishing its expressed destinations and foreseen results (Martinez, 2005). Assessing the management of strategic change is a type of thinking about the change program's effect on an organization (Butler et al., 2002). It is worried about esteem. Compelling assessment will build up the utilization made of assets as far as conveyed advantage and this data will permit a more precise spotlight on an incentive in change management.

Benchmarking is the process through which an organization estimates its products, administrations, and practices against its hardest rivals, or those organizations perceived as pioneers in its industry. Benchmarking is one of an administrator's best devices for deciding if the organization is performing specific capacities and exercises effectively, regardless of whether its expenses are in accordance with those of contenders, and whether its interior exercises and business processes require enhancement (James, 2015). The thought behind benchmarking is to quantify inner processes against an outside standard.

Benchmarking centers around organization to-organization correlations of how well fundamental capacities and processes are performed. Benchmarking empowers chiefs to figure out what the best practice is, to organize open doors for development, to improve performance in respect to client desires, and to jump the conventional cycle of progress. It likewise causes supervisors to comprehend the most precise and proficient methods for playing out an action, to figure out how bring down expenses are really accomplished, and to make a move to enhance an organization's cost aggressiveness. Subsequently, benchmarking has been utilized in numerous organizations as an apparatus for getting an upper hand (Greene, 2013).

Ceaseless enhancement is a noteworthy standard of and an objective of Just-in-Time (JIT) assessment system, while it is one of the two components of aggregate quality management (TQM); the other is consumer loyalty. In a few organizations, quality circles have advanced into ceaseless enhancement groups with extensively more expert and strengthening than is normally given to quality circles (Dessinger and Moseley, 2014). Through Kaizen or nonstop enhancement, firms can create better products and administrations at lower costs, in this way giving more noteworthy consumer loyalty. In the long haul, the last item will be more solid, of better quality, further developed, less expensive and more alluring to clients (Cane, 2013).

Process reengineering is upgrading or reexamining how one performs every day function, and it is an idea that is appropriate to all ventures paying little respect to size, type, and area. While chosen components of process reengineering are very much recorded in the late 1800s and mid-1900s, process reengineering as an assemblage of information or as an enhancement activity, takes the best of the authentic management and enhancement standards and consolidates them with later methods of insight and standards, which make all individuals in an organization work as process proprietors and rehash processes. It is this blend of the old and the new and also the accentuation on sensational, quick reevaluation that makes process reengineering an energizing idea (Davenport, 2013).

There are a few purposes behind organizations to reengineer their business processes: to re-create the manner in which they do work to fulfill their clients; to be focused; to fix foundational process and social issues; to improve their ability to grow to different ventures; to oblige a time of progress; to fulfill their clients, representatives, and different partners who need them to be significantly unique or potentially to deliver diverse outcomes; to endure and be successful in the long haul and (to imagine the "guidelines of the amusement" (Champy, 2011).

Performance contracting began from performance management, an orderly process for enhancing the performance of organizations by creating and keeping up the performance of people and groups, Armstrong (2006). Performance management guarantees better outcomes from people, groups and organizations when performance is comprehended and overseen in a domain of foreordained and settled upon goals, competency prerequisites and principles.

Armstrong (2006) goes further to express that a definitive objective of performance management is to guarantee there is a correct performance culture whereby an individual and groups consider themselves in charge of the constant enhancement of business processes, create abilities and commitments encouraged by presence of viable administration. In the unique circumstance, performance contracts fundamentally include two segments; assurance of performance targets settled upon by every one of the gatherings included and survey and assessment of performance in stipulated eras According to Letsoalo (2007), Performance contracts depend on the presumption that estimating performance inspires exertion towards accomplishment of expected outcomes.

Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is a thought in the business practice that follows back to research. SWOT remains for Strengths, Weaknesses, Opportunities, and Threats. A SWOT analysis is one of numerous instruments that can be utilized to outline an organization's system. SWOT analysis can serve a double capacity: it very well may be utilized for both interior and outer condition

filtering. SWOT analysis is a forerunner to the strategic arranging process (Harrison 2010). Strategic arranging is a guide on how an organization will accomplish its targets. As per Fan et al (2013) strategists ought to distinguish the weaknesses and strengths of their strategies and dispense their assets in like manner. This will help enhance the organization's performance.

Each organization, benefit or not-for-benefit is gone up against with performance issues. These issues must be settled with the end goal to accomplish performance goals or targets. Issues can be recognized utilizing strength, weakness, opportunity and threat (SWOT) analysis (Esu et al 2009). By playing out a SWOT Analysis; a strategic arranging apparatus; one can decide the inner and outer variables that are influencing the performance of a specific unit.

The Balanced Scorecard (BSC) was presented by Kaplan and Norton (1992). Prior to at that point, the dominant way to deal with performance estimation was monetary viewpoint. The BSC idea considers process and money related outcome. The BSC is a strategic arranging and management framework that is utilized broadly in business and industry and every other kind of organizations in people in general and private segment. Its essential goal is to adjust business exercises to the vision and system of the business, enhance inside and outer communications and screen organization performance against strategic objective. Atkinson (2006) recommends that the balance scorecard can be utilized in encouraging viable procedure assessment and control and it could address the key assessment and control issues.

#### **2.4 Strategic Evaluation Challenges**

The mentality of an organization ought to be centered on determining methodologies as to achieve targets, by surveying expanded outside weights of aggressiveness inside the individual ventures, and by further building up insightful intends to abuse scholarly assets and other organizational capacities for continued development. For organizations that require information as its essential resource, it is fundamental to ceaselessly center

around cutting edge procedures and imaginative means by which to adjust to and to advance in a developing situation. Schein (1993) keeps up that in view of this characteristic inclination to oppose change and lean toward business as usual, organizations have built up various invulnerable frameworks that pioneers must survive in the event that they would like to actualize another procedure effectively. As the need to reliably screen performance against characterized organizational goals, and to support an upper hand, learning based firms experience difficulties for adequately driving key assets to boost pertinent skills lined up with organizational change. It is vital that these kinds of organizations make structures helpful for basic leadership from various points of view, and particularly for pharmaceutical organizations, analysts ought to have sharp abilities in coordinating examinations and consequences of concentrates with key designs of the organization.

Strategies frequently fail in light of the fact that the market conditions they were proposed to abuse change before the procedure grabs hold. Products life cycles are shorter, problematic innovations rise with more prominent recurrence, and budgetary markets can be whimsical. Also, numerous markets are encountering fast, intermittent change. Larry Downes (The Industry Standard, 2001) makes this point powerfully dependent on his examination into methodology execution botches. In particular, Downes finds that "technology challenges the old principles and suspicions" and makes overwhelming "outer deterrents to execution".

## **2.5 Empirical studies and Knowledge Gap**

Dauda, Akingbade, and Akinlabi (2010) analyzed the impact of strategic management on corporate performance in chosen little scale undertakings in Lagos Metropolis, Nigeria. Their discoveries uncovered that strategic management rehearses improve both organizational benefit and friend's market offer and it was found that strategic management rehearses upgrade both organizational gainfulness and friends market share and subsequently propose that strategic arranging ideas ought to be received by business organizations. Fiberesima and Abdul Rani (2013) analyzed the effect of strategic

management on business success in Nigeria. The examination inferred that strategic management was observed to be decidedly identified with corporate success, and strategic management rehearses enhance business success.

Gichunge (2015) analyzed the impact of formal strategic management on the organizational performance of medium-sized assembling endeavors in Nairobi, Kenya. One of his key discoveries is that opposition impacts the selection of formal strategic management, this is even as it was found that organizations with formal strategic management performed superior to those without formal strategic management. Singh (2005) in his investigations inspected the effect of strategic arranging pDrocess minor departure from predominant organizational performance in non-benefit human administration organizations giving psychological well-being administrations. The significant finding of this examination was that strategic arranging is profoundly corresponded with predominant organizational performance. Askarany and Yazdifar (2012) in their examinations explored the diffusion of six proposed strategic management apparatuses of the previous couple of decades through the viewpoint of organizational change hypothesis, inspected the connection between the selection of these strategies and organizational performance in both assembling and non-producing organizations in New Zealand. The outcomes and discoveries demonstrated a noteworthy relationship between the diffusion of these moderately new strategic management apparatuses and organizational performance.

Owolabi and Makinde (2012) considered the impacts of strategic anticipating corporate performance utilizing Babcock University, Nigeria as the contextual analysis. The aftereffects of the theories uncovered that there was a noteworthy positive connection between's strategic arranging and corporate performance. Muogbo (2013) investigated the effect of strategic management on organizational development and advancement of chosen fabricating firms in Anambra State in Nigerian. Results from the examination shown that the appropriation of strategic management significantly affects intensity and noteworthy impact on worker's performance and has altogether expanded organizational

profitability. Njeru, Stephen and Wambui (2013) while analysing factors persuading formulation of strategic tactics in Embu, Kenya, acknowledges the significance of strategy monitoring and evaluation since key deed areas are dignified on pre-determined standards set by the evaluation creteria.

While studying the banks in Kenya, Kathuni and Mugenda (2012) posited that in order to stay modest and attain their goals and objectives, banks are occasionally re-evaluating their tactics with the aim of achieving an integrated banking business which is operationally efficient. A study by Arasa and K'Obonyo (2012) while primarily focusing on the link between the strategic planning process and organizational performance also acknowledged the growth of implementation programme, assessment and control systems facilitates ease the implementation and application of the strategic plans.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

Research methodology is an approach to diagnostically resolve the research issue. It might be comprehended as an exploration of studying how research is done deductively. In it, we study the different advances that are for the most part received by a researcher in taking in his research issue and the rationale behind them. This part laid out the research methods that were utilized in directing this study. It contained research plan, populace of the study, test outline, information gathering method and information analysis strategies and technique.

#### **3.1 Research Design**

Research design is a method where the research respondents were selected, material obtained, data examined and interpretation conducted. According to Cooper & Schindler, (2001) the ultimate goal of research design is to fulfil the objectives. This research was a case study. Case study designs are appropriate when in-depth information is desired for describing phenomena of interest in a single unit of study (Bryman, 1989, Kothari, 1990). Qualitative research was also used to conduct this study.

Cooper and Schindler (2003) state that a case study designs is focused on determining who, what, where when and how of a relevant phenomena and was definitely therefore be relevant for this research as the researcher aimed at describing KCC's strategy evaluation approaches benefits. Using a case study was therefore useful for investigating how the approaches change over time perhaps as a result of different circumstances or interventions and their influence on the performance.

#### **3.2 Data Collection**

The research study used an interview guide to collect data. The interview guide was head of business strategy & development, chief manager factory operations, chief manager

sales & marketing, chief manager finance, head of procurement, head of engineering, head of productions, and head of information communication & technology because they are the ones involved in strategic evaluation in the head office at Creamery House. Dakar Rd, Industrial Area, Nairobi. This was done by using semi-structured open ended questions to give the research a qualitative approach.

The interviewees consisted of nine senior staff at KCC. These heads of departments were selected because they are responsible for strategic evaluation. The researcher personally interviews the interviewees. All the interviews were conducted by the researcher in the month of October 2018, official authorizations through introduction letter was sought from the University of Nairobi and KCC before data collection. Desired data was collected in a period of two weeks with a pre-visit done in advance to prepare for the actual data collection process and preparing the recipients. The interviewees were given the interview guides in advance to acquaint themselves with the questions under review. Other forms of data collections were applied such as observations.

### **3.3 Data Analysis**

A case study gives a rich comprehension of an organization that is under study. Burnes (2003) says that case considers likewise have the capacity of qualitative research to catch the genuine setting inside which occasions occur and to catch the substance of occasions, particularly as they unfurl. Case study research method of study bores down as opposed to throws wide (Cooper and Schindler, 2003).

The information gathered was examined utilizing the content analysis strategy. Babbie (2011) noticed that the content analysis estimates the semantic content or the what part of a message. Its broadness makes it an adaptable and far reaching instrument that might be utilized as an independent methodology or as an issue particular procedure.

Content analysis complies with three essential standards of logical method and in this manner favored. They are; objectivity, which implies that the analysis is sought after

based on unequivocal tenets, which empower diverse researchers to acquire similar outcomes from a similar report or messages; precise; the incorporation or avoidance of content is finished by some reliably connected standards whereby the likelihood of including just materials which bolster the researcher's thoughts is killed; generalizability, the outcomes gotten by the researcher can be connected to other comparable circumstances (Franzosi, 2014).

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSIONS**

#### **4.1. Introduction**

This part presents the data analysis and explanation of the outcomes. The attention shall be on investigating the information gathered from every one of the respondents in the organization and giving a reasonable interpretation of the outcomes. The fundamental center of the study was to assess the influence of strategy evaluation approaches on performance at KCC. In this case, data was gained through an interview guide that was composed of open-ended questions that assisted in gathering of as much information.

#### **4.2. Demographic Information**

The study was aimed at collecting data from the top officials of KCC at its Nairobi headquarters. Evidently, they varied based on their working capacities but quite longer periods at KCC and thus were familiar with strategic evaluation actions in the company. Their varying capacities enabled them to provide clear data on strategic evaluation approaches at the company and their assimilation in the departments. They had knowledge of the strategic plan of attaining diverse goals in their particular divisions and the method of evaluating performance amongst the staff.

#### **4.3 Strategy Evaluation Approaches**

The study asked the interviewees various questions relating to strategic evaluation approaches adopted by New Kenya Cooperative Creameries Limited and obtained various responses. This was meant to indicate how implementations of evaluation approaches, amid major varied challenges are successful.

##### **4.3.1 Strategy Evaluation Approaches Adopted by KCC**

The respondents were kindly asked to indicate the strategy evaluation approaches adopted by KCC. It was observed that KCC has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard, performance

contracts, performance appraisals, benchmarking and customer surveys to evaluate the strategies. Strategies are evaluated Monthly, Quarterly, Biannually and Annually.

#### **4.3.2 Rating the strategy evaluation techniques used**

Respondents were kindly requested to rate the strategy evaluation techniques used in their organization. Majority of the respondents rated strategy evaluation techniques used to be good, and also indicated that KCC undertake the following tasks in strategy evaluation: evaluating whether the strategy is consistent with organization objectives and the values of the management group, evaluating whether the strategy present consistent goals and policies, evaluating feasibility of strategy in light of the available physical resources, evaluating feasibility of strategy in light of the available human resources, and evaluating feasibility of strategy in light of the available financial resources. The KCC also evaluate whether the strategy provides creation and maintenance of competitive advantage in the selected area of operation. Evaluating strategy in light of financial performance, overall operational performance and the expected change in external environment are some of the other tasks undertaken to a great extent in strategy evaluation. Training staff who are involved in strategy evaluation and making sure employees are involved in strategy evaluation are undertaken though to a moderate extent.

#### **4.3.3 Strategy evaluation and use of the benchmarking**

Respondents were asked to indicate how strategy evaluation in their company has been influenced by use of the benchmarking. The interviewees indicated that Best benchmarking practices is a vital activity for KCC in trying to improve their effectiveness and general operational efficiency. It provides KCC with solid facts with regards to operations rate and the talking points concerning the firm's possible areas of improvement. The respondents in totality agreed that the value for clients is key. This, in their explanations, entailed the proper comprehension of what their customers required and the application of proper channels to ensure that they obtain it. Creation of new employment opportunities was also a preserve of the best benchmarking practices as all the respondents noted with concern that the institutions not only train and mentor people

but are also involved in the holistic growth and development of the economy. This they did by, themselves, ensuring that they provided equal opportunities to prospective and knowledgeable individuals in their various ranks. Some of the respondents however felt that by use of benchmarking approach, the competitors can be left behind with their useful information which can be applied to their disadvantages.

#### **4.3.4 Strategy evaluation and use of the Business process Reengineering**

Respondents were also asked to indicate how has the strategy evaluation in their company is influenced by use of the Business Process Reengineering. Respondents indicated that New KCC utilizes the procedures of nonstop process enhancement and aggregate quality management by establishing activities that attention on enhancement of work processes. At New KCC Business process reengineering shapes the premise whereupon activities went for technique enhancement are actualized. Reengineering permits New KCC to have an upper hand over different firms in the business. The advantages coming about because of business process reengineering is tremendous. It adjusts HR, processes and technology with strategic goals and destinations organizational and the result is a combination of business processes that work effectively. The respondents further noticed that in actualizing BPR, new KCC recognizes basic business processes and creates strategies to enhance such processes. This includes an extreme change in the effectively existing processes.

#### **4.3.5 Strategy evaluation and use of the continuous improvement**

Respondents were asked to indicate how the strategy evaluation has in their company influenced by use of the continuous improvement. The study successfully identified the continuous improvement practices that are implemented in new KCC more than others. The findings of this study revealed that customer focus, quality improvement programs and factual approach to decisionmaking are the continuous improvement practices affecting organizational efficiency more than leadership and engagement of people. This does not mean that leadership and engagement of people are not important but suggests a trend towards improving systems and processes as opposed to enhancing the capacity of

people or human resource, which goes against Resource Based View (RBV) theoretical foundations.

#### **4.3.6 Strategy evaluation and use of the Performance contract**

The participants were asked to show how the strategy evaluation in their company has been influenced by use of the Performance contract. Research participants indicated that performance contracting at new KCC upgrades representative consistent with targets and improves nature of administration. Performance Contracts was accepted to have the ability to make a management framework that would center around the achievement of wanted outcomes and imparting a system of responsibility. Appropriate examination frameworks that include work arranging, setting of targets, feedback, revealing and worthy human asset rehearses are expected to accomplish these destinations. Target setting and assessment in state funded colleges are finished by individual foundations and just directed by the Ad hoc Negotiation and Evaluation Task Forces which are far expelled starting from the earliest stage. This entangles the objectivity of assessment given that it's new according to the evaluators.

#### **4.3.7 Rating the importance of the SWOT analysis process to the effective operation**

The participants were asked to rate the significance of the SWOT analysis process to the effective operation of their business. Respondents indicated that SWOT at new KCC is a largely employed apparatus for exploring interior and outer conditions so as to attain an orderly comprehension of a key administration circumstance. Thus, it urges strategists at new KCC to embrace an approach that can well adjust to the circumstance. The sense behind the SWOT examination at new KCC is that the procedures new KCC adopts should coordinate the natural risks as well as prospects with the new KCC's shortcomings and particularly its qualities. It tries to set up a vital fit between an association's inward qualities and shortcomings and the open doors and dangers postured by its outer condition. This thought has largely been acknowledged as an essential guideline basic present vital administration.

#### **4.3.8 Strategy Evaluation and use of the Balanced Score Card**

The participants were asked to show how has the strategy evaluation in their company has been influenced by use of the Balanced score card. Research participants indicated that the application of balanced scorecard during strategy implementation helped new KCC explain it vision, mission, goals, and evaluation of the company important areas such as customer financial, learning and growth, and internal business process. In change management, the balanced scorecard provides management a progressive approach to formulate and implementing organizational strategies to make interested stakeholders understand what the organization want to achieve and how the outcome will be measured. By setting targets at the top management level, involving management in the evaluation, communicating the scorecard through champions and individual performance management and using the evaluation feedback. The balanced scorecard gives weight on the importance of analyzing and evaluating level of organizational performance from strategic implementation perspective. According to research participants, while executing the Balanced Scorecard or any sort of strategic arrangement, the extent of an organization's inward communication procedure can represent the moment of truth the endeavors by building attention to the Balanced Scorecard, or strategic arrangement, at all dimensions of the organization and creating the course of action and commitment of key partners in amid system usage.

#### **4.3.9 Challenges that the KCC Faces in Strategy Evaluation**

The study sought to establish the challenges that the KCC faces in strategy evaluation. It was noted that KCC reaction time, after they recognize that a tactical initiative is failing is slow. The effectiveness of KCC at evaluating the department of changes succeeding to initial strategy construction is not up to standard. Little attention is paid to deserting, altering or creating new strategies following to assessment of the initial strategies by the strategy team as they see that they have already signed the performance contracts with the government and they can only adjust the targets during negotiation in the next financial year after an anomaly has been noted.

KCC's operations in relation to the ongoing evaluation of strategic creativities include the use of the balanced score card and benchmarking and the performance contract to evaluate strategic plan implementation. However, the organization's performance in connecting evaluation results to the staff is not good as these take time to be done. Normally only underperformance is reported and good results are not communicated back.

#### **4.3.9.1 Ineffective performance management system.**

There is no proper monitoring and assessment system to safeguard that KCC at corporate and divisional levels has focused, timely, unbiased and evidence-based data on the performance of its actions. This has led to formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms. In some cases, the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not an endless function where information on specified performance indicators is taken to establish the scope of development and the accomplishment of aims and in the use of allotted funds. This is mainly because of lack of proper training of staff on performance management and evaluation.

#### **4.3.9.2 Poor internal communication**

This has led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/ systems improvement unit.

#### **4.3.9.3 Low staff commitment and morale and Resistant to Change**

Good performers were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also lack of ownership as when strategy

fails the blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information that could be used for the process. This has led to incorporation of incorrect information or lack of adequate information so as to make objective conclusions.

#### **4.3.9.4 Lack of Training**

There were also very few people trained on evaluation and control practices and KCCs being a large organisation the staff performing these tasks are strained. Poor support services were also a challenge in strategy implementation. Areas mentioned included purchasing, accounts and administration. These areas that would hamper the attainment of strategy if not performing well were hardly earmarked for improvement.

#### **4.3.10 Recommendations Regarding the Strategy Evaluation**

Respondents were asked to indicate recommendations that the new KCC would make regarding the strategy evaluation in the organization. Some of the methods of strategy evaluation that a respondent brought out were correct deviations and changing the standards set. By correcting deviations, improvement would be used to the set objectives of the strategic plan, motivating employees and training them more. By changing standards, the management would make the goals more appropriate, achievable and realistic. Respondents also indicated that KCC need to take an alternate strategic introduction where procedure assessment and control turns into a focal subject for building aggressiveness and enhancing performance. Key areas to start with would be to start committing resources to strategy evaluation and control systems; investing in the right strategy and evaluation structures; exposing/demystifying and involving key stakeholders in strategy evaluation and control; and incorporating strategy evaluation and control in strategic planning.

### **4.5 Discussion of the findings**

The study revealed that that KCC has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each

result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard, performance reports, performance appraisals, benchmarking and customer surveys to evaluate the strategies. Strategies are evaluated, Monthly, Quarterly, Biannually and Annually.

The challenges faced during the evaluation and control all point towards an ineffective performance management system. There is no proper monitoring and assessment system to safeguard that KCC at corporate and divisional levels has focused, timely, unbiased and evidence-based data on the performance of its actions. This has led to formulation of inappropriate performance pointers, data collection and recording systems and evaluation and review mechanisms. In some cases the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not a constant capacity in which information is gathered on determined performance pointers in order to decide the degree of advancement and the achievement of destinations and in the utilization of distributed assets. This is mainly because of lack of proper training of staff on performance management and evaluation.

Poor internal communication has also led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. Likewise, the discoveries of Peng and Litteljohn (2001) demonstrate that viable correspondence is a key prerequisite for successful methodology assessment. Hierarchical correspondence assumes a critical part in preparing, information spread and learning amid the procedure of technique execution. Truth be told, correspondence is unavoidable in each part of methodology usage, as it relates intricately to sorting out procedures, authoritative setting and execution targets, which, thusly, affect the procedure of execution. Besides, later articles affirm outstanding boundaries to fruitful system usage about which there gives off an impression of being a level of accord including Beer and Eisenstat's (2000) who declare that quiet enemies of methodology execution contain misty vital goals and clashing needs and frail co-appointment crosswise over capacities.

The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/ systems improvement unit. It was also noted that there was low staff commitment and morale because good performers were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also lack of ownership as when strategy fails the blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information that could be used for the process. This has led to incorporation of incorrect information.

Some of the methods of strategies that respondents suggested were correct deviations and changing the standards set. By correcting deviations, improvement would be used to the set objectives of the strategic plan, motivating employees and training them more. By changing standards, the management would make the goals more appropriate, achievable and realistic. The findings of the study support the view that evaluation activities must be economical (Cardy & Leonard, 2011). This is because too much data could be as bad as too little information. Strategy assessment should be planned to deliver an accurate image of what is happening. The process of evaluation and control must be specific, measurable, achievable, relevant and timely.

The study also established that the performance of whole organization depended vigorously on the strategic arrangement set and consequently it is a critical procedure that is given more prominent help by every one of the administrators. The study also established that there is improved profitability, market share and increased sale as a result of effective strategy evaluation. In accordance with the discoveries, David (1997) contends that organizations' record enhanced performance once they viably grasp strategic assessments.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides a summary key findings and draws conclusion applicable to the research. The study had two objectives; to establish the strategy evaluation approaches adopted by New Kenya Cooperative Creameries Limited and to determine the strategy evaluation challenges facing of New Kenya Cooperative Creameries Limited.

#### **5.2 Summary of the findings**

In this study, the main aim was to identify the strategy evaluation approaches used at KCC. Specifically, it pursued to find the strategic evaluation approaches adopted by New Kenya Cooperative Creameries Limited and to govern the effect of strategic evaluation approaches on performance of New Kenya Cooperative Creameries Limited. The study was a case study that used an interview guide to the target management staff in various departments who were in charge of the implementation, evaluation and control of strategy In view of a target examination of information and dialog of results, coming up next is the rundown of significant discoveries and finishes of this investigation.

It was observed that KCC has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard, performance reports, performance appraisals, benchmarking and customer surveys to evaluate the strategies. Strategies are evaluated, Monthly, Quarterly, Biannually and Annually.

The study established that KCC makes strategic decisions (implementation action plans) influenced by the strategic plan. KCC clearly assigns lead accountability for action plan employment to departmental teams. The informants thought that sufficient resources are allocated for implementation. KCC undertake the following tasks in strategy evaluation: evaluating whether the strategy is consistent with organization aims and the standards of

the administration group, evaluating whether the strategy present consistent goals and policies, evaluating feasibility of strategy in relation to the available physical resources, assessing viability of strategy in light of the available human resources, and evaluating feasibility of strategy in light of the available financial resources. The KCC also evaluate whether the strategy provides design and conservation of competitive advantage in the designated area of business. Evaluating strategy in light of financial performance, overall operational performance and the expected change in external environment are some of the other tasks undertaken to a great extent in strategy evaluation.

The challenges faced during the evaluation all point towards an ineffective performance management system. There is no proper monitoring and assessment system to safeguard that KCC at corporate and divisional levels has focused, timely, unbiased and evidence-based data on the performance of its actions. This has led to formulation of inappropriate performance pointers, data collection and recording systems and evaluation and review mechanisms. In some cases the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not an endless function where information on specified performance indicators is taken to establish the scope of development and the accomplishment of aims and in the use of allotted funds. This is mainly because of lack of proper training of staff on performance management and evaluation

Poor internal communication has also led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/ systems improvement unit. It was also noted that there was low staff commitment and morale because good performers were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also

lack of ownership as when strategy fails the blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information that could be used for the process. This has led to incorporation of incorrect information.

### **5.3 Conclusion of the study**

The study concludes the strategy evaluation practices identified at KCC to include benchmarking, internal audits, balanced score card, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology programs.

The challenges that were identified in the study in the evaluation of strategies include; an ineffective performance management system, formulation of inappropriate performance gauges, data collection and recording systems and assessment and review mechanisms, flawed objective setting process, lack of proper training of staff on performance management and evaluation, Poor internal communication, lack of information on the outcomes of evaluation and control actions, no established clear reporting schedules, channels and feedback mechanisms, low staff commitment ,resistance to change , lack of ownership ,Integrity issues , incorporation of incorrect information or lack of adequate information so as to make objective conclusions, lack of training in strategy evaluation and control practices, Poor support services, inadequate resources, poor infrastructure, testing and certification organizations, and lack of cooperation from KCC stakeholders.

From this study, it was concluded that the performance of whole organization was reliant on the strategic plan set and thus it is a very significant procedure that is given superior support by all the managers. The study also concluded that there is improved profitability, market share and increased sales as a result of effective strategy evaluation. The study also concludes that the benefit of a strategy evaluation is that it facilitates effective decision making, better selection of tactical options and teamwork. It can also be concluded that strategy evaluation helps in plainly reflecting on the purpose of the organization and to create realistic aims and objectives constant with the task in a clear

time frame within the organization's capability for application which aids in effective decision making policies.

#### **5.4 Limitations of the study**

When analyzing the results of this study, certain confines were taken into account. One limitation was the use of a qualitative research method. Although the manuscripts collected for assessments discussed significant facts for answering the research questions, an examination would have led to more opinions and consequently, more data, regarding the issues studied.

By limiting the sample to the top management the generalizability of the outcomes could be doubted. A small and non-random sample size however is constant with the particular emphasis and environment of this study. A lesser but fixated sample although permitted a more thorough examination of the research questions also restricted the responses from the other staff that are evaluated. Although a wider organizational scope and a larger sample size would be desirable, the time constrictions levied by the nature of the study prevented this.

Another limitations of the study included difficulty in accessing informants as most were not available at the time of data collection thus had to make several visits to their offices, the Research was based on Subjective responses of the interviewees thus could be biased and strategy evaluation is a wide area thus not all areas could be covered.

#### **5.5 Recommendations**

Based on the results of the study it is suggested that KCC develops an effective strategy evaluation framework. A strategy assessment system is essential to guarantee that KCC at corporate and divisional levels has focused, timely, unbiased and evidence-based data on the performance of its undertakings. It necessitates reflection, measurement, response, and leadership. In this regard, KCC shall create an operative strategy assessment system

containing suitable performance gauges, data collection and reporting system and assessment and review mechanisms.

Strategy evaluation is costly in terms of time spent and the fund required. However, it is very important because it is the best way for managers to know whether or not their strategies are working, how the internal and external environment is changing and whether they are achieving the kind of results they anticipated. KCC should therefore take the outcome of strategy evaluation seriously and change their strategies depending on the outcome of the evaluation.

The KCC evaluation system should deliver for an annual assessment of the outcomes arising from the application of the Plan, with the purpose of instituting if organizational purposes are achieved according to the Plan. In addition to the internal assessments, a midterm appraisal of the Plan should be conducted yearly and at the end of the Plan period. The main aim of the mid-term review is to enhance the overall plan application while the mortal assessment will ease the enhancement of the next Plan through lessons learned from the application of the current Plan. Improve performance appraisal system. Good performance should be rewarded down to the individual level so as to motivate employees to perform better and improve staff commitment and moral.

Timely feedback of evaluation results is important so that timely corrective actions are taken or if positive in outcome then measures are put in place to reinforce the positive performance. KCC should also work on the provision of clear reporting schedules, feedback mechanisms, and channels on a regular basis. They also need to focus on commitment and time for all through quarterly and annual reporting. It is also important for the company to provide clear statements and definitions of their action plans on monitoring results. An integrated IT system should be set up which includes a reporting feature. The various programmes that have been developed should include a reporting framework and should be integrated so that information is shared widely and in real time.

This will improve the timeliness of taking corrective actions and information sharing within the organization.

### **5.6 Suggestions for further Research**

Future studies based on the present study are recommended to identify the factors that drive choice of strategy evaluation and control practices in dairy sector. This would enable comparisons to be made on the practices used with an aim of identifying the best practices.

Since the study studied strategy evaluation practices adopted by New Kenya Cooperative Creameries Limited, the study proposes that additional studies be done on there is a need to carry out research on factors influencing the strategy evaluation within similar context. Further research can include more intensive qualitative research and also insights from different countries.

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## **APPENDIX II: INTERVIEW GUIDE**

### **Section A: Demographic Information**

1. Name of the respondent (Optional)
2. What is your position in the organization (KCC)
3. In which department are you working?
4. How long have you worked at KCC?

### **Section B: Strategy Evaluation Practices**

1. Which are the strategy evaluation Practices undertake in your organization?
2. How would you rate the strategy evaluation techniques used by this organization?
3. How has the strategy evaluation in your company been influenced by use of the benchmarking?
4. How has the strategy evaluation in your company been influenced by use of the Business process Reengineering?
5. How has the strategy evaluation in your company been influenced by use of the continuous improvement?
6. How has the strategy evaluation in your company been influenced by use of the Performance contract?
7. Has your organization conducted a SWOT analysis?
8. How would you rate the priority that your organization places on the SWOT analysis process?
9. How would you rate the importance of the SWOT analysis process to the effective operation of your organization?
10. How has the strategy evaluation in your company been influenced by use of the Balanced score card?
11. What are some of the challenges that the organization faces in strategy evaluation?
12. What recommendations would you make regarding the strategy evaluation in the organization?