DECLARATION

I declare that this research project is my original work and to the best of my knowledge it has not been submitted for the award of a degree in any other university.

Signature.................................................................Date...........................................

BETTY K. MUTWIRI-KAMUNDE REG. NO.: D61/P/8690/05

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

Signature................................................................. Date...........................................

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DEDICATION

This project is dedicated to my family, my husband Albert Kamunde and children, Kendi and Kanampiu who have inspired me, and given me the reason to burn the midnight oil even when I thought I had no more reserve in me and most of all to the Almighty God for giving me the strength and wisdom to undertake and complete this course.
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I thank my employer Kenya Airports Authority for allowing me to prepare a case study on the Authority and further providing the material through interviews and statistical data for my study without which my course work would not have been complete.

Last but not least I give my sincere gratitude to my extended family, friends and my house-helps through-out the period of this course for their understanding, encouragement, sacrifice and immense assistance with various chores, which enabled me the time to attend class, research and write the project.
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<td>ACI</td>
<td>Airport Council International</td>
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<td>Enterprise Resource Planning</td>
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<td>IATA</td>
<td>International Air Transport Association</td>
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<td>KAA</td>
<td>Kenya Airports Authority</td>
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<td>KCAA</td>
<td>Kenya Civil Aviation Authority</td>
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<td>KRA</td>
<td>Kenya Revenue Authority</td>
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<tr>
<td>PESTEL</td>
<td>Political, Economic, Social, Technological, Environmental, Legal</td>
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ABSTRACT

Strategic management is a concept that concerns with making decisions and taking corrective actions to achieve long term targets and goals of an organization. The importance of strategic management in a firm can be answered by analyzing relationship between strategic management and organizational performance. Generally strategic management practices can improve efficiency in various organizations. The purpose of the study was to establish the strategic management practices at Kenya Airports Authority (KAA). This was a case study in which nine (9) respondents consisting of the top management of KAA, Managing Director, the Deputy Managing Director and the General Managers were targeted. The study used both primary and secondary data to gather the information. The primary data was collected using interviews while Secondary data was collected from existing documentation reviews on KAA. The data was analyzed using content analysis. The study established that out of the nine departments only one had departmental strategic plans which were not in use. The study further established that strategic management planning was mainly the work of an external consultant in consultation with top management. The study established that the strategies were implemented through annual budgets and annual performance contracts. The monitoring was done annually through the performance appraisal/evaluation and quarterly through performance contract management system. The respondents were involved in the development of the top management organizational structure. The organization had departmental structures which are structured in such a way that the senior management processed the job evaluation process with the help of consultants. The study established that the strategies in the organization were mainly implemented by consultants in consultation with management. The results revealed that there was a mood of change in the organization as the organization was going through a transition from a slow and bureaucratic focused public organization to a business oriented organization focused on exceeding customer expectation. The leadership of the organization had a clear vision of providing infrastructure and management of airports. The study established that the challenges facing the organization included projects lagging behind schedule, projects in the budget not yet supported by strategic plan and lack of harmony between the strategic plan, performance contracting, departmental and individual work plans, also departments not working well together and slow decision making process partly due to political interference. The study recommended that the process should be inclusive of all the employees, all the departments should develop and apply their strategic plans, organization and departments should review those plans to ensure the success of the implementation, there should be horizontal meetings to enhance cohesion and congruence between departments, management should increase the budgetary allocation to be in line with the strategic plan for the successful implementation of strategies and management should increase more staff to bridge the deficiency and improve on governance structure.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy is a way of explicitly shaping the long term goals and objectives of an organization, defining the major action programs needed to achieve those objectives, and deploying the necessary resources (Chandler, 1962). Bovaird (2009) argues that for an organization to be without a strategy is to appear directionless and incompetent.

Organizations the world over have increasingly adopted different types of management strategies for the day to day running of their organizations. Porter (1996) argues that the goal of strategy is to utilize a firm's core competencies and capabilities and to establish and maintain a unique strength in its products and services that would lead to a sustainable competitive advantage relative to its competitors.

After the Second World War, a formal strategic management process has been widely adopted as the preferred mode of management in many organizations as it ensures efficiency, effectiveness and monitoring (Bennet, 1996). Great strategies are of no use if not effectively implemented. According to (Aosa, 1992) failure in implementation of strategy can be due to employees' resistance where organizational culture is not matched with strategy. People need to be involved in the strategy formulation process so as to own the strategy and ensure little or no resistance in the implementation process.

During the last two decades, strategic management has gained prominence in the management of public services in developing countries as part of the Structural Adjustment Programmes (SAPs) of the World Bank. With public organizations being considered as underperforming and uneconomical in their use of public resources, coupled by budgetary constraints, the use of strategic management would help to enhance public organizations delivery, image and legitimacy.
Strategic management is now a government-wide reform initiative in Kenya. In the 1990's, after a considerable period of socio economic reforms (mid 80's), the Government of Kenya launched an expansive public sector reform programme. This implies that public organizations are required to indicate what they are doing, how they are doing it and the financial implications in a transparent and accountable manner. Public agencies being the building blocks of the government overall improvement of governmental accountability and transparency cannot be reached without the necessary changes in these affiliate organizations. Different public agencies play different roles and each agency adopts strategic management based on the competitive and market driven environment in which the innovation for survival strategy is crucial. Kenya Airports Authority (KAA) is an example of a public agency in Kenya.

1.1.1 Strategic Management Practices

Decisions made by leaders and managers in public institutions have to be result oriented and cost effective, to be geared towards achieving a specific goal or goals in the best interest of the customer and stakeholder, and not to merely satisfy a political agenda. This has therefore necessitated organizations to look at themselves and define their mandate. Knowing their mandate organizations can therefore define their goal(s), know their customers and stakeholders (Bryson, 1988).

The successful implementation of strategic decisions and plans will largely depend on the method used in coming up with the strategies. Further implementation of strategic decisions involves operationalizing and institutionalizing strategy. For example, if every person in the organization is involved in the process of strategy formulation by giving their inputs, then they can own the process. On the contrary, if the process is decided only by the senior management, then strategies decided on may be rejected by the employees. Therefore, failure in strategy implementation does not mean the strategy was bad. Moreover, Bennett (1996) asserts that strategies have to be dynamic to adapt to the ever changing environment. Hence, there is no one-size fit all in strategic management and organizations have to develop different approaches that suit their circumstances.
The continuous demands of customers, stakeholders, changing environment and not to mention rising competition has led to demand for accountability which has compelled organizations to realize the need to “develop effective strategies to cope with changed and changing circumstances and the need to develop coherent and defensible basis for these decisions” (Bryson, 1988, pxii). One such tool is the adoption of strategic management. Once an organization has defined who they are and where they are going (goal), they look at the means to get them to their goal. In the last two decades public and nonprofit organizations have increasingly joined the private sector in adopting strategic management as the preferred roadmap to achieve their set goals.

Every organization, whether profit making or non-profit making has a goal to achieve. This therefore means a plan has to be made to achieve that goal or goals in an efficient, cost and time effective manner. It is therefore important for planners to be careful about how they engage in strategic management, since every situation is at least somewhat different and management can be effective only if it is tailored to the specific situation in which it is used. Adoption and implementation approaches of strategic management vary from organization to organization. Most organizations looking to use strategic management have adopted a formal mode of strategic management process to provide a structured road-map to achieve their goals (Bennet, 1996).

1.1.2 The Aviation Industry in Kenya

Kenya as an anchor state in sub-Saharan and East Africa region relies heavily on transport infrastructure and services for trade. Therefore, a well developed transport infrastructure reduces delivery time and cuts costs across enterprise sector, promotes tourism and increases consumer choice (Kenya Economic Report, 2010). Transport infrastructure in Kenya consists of Road, Railway, Maritime and inland waterways, Air, Pipeline, and non motorized and intermediate means of transport. The infrastructure is developed and managed through exchequer resources, port tariffs, user charges and private sector participation. Where there are concessionaries, maintenance is undertaken through concessionaire revenue.
The transport infrastructure falls under the Ministry of Transport whose role is to formulate transport policies to guide in the development of the transport sector, develop a regulatory framework for the sector to ensure harmony and compliance with international standards. In addition, the ministry supervises the country's transport delivery system. The regulatory framework is enforced through various regulatory bodies. In the case of Aviation, the Kenya Civil Aviation Authority (KCAA) is the regulatory body. Its role is to regulate and provide air navigation services in the aviation industry in order to ensure safe, efficient and effective civil aviation system in Kenya and management of the East African School of Aviation.

The Government recognizes the transport sector as a key pillar and one of the critical enablers in achieving Vision 2030 which is Kenya's long Term Development Strategy. Given this envisaged economic development and subsequent sustained growth, in the context of changing population and land use patterns, a competitive regional and global economy, it is apparent that the task of the transport sector will be highly complex and demanding, at the same time aiming towards attaining a world class transport system that is responsive to the needs of the people and the industry.

The transport sector is faced with numerous challenges among them poor quality transport services, transport system that is not fully integrated and unexploited regional role of the transport system. To address these challenges, interventions leading to enhanced transport sector performance are being pursued. However, analysis show that the transport sector is still unable to address the investment, service quality, safety and security needs of the envisioned integrated transport system aimed at setting up Kenya as the transport hub for the East and Central African region. In the East Africa region, there is stiff competition between Kenyan, Ugandan, Tanzanian and Rwandan airports. Regionally, Boley Airport of Ethiopia is in high competition with Jomo Kenyatta Airport as the transfer hub of choice in Africa. The two nation's airline carriers, Kenya Airways and Ethiopian Airways are also in stiff competition to create a hub in their respective country's capital cities. In the past, most International flights would first land in Nairobi.
before proceeding on or passengers would get connecting flights to the East African region. We have however seen increase in direct landing of international flights from Europe and the Middle East to other airports in the region. For example, Tanzania is trying to attract direct flights from America (Delta airline).

According to IATA as cited in KIPPRA (2010), air transport is a major contributor to global economic prosperity. Aviation provides the only rapid worldwide transportation network, which makes it essential for global business and tourism. In addition, Air transport facilitates world trade, helping countries participate in global economy by increasing access to international markets and allowing globalization of production. Therefore, the capacity for air transport to compete regionally and internationally needs strengthening through effective coordination.

The key statutes and regulations governing the air transport sector in Kenya are the KAA Act Cap 395; The Civil Aviation Act Cap 394; The Carriage Air Act No. 2 of 1993 and the International Civil Aviation Convention of 1994 known as the Chicago Convention. The first draft of the Kenyan Aviation policy was written in 1978. This was revised in 1999 when new concepts like liberalization, code sharing with airlines and Computer Reservation systems (CRS) were incorporated. After liberalization of air transport sub-sector in the 90’s, it has become necessary to accommodate needs of both domestic and international air operators. This could be done through the efficient and reliable services on all aerodromes. Issues on safety and security, management of transport and other supporting infrastructure also call for attention.

Moreover, there is need for human resources development and equipment upgrading to meet the industry’s obligations regionally and internationally. Therefore, the capacity for this sub-sector to compete regionally and internationally needs strengthening through effective coordination. One such way of achieving this is through strategic management for the sub sector.
1.1.3 Kenya Airports Authority

In compliance with Cap 395, KAA Act, of the Government of Kenya, KAA is required to administer, control and manage aerodromes, provide and maintain facilities necessary for efficient operations of aircrafts, provide rescue and fire-fighting equipment and services, construct, operate and maintain aerodromes and other related activities, construct or maintain aerodromes on an agency basis on the request of any Government Department, provide such other amenities or facilities for passengers and other persons making use of the services or facilities provided by the Authority as may appear to the Board necessary or desirable; and approve the establishment of private airstrips and control of operations thereof, (GoK cap 395, 1992). Prior to its formation, the Aerodromes department under the Ministry of Transport and Communication handled these responsibilities.

KAA has undergone structural changes intended to make the organization a result driven and customer focused establishment. In an effort to effectively perform their duties, KAA adopted a strategic management approach. This is seen by their first Strategic Plan for the period 2004-2008 drawn to help achieve various targets set by the organization. For the targets to be realized, strategic themes each with a clear strategic issue and corresponding strategic objective were formulated. It is from this objective that a strategy for each theme is formulated and activities are then designed to ensure that the set targets are met. Following the end period of this strategy, an all-inclusive process of developing a new Plan for the period 2010-2014, taking into account changes in the operational environment was undertaken. (connect consulting, 2004).

1.2 Research Problem

Organizations the world over in response to the ever changing environment and their own internal factors have been adopting strategic management as the preferred approach to implement their organizations strategies. For strategic management to be effectively implemented the structure of the organization and process elements like leadership, culture, resources and other administration procedures must be in place and in line with the strategy being implemented (Aosa, 1992). Effective implementation of strategic
management in many organizations has therefore proved to be a difficult task and often realized goals cannot be directly accredited to effective strategic management.

Environmental factors such as the 11 September, 2001 terror attack have had tremendous impact to organizations in the aviation sector with major changes being in security and safety. The aviation industry has therefore not been left behind in use of strategic management as the management approach of choice which if effectively implemented enables accountability and cost effectiveness. In Kenya the public sector is constantly faced with increasing demand for improved performance, accountability and transparency in their core responsibilities. Competition and the need to respond to the shifting consumer demands have prompted public organizations to adopt formal strategic management processes to provide documented pathways to achieve set out goals. KAA further faces regional competition from airports coming up within the East African countries that are taking a piece of the traffic from Europe and Asia that in the past transited or transferred through Nairobi. The national carrier Kenya Airways (KQ) has had an aggressive expansion strategy to open a new destination every month and connect the world to major African cities through Nairobi. This expansion of KQ has given rise to tremendous traffic growth putting a strain on the Airports facilities constructed in 1972 to handle 2.5 million passengers per annum. The facilities are now handling about 7 million passengers per annum and KAA has embarked on an equally aggressive expansion program of their facilities with projects worth over USD 800 million to meet the current demand and cater for the future. To achieve transparency, accountability, exceed customer and stakeholder expectations, and keep up with the global trend, KAA has come up with a strategic plan and chosen the formal strategic mode of management to implement their strategies.

Although there is considerable literature and research on strategic management in different organizations, like Amakoye (2010) studied strategic management practices at Maseno Mission Hospital in Kenya and Lekasi (2010) studied strategic management processes at Kenya Revenue Authority (KRA), Mutugi (2006) looked at the strategic responses of Barclays Bank Kenya to the changes in retail banking, Kandie (2001) did a study on the strategic responses by Telkom Ltd in a competitive environment, Kamaku
(2010) researched on strategic change management practices in international non-government organizations in Kenya and Hezron (2010) researched on strategic management practices by the state corporations in Kenya among others. KAA is a different organization.

Studies done by different researchers on different organizations establish strategic management is practiced in these organizations but the management practices differ across them. KAA is an organization in the aviation industry and although research on strategic management has been done in different organizations KAA is a different organization. There is no one universal approach to strategic management. What are the strategic management practices at Kenya Airports Authority?

1.3 Research Objectives

The objective of the study was to establish the strategic management practices at KAA.

1.4 Value of the Study

The study will provide KAA with details on the implementation status of strategic management and the challenges facing the organization in the implementation process. This will help the organization know where changes or improvements are needed.

In addition, various regional airports looking to benchmark themselves against KAA will have a point of reference and learn what to expect when applying strategic management in their organizations. It will also help public institutions learn the challenges facing application of strategic management in such institutions and provide possible solutions on how to deal with them.

The study will also contribute to the growing knowledge of strategic management with particular emphasis on strategic management practices in autonomous organizations where additional or similar research can be undertaken on the same or similar institutions.
2.1 Introduction

This chapter on literature review provides a summary of information from other scholars who have carried out research in the same field of study of strategic management. The specific areas covered here are, the concept of strategy, strategic management and strategic management practices.

2.2 The Concept of Strategy

According to Chandler (1962), strategy is defined as an establishment of long-term goals and objectives of an organization, including the process of taking action and allocating resources for achieving goals. Due to scarcity of resources, the strategy that is chosen should be one that optimizes resources in the pursuit of the organizational goals and objects. Johnson and Scholes (1999), further define strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfil stakeholder expectations.

Hax and Majluf (1996), define strategy as a framework through which an organization can simultaneously assert its vital continuity and facilitate its adaptation to a changing environment. While there is much debate on substance, there is agreement that strategy is concerned with the match between a company's capabilities and its external environment. However, analysts disagree on how this may be done. Some say it is about using careful analysis to understand and influence a company's position in the market place. Poister (2010) further argues that the best strategy is geared towards radical change and creating a new vision of the future in which you are a leader rather than a follower of trends set by others.

Historically, views of strategy fall into two camps. There are those who equate strategy with planning. According to this perspective, information is gathered, sifted and
analysed, forecasts are made, and senior managers reflect upon the work of the planning department and decide what the best course for the organization is. This is a top-down approach to strategy. Others have a less structured view of strategy as being more about the process of management. According to this second perspective, the key strategic issue is to put in place a system of management that will facilitate the capability of the organization to respond to an environment that is essentially unknowable, unpredictable and, therefore, not amenable to a planning approach, Mintzberg (1990). Different organizations will combine some of the aspects of the first perspective with some from the second perspective. This will mainly depend on the goals of the organization and the preferred management style.

2.3 Strategic Management

Berry (2001) defines strategic management as a systematic process for managing an organization and its future direction in relation to its environment and in accordance with the demand from its stakeholders. While considerate of the organizational environment, this definition also insists on the role of organizational stakeholders in shaping organizational decision making. Bryson (1988) describes strategic management broadly as a disciplined effort to produce fundamental decisions and actions that define what an organization is, what it does, and why it does it.

Similarly, Boyne (2004) sees strategic management as organizational attempt to influence its future by forecasting changes in the organization and its environment, setting objectives, and developing strategies for the achievement of these objectives. Whereas it may be hard to find out a precise definition of the concept of strategic management, Bozeman and Straussman (1990) assert that there are three major features of a strategic approach in managing an organization: defining goals and objectives, developing an action plan that mediates between organization and its environment, and designing effective methods of implementation.

There are several strategic management theories. Porter (1981) describes the Profit-maximizing and Competition-based theory, which was based on the notion that business
organizations main objective is to maximize long term profit and developing sustainable competitive advantage over competitive rivals in the external market place. On the other hand, Barney (1995) explains the Resource-based theory which stems from the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses.

2.4 Strategic Management Practices

Managing strategically begins with the development of organizational strategic management model or plans. According to Bryson and Roening (1987) the process begins with a ‘plan for planning’. Although many authors take a pluralistic approach to strategic management development (Berry, 2001), according to Zanetti and Cunningham (2000) strategic management is essentially the function of the top organizational leadership.

Vinzant and Vinzant (1999) also argue that strategic management is a process carried out at the top of the organization which provides guidance, direction and boundaries for all aspects of operational management. The current strategic effort is to go beyond the old traditions of developing strategic plans that are never implemented. Lastly the organization must create a feedback loop in which implementation of strategic plans are re-connected to organization mission and goals. This is done through the process of monitoring and evaluating the results of the implemented programmes.

2.4.1 Strategic Planning

Bennett (1996) describes the planning process as being formal and informal. The informal processes may be well thought out and reflecting the goals of the organization but they are not written down. This implies that there is no mechanism for communicating planning decisions. In addition, planning and implementation is done in an ad hoc manner. On the other hand, the formal planning process establishes a set of
rules on how plans are determined and therefore all plans are well coordinated. The strategic management we focus on in this literature review is the formal strategic management.

According to Burnes (1996), in the 1970’s, long term planning in an organization was geared towards achieving growth targets based on financial targets and budget controls. However, this has greatly changed to focus more on the environmental assumptions that influence the market trends. In defining strategic management, (Pearce and Robinson, 2007, p.3) define it as “the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objective.”

As Berry (2001) correctly acknowledges, there are many models of strategic planning process but none is superior to the other, and that an effective strategic planning process for an organization is always uniquely designed for that particular organization to meet its needs. Eadie (1983) argues that organizational strategy can be narrow or broad but it must describe an organizational overall goal, and the means to achieving it including the mobilization of available resources (technical and financial resources).

Bryson et al. (1988) developed a 6- point strategic planning processes that they say is applicable to public organizations. Their process begins with initial agreement on the need to plan within the organization. The ‘plan for planning’ will then garner organizational energy and support among organizational leadership. At this stage while nothing substantive is articulated, the aim is to create a sense of why strategic planning is necessary and who will steer the process (Berry, 2001). An external consultant can be hired to be part of the steering team.

The second phase in the process is to identify the organizations mandate. Bryson and Roering (1987) call this the need to understand the ‘Must’ of an organization, or the things the organization must do because they constitute the reason for why the organization is created in the first place, that is its core business. The third process is to identify and develop organizational mission, vision and values. The clarity of these
elements is central to the long-term organizational success. A clear mission statement leads to the easier creation of organizational goals and objectives. As Berry (2001) suggests, a mission statement must be able to easily answer questions like 'whom do we serve, why we exist, what were the problems we were created to address.

According to Bryson et al. (1988), the fourth step will be to deal with understanding the organizations Strengths, Weaknesses, Opportunities and Threats (SWOT). Many authors on strategic management agree that this is a key element in any attempt to develop any meaningful organizational strategic planning. While the first two elements concern internal factors of the organization, the last two factors connect the organization to its environment. Following the SWOT analysis, the fifth step is the organization weighs out various options to choose the best alternatives for implementation. The choice of options is related to organizational mandates (essential priorities) and results of the SWOT analysis. The sixth step is to implement the best chosen options.

2.4.2 Strategy Implementation

The basis of strategy implementation is the coordination of goals and tasks, resources and control. The manner in which this coordination is done determines the outcome of the process. Pearce and Robinson (2007) describe strategy implementation as the action phase also referred to as actualization or execution phase of strategic management. The implementation is usually linked to goal setting practices. Where, goal setting is a systemic practice very often associated with strategy in many real-life organizations and closely associated with management objectives.

Boyne (2004) define strategy implementation as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees. These decisions and activities are affected by a number of interrelated internal and external factors that turn strategic plans into reality in order to achieve strategic objectives. Pearce and Robinson (1996) however note that although formulating a consistent strategy is a difficult task for any management team, making that strategy work (implementing it throughout the organization) is even more difficult. Different
factors will affect different organizations differently. For example, based on the McKinsey 7-S framework, there are seven inter-related organizational variables that can influence implementation and subsequently performance. These are Strategy, Structure, Style, Systems, Staff, Skills and Shared values (Higgins, 1990). The success of an organization will ultimately depend on how well these factors are utilized. Further, Poister and Streib (1999) set up an 8-S’s framework of strategy implementation which is a revision of the original McKinsey 7-S’s model. It includes strategy and purposes structure, resources, shared values, style, staff, systems and processes, and strategic performance. On the other hand, the congruence model is based on the principle that an organization’s performance is derived from four elements; Tasks, people, structure and culture. Here, the higher the congruence amongst the elements, the greater the performance.

According to Porter (1991), organizational structure is generally known as a fundamental part of effective strategy implementation. It refers to the way an organization organizes and arranges activities, tasks and resources necessary to do the work of the organization. The organizational structure displayed in the form of a diagram shows the section or department each individual is working under and whom they report to.

According to Randuan et al., (2009), formulation of strategy is important and top managers play a crucial part in its effective implementation. The executive’s main role is to make sure the smooth procedure of the whole executive structure is followed and furthermore to communicate successfully with that executive structure. Organizational culture is the personal and cultural beliefs and values of an organization which form the organizations personality.

A leader is largely responsible for his/her organizations culture and as such needs to understand the nature of that culture, how it is created and how it can be changed (HiTec Holdings, n.d.). Culture echoes the prevailing management style as managers tend to hire people just like themselves thus ensuring continuation of the culture by new entrants.
Efforts to change an organization must first consider the following: the organization's culture; the leadership of change effort; the existing network power (Ansoff, 1984). An organization's information and communication technology (ICT) systems support and enhance every activity in the organization. According to Higgin (1990), technological change, especially information technology, is among the most important forces that can alter the rules of competition. This is because most activities of an organization generate and utilize information. One of the key elements or drivers of globalization is the use of information and communication technology. Poister (2010) argues that managers depend on getting the right information at the right time to be able to make good decisions. In this dynamic business environment it is critical to have timely and correct information; therefore use of ICT systems enables management of complex organizations with ease. As organizations want to be cost effective and efficient it is imperative to have the right ICT support systems and in working order. These systems also allow for ease of tracking performance.

It has been reported in the literature that strategy implementation is not an easy task by any means. The failure of strategy implementation is due to lack of a support system to facilitate learning and transform learning into effective diffusion of new program. It has been observed that many of the organizations that attempt to implement new strategies experience difficulties and are not able to achieve the anticipated benefits. The failure of an organization to successfully implement a new program has been attributed to the various obstacles including lack of management support and understanding, poor organizational structure, organizational culture and lack of innovation and adoption of strategy (Bakerjan, 1994). Some of the prominent problems in strategy implementation include partial implementation of projects, lack of a well-defined routine for attaining the objectives of implementation (poor organizational structure) and cultural resistance to change, (Crawford et al., 1988; Becker, 1993).

Another significant contributor for failure of strategy implementation is the organization's inability to obviate resistance to change. The resistance to change takes a number of forms, that is, reluctance of individuals to change roles (Riis et al., 1997;
Cooke, 2000), inability to create dissatisfaction with the present situation (reason to change) (Ireland and Dale, 2001) and inability to change organizational roles and culture (Lawrence, 1999). Bamber et al. (1999) has conducted a study aimed at discovering the factors affecting the successful implementation of strategy at UK manufacturing small to medium-size enterprise (SME). Davis (1997) has outlined various reasons for strategy failure within UK manufacturing organizations including lack of commitment of top management, deployment of inexperienced consultants, lack of structure, failure to implement change on the shop floor, lack of education and training for employees, lack of employee involvement, and poor structure to support the strategy initiatives.

Although this strategic implementation models seem to have followed a logical sequence it should be emphasized that there is no single superior model or approach. Much depends of organizational resources, mandate and motivation, and as such there is no blueprint of organizational strategic implementation processes.

2.3.3 Monitoring and Evaluation

Monitoring and evaluation of strategic management process refers to the tools and techniques used to check whether the company is on track in accordance with the strategy set and if not find out why not and re-direct efforts as appropriate. According to Clark and Sartorious (2004), there are several tool and techniques for monitoring and evaluating and can be used independently or combination of. Some of these tools are performance indicators, formal surveys, theory based evaluation, cost benefit and cost-effectiveness analysis, impact evaluation and many more.

Clark and Sartorious (2004) further adds that the choice of an evaluation and monitoring tool that an organization uses largely depends on the purpose of the evaluation, stakeholder's interest, urgency of the report and cost.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter provides an outline of the approach that was used to gather data that was to answer the research question. The chapter in particular states the research methodology used how data was collected and analyzed to come up with the findings, interpretations and conclusions of the study.

3.2 Research Design
The research design adopted a case study. This was an appropriate methodology as it allowed the researcher to focus on the story behind the results of the organization by capturing what happened to bring them about. This in-depth study allowed the researcher a good opportunity to capture the organization’s success and challenges.

The unit of analysis was KAA’s strategic management practices. The advantage of applying this methodology is that an in-depth study of KAA was made feasible. In addition, it allowed for a holistic investigation with interesting and insightful debates throughout the data collection process. Case studies are valuable in taking decisions on several management problems (Schilder, 2001).

3.3 Data Collection
The data gathered is of qualitative nature. Both primary and secondary data was collected and utilized to provide information to answer the research objective. The primary data was collected through person to person and telephone interviews. To conduct these open ended interviews, six key members of KAA were interviewed using a check list questionnaire (see appendix IV) to guide the interviewer during the interview process.
Secondary data was collected from existing documentation reviews on KAA (such as evaluation results, facility assessment reports, employee satisfaction surveys, projects reports) and general literature on the same.

3.4 Data Analysis

Data collected from the guided interviews and that collected from the existing documentation in the organization was studied. Content analysis was used to enable an in-depth understanding of the qualitative data. This technique of analysis has been successfully used in similar research studies such as Kandie (2001).

Holsti (1969) defines content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages. Applying content analysis in this study therefore involved studying KAA's written documentation and survey response data and making objective inferences on the strategic management practices present and their status highlighting the challenges.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction
This chapter outlines the analysis of the findings in line with the study objectives of establishing the strategic management practices at KAA and challenges faced. Primary data was collected by interviewing the top management using a check-list questionnaire as a guide and the secondary data was gathered from evaluation results, facility assessment reports, employee satisfaction surveys, and other reports on performance monitoring.

The survey respondents were determined as the top management of the organization comprising of the Managing Director, General Managers, Airport Managers and to some extent some heads of sections. These selected respondents are the people involved in the formulation and implementation of strategic management in the organization.

4.2 Strategic Management Practices at KAA
In this section the study sought to determine the strategic management practices at the KAA. The findings are presented in the subsequent sections.

4.2.1 Strategic Planning
The study established that at the KAA, none of the departments that existed have their own strategic plans but depended on the general strategic plan of the organization to perform their tasks except the Engineering Department which had their own strategic plan that they had developed in line with the organizations. However, probing for more explanation by the researcher revealed that even the Engineering Department which had their own strategic plan did not put it into use.

The respondents were asked to indicate the roles various levels of staff play in strategy formulation and planning. The study established that according to most respondents, the
work of strategic management planning was mainly the work of an external consultant. One respondent indicated that the consultant participated in the planning process as they were charged with the responsibility of drawing the strategy. The study findings revealed that one respondent indicated that the planning process of the strategic management at KAA originated from the top management and is mainly facilitated by an external consultant. Another respondent indicated that the planning which was done after every five years was done with the help of a consultant and involved all the departmental and station heads. He indicated that after the strategic management process, the departments were expected to develop their own strategic plans. Another respondent indicated that the management develops the concept and then look for a consultant to piece together the concepts while also ensuring that all the key stakeholders such as the staff, the board, the airlines and the KCAA. The findings of the study agree with the views of Berry (2001) who noted that planning garners organizational energy and support among organizational leadership and it is in this stage that external consultants can be hired to be part of the steering team.

The results revealed that according to one respondent, the first and second review of the strategic plan was the work of the top management and later involved the other staff so as to ensure inclusiveness of the process. The findings were confirmed with the other documents of meetings held during the planning of the strategic management process. The initial strategic plan covering the period 2004 – 2008 was done in conjunction with Connect Consulting Limited and the revised strategic plan 2010-2014 facilitated by Eliud & Associates (E&A) Management Consultants. Evidenced in the strategic plan 2004-2008 are the initial planning meetings held by KAA board of directors and top management and facilitated by the consultants to brainstorm and come up with strategic options for the organization. These findings agree with Vinzant and Vinzant (1999) who argued that strategic management is a process carried out at the top of the organization which provides guidance, direction and boundaries for all aspects of operational management.
The study sought to determine the vision, mission and values of the organization. According to all respondents, the vision is making KAA the airport system hub of choice. On the mission of the organization, respondents indicated were to facilitate seamless connectivity through provision of airport facilities. The responses were in agreement with the organizations strategic plan. The strategic planning process third phase evidenced in the formulation of the strategic plans developed the Authority's vision, mission and core values which have now been revised to; Vision - "to be the airport System Hub of Choice", Mission - "to facilitate seamless connectivity through provision of efficient and effective airports facilities and services in an environmentally sustainable manner to exceed stakeholder expectations" and Core Values are customer focus, integrity and professionalism, teamwork, creativity and innovation, good corporate governance, environmental sustainability and corporate social responsibility.

The researcher sought to establish the planning process of the implementation of the strategy. One respondent indicated that the process is broken down into annual implementable plans captured within the annual budgets and performance contract. Another respondent indicated that strategic plan is finalized and distributed for all staff for implementation.

The respondents were asked to state the core business of the organization. One respondent indicated that the core business of the organization was airport management, while another said it should be to create prosperity for Kenya or to facilitate business. Another respondent indicated that the core business of the organization is the provision of aerodrome infrastructure and facilities. The results showed that another respondent indicated that the core business was the provision of terminal and airport facilities and services like security and finance are areas of facilitation while another respondent indicated that the core business of the KAA is to provide, operate and manage airports and aerodromes.

The respondents were asked to indicate whether the organization conducted environmental scanning. Respondents indicated that indeed the organization conducted
environmental scanning. Asked to indicate how this was done, one respondent indicated that this was done through marketing department and corporate planning and was done both internally and externally and laterally. This is done using tools such as Airport Council International (ACI), telephone interviews, questionnaires, employee survey by human resource, corruption index, complains through ombudsman, benchmarking with other airports for example USA, visits to international airports and reviewing other countries internationally to benchmark with.

The results showed that according to two respondents, environmental scanning was part and parcel of the data collection for the strategic plan, SWOT analysis and PPESTEL. The respondent also indicated that the organization did a risk and stakeholder analysis done by a consultant, the Price Waterhouse and Coopers. Respondents equally indicated that internally there is employee satisfaction survey which is captured in the performance contract.

### 4.2.2 Strategy Implementation

The respondents were asked to indicate how the organization implemented and monitored strategies. According to two respondents, the strategies were implemented through annual budgets and annual performance contracts. One respondent indicated that other plans were made from the annual budgets such as procurement plans and work plans which was implemented through the performance management system and the balanced scorecard concept. However, one respondent indicated that the implementation of strategy in the organization has been poor as the strategic plans are never updated. The implementation according to him is done in piece meals and is disjointed.

On monitoring, one respondent indicated that the monitoring was done annually through the performance appraisal/evaluation. The study established two respondents indicated that the monitoring was done through performance contract and performance management system. They also indicated that there were quarterly performance monitoring reports produced by corporate planning to senior management and finally to the board.
The study sought to determine the roles played by various levels of staff in the implementation of strategy. Two of the respondents indicated that the top management provided the leadership and direction while the middle management makes things work and pass on the rest to the lower management who are given tasks and targets to meet. The results show that one of the respondent indicated that it is the top management which is involved in the implementation of the strategy. It further revealed that according to one respondent, the implementation of strategy was the work of all the staff in the organization. He noted that all the staff were expected to support the departmental objectives in strategy implementation.

Respondents were asked to indicate in their opinion on the importance of strategy implementation at KAA. Most respondents indicated that the implementation of the strategy is the best thing for an organization. The study revealed that one respondent indicated that the implementation of strategy is important as it gives directive where the organization should go to achieve its vision as without it the organization would be moving blindly. However one respondent indicated that the implementation is not important because majority of the staff do not know its content. Asked to indicate who should be involved in the implementation of KAA strategy, all the respondents indicated that all the staff at KAA should be involved in the implementation.

The researcher sought to establish the criteria used by the organization to realize the strategy chosen. According to the findings of the study, two respondents indicated that the organization used consultation with the stakeholders such as the management. The study also revealed that two respondents indicated that the process chosen depended on the available resources and facilities. Two respondents indicated that the choice was determined by the goal of the organization for instance, the organization wanted to move from the paper office to paperless office hence the need to adopt a programme that will help achieve this goal.

Respondents were asked to indicate whether they were involved in the planning stages of the projects. The researcher established that three respondents indicated that they indeed
participated in the planning stages of the projects or processes noting that most of the projects were in their respective departments. The researcher also established that three respondents indicated that they never participated in the planning stages of the projects/processes because they were not in the authority.

The researcher sought to determine the projects/processes that had been implemented in the departments in line with KAA strategic goals. The study established that according to two respondents, their department had implemented revenue/cost management, safety, business automation, staff improvement, environmental sustainability and customer service and air conditions in their departments. According to two respondents the department had implemented ISO Standardization and the expansion of the airport. Respondent indicated that the organization had implemented a risk management policy and a risk analysis, audit and feedback from surveys.

Asked to indicate the outcomes, respondents indicated that there was high customer satisfaction which had improved from a score of 71.3% in April 2012 to 71.8% in June 2012. Respondents also indicated that the organization is able to manage mitigate its risks. The study established that one respondent indicated that one of the outcomes is that the organization has received ISO certification. Respondents also indicated that the outcome include completion of the expansion of Kisumu airport which has increased the capacity and revenue from 70,000 to 300,000 passengers per annum.

The respondents interviewed all agreed there have been regular top management meetings and the reports discussed are based on the performance targets as signed with the government through the permanent secretary. The mode of review where reports on performance targets are based on the processes and projects under the umbrella performance targets of the organization with the government has potential for the top management to create bias. The findings of the study agree with Randuan et al (2009) who argued that in the implementation of strategy, top managers play a crucial role.
The researcher sought to determine whether the respondents were involved in the development of top management organizational structure. According to the findings of the study, four out of the six respondents indicated that they were indeed involved in the development of the top management organizational structure. Only two respondents indicated that they were never involved of which they explained that they found it already done. However another respondent indicated that the process is done by the external consultants and involves the senior management and other staff are reached by sampling only a few through interviews. One of the respondent who was involved in the new structure termed the previous structure as not business or commercial oriented but bureaucratic. The result revealed that another respondent indicated that he joined as a manager but is now a general manager under the new structure. One respondent indicated that he was involved in the writing of duties and responsibilities of the departments.

Asked to indicate how it was before, one respondent indicated that the structure before had improper planning of departments for example, corporate plan was under finance. The results revealed that one respondent indicated that before, there was a lot of reporting levels of up to 14 grades. However, this has been reduced to 10. The respondent indicated that now there is less bureaucracy besides the restructuring and introduction of new departments. The respondents indicated that before there was no room for salary increment as opposed to today.

The study sought to establish whether the organization had departmental structures. The study established that according to all the respondents the organization had departmental structures. Asked to indicate how the departmental structures were developed, the respondents indicated that the senior management processed the job evaluation process with the help of consultants (see Appendix for the organizational structure). The respondents indicated that this was done in consultation of representatives from the union officials and managers. Another respondent indicated that his departmental structure was developed by the department first then presented to the management for critic before going to board for approval. The study results revealed that according to one of the respondent, the development of structure involved the general management, human
resources and the managing director in the review. One of the respondent indicated that the development of the structure involved the senior management and key staff but was confirmed by the board of directors. The findings show that the development of the departmental structure involved the management and other staff but only those considered as key. The organizational structure at departmental levels lacks connection to individual job descriptions.

Asked whether the departmental structure had been implemented, all the respondents except one indicated that the structure had been implemented. One of the respondents indicated that the structure was implemented as was approved by the board of directors. According to another respondent, even though the structure had been fully implemented, it is not working well because of duplication of duties. One respondent indicated that the structure was not implemented fully because some responsibilities like ISO indicated in the new structure to lie in a different department have never been moved. Another reason was that the approved structure was delayed by one year before implementation and the changes were not reflected.

The respondents were asked to indicate how the structures were implemented in the organization. One respondent indicated that the structure was still under implementation as the organization was in the process of filling in the blank positions in the structure. Another respondent indicated that a few staff were moved from the old structure to the new one and recruited majority competitively to fill the structure allocation. Moving of the existing staff according to the respondent was done on competency and qualification basis.

Respondents were asked to explain the prevailing organizational culture. According to the findings, two respondents indicated that the organizational culture was based on commercial business practices. The results revealed that two respondents indicated that there was a mood of change in the organization as the organization was going through a transition from a slow and bureaucratic focused public organization to a business oriented organization focused on exceeding customer expectation. Another respondent described
the culture in the organization as a laid back culture where the staff are not able to account for what they do while others have too much to do. The respondents described the culture as open as the management practiced openness by allowing for participation by the employees in the organizational matters and are provided with feedbacks.

Asked to indicate how they felt about the culture, three respondents described the culture as good. They indicated that through professionalism and quality, the organization can achieve its strategic objectives. Respondents indicated that the fact that the process was being handled by the management and consultants makes it difficult to realize the change that is needed as the process needs to be all inclusive.

The strategic plan for KAA has addressed the issue of organizational culture under the sixth strategic theme, Human Resource Employee Productivity & Retention. Under this theme one of its objectives is develop an appropriate corporate culture through a Culture Transformation Program to be effected by developing and implementing a change management plan. According to the strategic plan this shall be achieved through training staff on change management.

Respondents were asked to describe the leadership of KAA. The study established the according to two respondent, the leadership had a clear vision of providing infrastructure and management of airports. They understood the high international standards required of airport operations and management. The respondents described the leadership as futuristic. However, two respondents indicated that the leadership of KAA was divided and the governance structure was weak. They indicated that leadership was laidback and was more casual. KAA’s current strategic plan recognises the role of leadership and has mentioned there will be regular management meetings to get status reports and the Board of Directors will also get periodic progress reports.

Asked to state what they thought about the leadership of KAA, respondents indicated that the leadership needed to change into a much more functional like holding meetings and follow-ups and holding people to account of their activities. Respondents further
indicated that the leadership needed more action to close-out and conclude on issues. The respondents indicated that there should be more interaction in meetings and communication both vertically and horizontally so as to enhance cohesion. The study established that respondents indicated that the leadership needed to work on governance structure. The respondents also indicated that the leadership should be focused on the vision and mission of the organization. The leadership according to the respondents should speed-up the decision making process and eliminate the dynamism on decision.

Respondents were asked to indicate the extent to which KAA had adopted ICT in its operations. The study established that according to three respondents, the organization had automated most of its operations like the security and transactions like the payment of various fees. Two respondents indicated that KAA is in the process of implementing Enterprise Resource Planning (ERP) in two pilot departments and has already installed Q-pulse for ISO documentation storage and retrieval for the entire organization. Respondents however indicated that offices at the KAA are networked with the computers. However two respondents indicated that not all functions have been automated.

Asked to state how they have benefited from the adoption of ICT in the organization, two respondents indicated that the security at the airport has since been improved. The respondents also indicated that the efficiency in terms of job performance has been improved as the customers are served faster than before. Respondents also indicated that communication in the organization among the employees has been improved due to the use of internet. Benefits of the ERP are yet to be determined as implementation with two pilot departments is still on-going.

The researcher sought to establish the challenges the respondents and their teams faced in the implementation process of the projects/processes in the strategic plan. The respondents indicated that one the challenge they faced was that the projects are behind schedule in terms of implementation. The respondents also indicated that another challenge was that the projects in the budget which are not yet supported by strategic plan
because there is no revision of strategic plan on a regular basis. Respondents indicated that lack of harmony between the strategic plan, performance contracting, departmental and individual work plans and the budget. Three of the respondents also indicated lack of cohesion between departments, no structured horizontal meetings in planning or implementation of projects. A respondent also indicated high dynamism in decision made and external or political interference with the decision making process could be controlled through introduction of Public Private Ownership or introduction of a strategic investor with minority shareholding of the airport an example is Zurich airport where this has been successfully done.

The study established that other respondents indicated that they faced challenge in the procurement where the processes involve projects which are co-funded with World Bank and other banks which normally face delays as there are no defined timelines for feedback. The respondents also indicated that where the projects depend on external agents like contractors whom lack seriousness which leads to non-performance. There are few staff with relevant skills and competency to handle the management of projects this shortcoming coupled with the dynamism and slow decision making is causing a lot of delays in implementation.

The respondents were asked to indicate whether all the projects/processes in the strategic plan are part of the performance management. The study established that three respondents indicated that not all the processes in the strategic plan are part of the performance management. However, three respondents indicated that the projects and processes in the strategic plan are indeed part and parcel of strategic management.

Asked to explain their answer, respondents explained that there are no regular reviews of strategic plans. Respondents also indicated that the performance contracts are based on the budget and some projects may be on the budget but not in the strategic plans. The respondents explained that because of the dynamism of the environment of the aviation industry, new projects may come up which were not on the original plan. They explained
that some of the projects are politically influenced. The strategic plan therefore needs regular review to be up-to-date.

The researcher sought to establish whether the challenges faced in the implementation exist in other areas of the organization. All the respondents indicated that indeed the challenges existed in other areas of the organization as respondents indicated that these challenges cut across the entire organizational departments.

Asked to explain why they thought the challenges existed, respondents indicated that this was due to the variation in priority levels in allocation of resources. Respondents also indicated that the challenges existed because of the multidisciplinary nature of airport business and the regulatory role of some agencies. One respondent according to the findings indicated that the challenges existed because the strategy was not updated and monitored on a regular basis because there is no commitment to ensure the strategy is implemented as formulated and necessary revisions done to accommodate any necessary change that may arise.

The respondents were asked to indicate whether staff from different levels of KAA may have been involved in the process would identify similar challenges. The findings revealed that all the respondents indicated that indeed the challenges listed the staff from different levels of KAA were involved in the process identified similar challenges. Respondents indicated that they have been involved in resolving customer complaints and understand the legal/administrative constraints to solve the problems. Respondents indicated that other heads of departments face similar constraints. Respondents indicated that the process of procurement is the same. Respondents indicated that capacity and competency of staff could vary from department to department. Some departments like security and human resources were found to be bloated and need to embrace technology to cut down on labour force.

The respondents were asked to indicate how the challenges would affect future implementation initiatives at KAA. Respondents indicated that there was likelihood of
loosing direction as organization is not focused. Respondents also indicated that they needed resources for effective implementation and a firm and fast decision process. It was also evident that due to the challenges, it would be difficult to take on new projects due to the delay in completion of the current projects. The respondents also indicated that the profitability of the organization will suffer. The employees will be demoralized and the organization stands to lose customers who may shift to other countries.

The researcher sought to determine how these challenges could be overcome. Respondents indicated that the challenges could be overcome by developing of strategic plans with proper environmental scanning such that the provisions in the strategic plan are almost certain. Respondents also suggested that the projects should be implemented based on what they are supposed to achieve and not the budget. Respondents also suggested improving on the governance structure and the decision making process to be firm and fast. Respondents further indicated that the organization should adopt modern technology such as the Enterprise Resource Planning (ERP) so as to free other employees to concentrate on core activities.

The study also established that respondents recommended that everyone in the organization should be sacked into tactical operations. The organization should equally take seriously the planning activities of the strategic plan. The organization should in addition do a resource planning adequately.

4.2.3 Monitoring and Evaluation

The study sought to establish whether there was the monitoring and evaluation process at the implementation of strategy at KAA. The study results revealed that according to four respondents, monitoring and evaluation of strategy existed in the organization. Respondents indicated that the monitoring and evaluation is in-built in the strategic plan. They indicated that the monitoring and evaluation was done quarterly. However, two respondents indicated that there was no monitoring and evaluation although they indicated that there was a provision in the strategic plan. One respondent further said monitoring of the strategic plans was done by default and not purposefully. He explained
this is because it is monitored through the performance contracting which in the past only involved showing there was a strategic plan but did not go into the details further not all projects in the strategic plan are part of performance contracting. Now performance contracting is requiring showing details of monitoring the strategic plan implementation process.

Asked to indicate how monitoring and evaluation was done, respondents indicated that this was possible through performance contracting, budgets and senior management meeting. Respondents also indicated that the monitoring and evaluation was done through meetings, reports and at project management levels. Respondents also indicated that this was possible by the board of director's regular oversight and the individual staff appraisals. The findings agree with Clark and Sartorious (2004) who stated that techniques such as the performance indicators, formal surveys, cost benefit and cost effectiveness analysis are used to evaluate projects.

KAA has chosen many tools for monitoring and evaluation and are detailed in the strategic plan as follows; through periodic review meetings to consider progress made. Departments and airports will monitor programs and projects administered within their respective jurisdictions. They will submit monthly reports indicating progress made, any deviations, their causes and corrective measures taken which Corporate Planning and Strategy Department will consolidate and present to M&E Committee. The Committee will consist of all heads of departments and airports under the chairmanship of the Managing Director. The Managing Director will then submit quarterly progress report to the Board of Directors. The strategic plan further states that the Plan will be reviewed annually to incorporate changes in the business environment with final review done at the expiry of the Plan period.
4.3 Discussion

4.3.1 Comparison with Theoretical

The study established that the planning process of the strategies at KAA was the preserve of the senior management of the organization and the other staff was never given a chance to participate in the process. The management sought the expertise of the external consultants who were then entrusted with the process of drawing the process. The planning process can therefore be viewed as important and the top management must provide leadership and where they need help, they consult the experts, the external consultants. These findings of the study agree with the views of Berry (2001) who noted that planning garners organizational energy and support among organizational leadership and it is in this stage that external consultants can be hired to be part of the steering team.

The study also found that the review of the strategic plan was the work of the top management and later involved the other staff so as to ensure inclusiveness of the process. The top management remained the key stakeholders in the implementation process despite the participation of other members of the staff considered to be key. The findings also revealed that the strategic plans were done by external consultants. The findings therefore agree with Vinzant and Vinzant (1999) who argued that strategic management is a process carried out at the top of the organization which provides guidance, direction and boundaries for all aspects of operational management.

The study revealed that top management convened regular meetings where they discussed reports based on the performance contracts and not the strategic plans. The findings of the study contradict Randuan et al (2009) who argued that in the implementation of strategy, top managers play a crucial role.

The study established that the organization had embraced ICT in terms of security and transactions besides networking of the departments and the offices. This according to respondents improved the performance of the organization. The study findings agree with
Poister (2010) who noted that the implementation of ICT will result in timely and correct information besides improving effectiveness and efficiency in the organization.

The study established that the challenges to the strategy implementation included government bureaucracies, political interferences, allocation of resources and the adoption of ICT. These findings agree with Barkerjan (1994) who noted that lack of management support, poor organizational structure, organizational culture and lack of innovation and technology were an impediment to the implementation of strategies in most organizations.

The study established that monitoring and evaluation was done through performance contracting, budgets and senior management meeting. The monitoring and evaluation was also done through meetings, reports and at project management levels. Respondents also indicated that this was possible by the board of director’s regular oversight and the individual staff appraisals. The findings agree with Clark and Sartorius (2004) who stated that techniques such as the performance indicators, formal surveys, cost benefit and cost effectiveness analysis are used to evaluate projects. However, the process of monitoring and evaluation identified at KAA was purely for performance contract and is not an intentional review of strategic plan implementation.

4.3.2 Comparison with Other Studies

The findings that the formulation of the strategies was a preserve of the top management and the other staff were left out is in agreement with those of Lekasi (2010), Hezron (2010) and Kamaku, (2010) who found that the strategy formulation in their respective studies was a preserve of the top management. The findings however differ with those of Amakoye (2010) who in his study found that the all staff were involved in the planning process of the strategy formulation.

The findings that the management held regular meetings to discuss the progress of the projects confirm the findings by Kamaku (2010) and Hezron (2010) that the top management held regular meetings (weekly and monthly) to evaluate the progress of the
projects. However Amokoye (2010) found in study that the top management was least involved in the implementation and monitoring of strategy and Lekasi (2010) found that those implementing the strategy are different from those who formulated it.

The study findings that the organizational culture was conducive for the business as it was moving towards a better performance are in agreement with Aosa (1992) and Kamaku (2010) where he noted the importance of matching organizational culture with strategy. The findings of Amakoye (2010) indicate high staff turnover implying lack of attachment to the organization which is an impediment to strategy implementation and portraying a poor public image of the organization.

The study findings that the organization carried out monitoring and evaluation through management tools such as the balanced score card meetings and reports are in agreement with Lekasi (2010) and Hezron (2010).
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

From the primary and secondary data collected and analyzed, the following summary of findings, conclusions, recommendations were made based on the objectives of the study which were to establish the strategic management practices at KAA and establish the challenges faced by KAA in her strategic management practices.

5.2 Summary of Findings

The study established that at the KAA organizational strategic plan exists but none of the departments that existed had their own strategic plans but depended on the general strategic plan of the organization to perform their tasks except the Engineering Department which had developed their own strategic plan did not put into use their strategic plan. The study established that strategic management planning was mainly the work of an external consultant in consultation with the top management staff. The departments according to the findings of the study were expected to develop their own strategic plans.

The study established that the vision of KAA is to be the airport the hub of choice. The mission on the other hand is to facilitate seamless connectivity through provision of airport facilities. The core business of the organization was to create prosperity for Kenya and the provision of aerodrome infrastructure and facilities. The organization conducted environmental scanning through markets and corporate planning. The results showed that environmental scanning was part and parcel of the data collection for the strategic plan, SWOT analysis and PESTEL. The organization did a risk and stakeholder analysis done by the Price Waterhouse and Coopers.
The study established that the strategies were implemented through annual budgets and annual performance contracts. Respondents described the implementation of strategies in the organization as poor. The monitoring was done annually through the performance appraisal/evaluation and performance contract and other performance management system. The implementation process was done by the external consultants and involved the senior management and other staffs are reached by sampling only a few through interviews. Although the implementation process was described as poor, most of the respondents (three) indicated that there was room for improvement especially in use of external expertise and outsourcing some of the aspects of business. Respondents also indicated that there was impartiality especially in the promotion of the senior staff.

The study established that according to all the respondents the organization had departmental structures which are structured in such a way that the senior management processed the job evaluation process. The development of structure involved the general management, human resources and the managing director and was confirmed by the board of directors. The organizational structure at departmental level however, lacked connection to individuals’ job descriptions and had duplication of duties.

According to the findings of the study, the organization used consultation with the stakeholders such as the management to choose the projects/processes. The processes chosen depended on the available resources and facilities. The department had implemented revenue/cost management, safety, business automation, staff improvement, and environmental sustainability and customer service and air conditions in the departments which had positive effects on customer satisfaction.

The study results revealed that monitoring and evaluation of strategy existed in the organization. The monitoring and evaluation is in-built in the strategic plan. The respondents indicated that the monitoring and evaluation was done quarterly. Respondents also indicated that monitoring and evaluation was done through performance contracting, budgets and senior management meetings, reports and at project management levels and the board of director’s regular oversight and the individual staff
appraisals. KAA has chosen many tools for monitoring and evaluation which are detailed in the strategic plan such as periodic review meetings to consider progress made.

The study established that the challenges facing the organization included projects lagging behind schedule, the projects in the budget not supported by strategic plan, lack of harmony between the strategic plan, performance contracting, departmental and individual work plans and the budget. Other challenges included procurement processes involving projects which are co-funded with World Bank and other banks which normally face delays as there are no defined timelines for feedback. There were no enough staff with relevant skills and competency to handle the management of projects.

5.3 Conclusion

The study established that the KAA departments did not have their own strategic plans but depended on the organizations strategic plan as even the Engineering department which had one did not use it. The planning process was the work of the management in consultation with external consultants. The all-inclusiveness in the planning process is therefore minimal. The organization is guided by the vision and mission statements ot the organization. The organization conducted environmental scanning through corporate planning.

The strategies were implemented through annual budgets and performance contracts. The implementation was however described as poor as there were never updates of the plans. The planning process was a preserve of the top management in consultation with the external consultants. The top management provided leadership while the middle management makes things work and pass on the rest to the lower management who are given tasks and targets to meet. The departments of the organization had implemented revenue/cost management, safety, business automation, staff improvement, environmental sustainability and customer service and air conditioning in their departments.
The study established that monitoring and evaluation of the strategies which are built in the strategic plans existed in the organization. The monitoring and evaluation was done quarterly. The monitoring and evaluation was done by default through performance contracting, budgets and senior management meeting, meetings, reports and at project management levels and the board of director's regular oversight and the individual staff appraisals.

The challenges existing in the processes included projects lagging behind schedule, the projects in the budget not supported by strategic plans and lack of harmony between the strategic plan, performance contracting, departmental and individual work plans and the budget. Other challenges included no enough staff with relevant skills and competency to handle the management of projects and external interference and dynamism in decision making. These challenges were in all the departments of KAA.

5.4 Implications of the Study

The study established that the planning process existed in the organization. However, this process was mainly done by the senior management and consultants with consultation of some senior staff, which left out other staff and stakeholders. The study recommends that the management of KAA should make this process more inclusive by wide sampling both vertical and horizontal of staff and all the key stakeholders.

The study established that even though the organization implemented strategies, the departments never had their own strategic plans with the exception of one department. The study recommends that all the KAA departments should develop and implement their strategic plans in line with the organizations strategic plan which will enhance the achievement of the organizations goals.

The results of the study also revealed that respondents described the implementation of the strategies as poor due to the fact that the strategies are never reviewed. The study recommends that the KAA management should purposely review the strategic plans at
the organizational level and at the departments to ensure the success of the implementation.

The study established that there were a myriad of challenges in the strategy implementation process such as lack of resources, the projects lagging behind and lack of enough qualified and competent staff, dynamism of decisions on project implementation and political interference. The study recommends that the management should have a strategic master plan from which projects are phased in line with the organizations financial ability and implemented in line with the strategic plan for the successful implementation of strategies. The study further recommends that management should increase more staff to bridge the deficiency. The study also recommends amicable ways to control political interference and more permanent governance structures to be sought with clear roles and authorities with a view of improving the decision making process, privatization could be considered.

Due to the fact that these challenges are not limited to KAA alone, the study recommends that the management of other public institutions and regional airports can adopt the findings of the study and benchmark their strategies with those of KAA.

5.5 Limitations of the Study

The following were the limitations of the study:

The first limitation is that fact that the study was thought to be sensitive by the respondents and some were not ready to provide the information. However after some follow-ups and reassurance by the researcher, the respondents were willing to provide the information.

The fact that the researcher needed to sit and get the information one on one with the respondents was a daunting task due to the fact most of the respondents were senior management and were busy. Respondents were therefore not to detail in their explanations of the answers. The researcher however, made follow-ups through telephone for clarification and expounding of some responses.
5.6 Suggestion for Future Research

This study was done on the strategic management practices at Kenya Airport Authority only. It is suggested that similar study should be replicated in other organizations especially in public organizations with the aim of comparing the strategic management practices by public organizations. Research could also be done on the influence of performance contracting on implementation of strategic management in public organizations.
REFERENCES


APPENDICES

Appendix I: KAA’s Top Management Organizational Structure

Board of Directors

Managing Director

GM, Internal Audit, Risk & Assurance

GM, Ops./Safety/Security
GM, Projects & Engineering Services
GM, Finance
GM, Information and Communication Technology
GM, Marketing & Business Development & PR
GM, Human Resources
Corporation Secretary/Chief Legal Officer
GM, Procurement & Logistics
GM, Corporate Planning & Strategy

Airport Manager, JKIA/MIA
Appendix II: Letter Of Introduction

Betty Mutwiri-Kamunde
School of Business, University of Nairobi
P.O. Box 30197
Nairobi

Dear Respondent,

I am a graduate student of the University of Nairobi pursuing a Master of Business Administration (MBA) degree. I am currently undertaking a research project titled ‘Strategic Management Practices at Kenya Airports Authority (KAA)’ towards the fulfilment of the requirement for the award of the MBA degree. I therefore kindly request your assistance by participating in a guided interview and discussion which will provide me with the information for analysis to achieve the objective of the research project. The information provided shall be confidential and used exclusively for academic purpose. A copy of the report will be availed to you and the authority on request.

Your contribution is highly appreciated.

Yours faithfully,

Betty K. Mutwiri-Kamunde
MBA Student, University of Nairobi
Appendix III: Approval Letter

TO WHOM IT MAY CONCERN

The bearer of this letter, BETTY KAMUNDE KAMUNDE, is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.
Appendix IV: Interview Guide

Introduction
The questions are prepared to guide the interviewer in collection of data for a project on Strategic Management Practices at KAA, a project being undertaken in partial fulfilment of an MBA degree at the University of Nairobi. The information gained from this survey will be kept confidential and viewed only by the researcher and her graduate committee.

A. Strategy Formulation and Planning Process
1. How do you do strategic management planning at KAA?
2. What are the vision mission and values of the organization?
3. How are they implemented?
4. What would you say is KAA’s core business?
5. Do you conduct environmental scanning? If so how is it done?

B. Strategy Implementation
1. How do you implement and monitor strategy at KAA?
2. Were you involved in the formulation of the top management organizational structure? What was it like before?
3. Are you happy with it?
4. Do you have a departmental structure?
5. How was the departmental structure developed? Who was involved?
6. Has it been implemented?
7. If so how was the structure implemented? If not why?
8. What roles do various levels of staff play in implementation of Strategy?
9. In your opinion, how important is Strategy implementation to KAA?
10. Who should be involved in the implementation of KAA strategy?
11. How did you decide which projects/processes would be used to realise the strategy chosen?
12. Were you involved in the planning stages of these project(s)/processed?
13. What projects/processes are being or have been implemented in your department in line with KAA strategic goals?
14. What was the outcome of the project(s)/processes?
15. Why do you think it was successful/ unsuccessful?
16. In your own words how would you describe KAA’s prevailing organizational culture?
17. How do you feel about this culture?
18. In your own words describe the leadership at KAA;
19. What do you think about the leadership?
20. During implementation of KAA strategy, is there monitoring and evaluation that is conducted?
21. How is this done and how many levels of monitoring & evaluation are there?

C. Challenges to strategy implementation process

1. What are the challenges that you and your team faced in the implementation process of the project(s)/processes in the strategic plan?
2. Are all projects and processes in the strategic plan part of the performance management? ______
3. Please explain:
4. Do the challenges faced in item D(1) exist in other areas of the organization?
5. Why do you think these challenges exist?
6. From the challenges you have listed, do you think staff from the different levels of KAA who may have been involved in the process would identify similar challenges? Why?
7. How would these challenges affect future implementation initiatives at KAA?
8. What do you think KAA should do to overcome the challenges you have mentioned?

THANK YOU