

// A SURVEY OF FACTORS INFLUENCING STRATEGIC
RESPONSES BY STATE CORPORATIONS TO CHANGES
IN THE ENVIRONMENT //

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A Management Research Project Submitted in Partial Fulfilment of the
Requirement for the Degree of Master of Business Administration (MBA),
School of Business, University of Nairobi

NOVEMBER, 2007

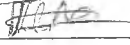
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DECLARATION


This Management Project is my own original work and has not been presented for a degree in any other university.

Signed: 

JANE WERE

Date: 07/11/2007

This Management Research Project has been submitted for examination with my approval as the University Supervisor.

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Date: 07/11/2007

DEDICATION

This Management Project is dedicated to my ambitious son

Harris Mwasi

ACKNOWLEDGEMENT

I acknowledge that it has been by the grace of the Almighty God that I have been able to successfully complete this management Research project. In addition, a number of people have contributed in one way or another in helping me complete this Management Project. First, I wish to acknowledge my Supervisor Prof. K'Obonyo who has guided me through the whole research period, given me attention, encouragement and spared his precious time to direct me through the whole process.

I acknowledge the support accorded to me by the respondents who provided valuable information, and the Research Assistants who guided me through the data analysis process, without which the project could not have been completed.

Finally, I acknowledge the support from my family members who were always available to encourage me and support me financially and socially during my busy schedule as I pursued my MBA studies at the University, and all other participants who contributed in one way or another in the completion of this project and who I am not able to mention by name. May God bless you all.

ABSTRACT

The purpose of this study was to find out factors that influence strategic responses by State Corporations in Kenya to changes in their environment. The need for the study arose out of the urge to understand why given the same scenario, different state corporations will react differently yet, to a great extent, state corporations operate under the same environment, and are governed by the same rules and regulations. Studies had been done on responses of organizations to environmental changes. These studies however, did not go further to establish factors that account for the differences in strategic responses to changes in the environment. This was the point of departure for the present study.

A sample size of 40 state corporations was selected. A structured questionnaire was used to collect primary data. 31 state corporations responded appropriately, giving a response rate of 77.5 %. The findings of the study revealed that a number of factors are perceived as affecting strategic responses by State Corporations to changes in their environment. On average, factors that highly influence strategic responses are organization's mission, Organizational structure and control processes, and availability of resources, consecutively. Those that least influence strategic responses are internal politics, influence of the CEO and competitors' actions and reactions.

Majority of state corporations were almost unanimous on the extent to which organizational structure and control processes, organizational culture, and consideration of the level of risk influence their strategic responses. On the other hand, there was a very high level of dispersion on the extent to which competitors' actions and reactions and influence of the CEO, affected strategic responses.

The factors that were rated as being very significant in influencing strategic responses by state corporations to changes in the environment are organizational structure and control processes, and availability of resources. Reference to past strategy and degree of the firm's external dependence were rated as insignificant factors. All the other factors were rated as significant in influencing strategic responses by state corporations to changes in the environment.

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CHAPTER ONE: INTRODUCTION

1.1 Background

In the period following independence, the Government of Kenya assumed a major direct role in the growth and development of the economy. However, many changes have taken place in the business environment necessitating adoption of reform strategies to contain the changes. Some of these changes have been brought about by the government, international organizations and other stakeholders in the environment.

Since the 1980s, the government has been involved in privatization of non-strategic commercial enterprises hence liberalization of the economy, and restructuring of strategic commercial enterprises. In the recent years there has been an introduction of performance contracting in public offices, which binds the management to achieve certain set targets within a given period of time to justify their continuity in office. Introduction of rapid results initiatives was aimed at delivering efficient, effective and ethical targeted results for Kenyans. The government has also formed anti-corruption bodies to monitor and ensure good governance in public offices.

Rapidly changing external business contexts-such as world-wide crisis, intensifying competition, changing customer needs and new information needs and technology are increasing the need for more disciplined and, at the same time, more adaptive context-specific strategic management (Mocker, 1993). Customers have become more enlightened of their rights and their tastes change from time to time. This is a challenge to organizations which must satisfy the needs of the complicated customers for survival. Commenting on globalization as quoted from "The Work of Nations" by Robert Reich, Trahant et al (2007) state that we are living through a transformation that will rearrange the politics and economies of the next century. There will be no national products or technologies, no national corporations, no national industries nor national economies. All that will remain rooted within national borders are the people who comprise a nation.

1.1.1 Strategic Response

Organizations are open systems that cannot exist and sustain themselves on their own. They must continually interact with the environment and hence a relationship exists. The linkage between the organization and the environment is the strategy (Ansoff, 1984). A number of commentators have identified the dynamics of turbulence of the business environment as a key issue affecting the processes of strategic thinking, planning, managing and decision making. Among them is Igor Ansoff (1984) whose research concluded that organizations which fail to match their approach to strategic management with the level of turbulence in the environment suffered business failure in the proportion to the mismatch.

Strategic response is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objectives (Pearce and Robinson, 1991). It is therefore a reaction to what is happening in the environment of the organizations. The environment is rapidly changing making it imperative for organizations to continually adapt their activities to succeed. To survive in a dynamic environment, their strategies need to focus on their customers and deal with emerging environmental challenges. This is necessary because organizations are environmental serving (Ansoff, 1987).

Identifying the different strategic options is fairly routine; the hard part is deciding which strategy option best fits the firm's overall situation and, most particularly, its industry environment and competitive position (Thompson & Stickland, 1992). Commenting further on this subject, Thompson & Stickland (1992) state three analytical steps that influence strategic response. The first analytical step is to diagnose the industry environment and the firm's competitive standing in the industry. The second step is to choose which of the three generic competitive approaches to build the firm's strategy around, that is, low cost producer becoming a cost leader, differentiation or focus on selected market segments. The final step is to customer

tailor the chosen generic approaches to fit both the industry and the firm's standing vis-à-vis competitors.

Some top teams choose to manage their way forward by exhaustive analysis of the alternatives they can perceive at the time of crisis. Others feel their way by trying solutions and discovering what does and does not work. Still others examine the experience of other organizations. And often all these approaches are combined (Mintzberg, Quinn & Ghoshal, 1999). Johnson & Scholes (2002) argue that there is no one right 'formula' for the management of change. The success of any attempt at managing change will also be dependent in the wider context in which that change is taking place. According to Pearce and Robinson (2002), three organizational elements provide the fundamental, long term means for institutionalizing the firm's strategy; structure, leadership and culture.

1.1.2 State Corporations in Kenya

State corporations play a significant role in the country's economic development. They account for a sizeable number of the country's employment opportunities in addition to contributing to a share of Gross Domestic Product (Private Sector Corporate Governance Trust, 2001). State corporations are established under The State Corporations Act, Chapter 446 of the Laws of Kenya. They have been classified in eight broad functional categories based on mandate and core functions. The eight categories are Financial; Commercial/Manufacturing; Regulatory; Public Universities; Training and Research; Service; Regional Development Authorities and Tertiary Education/Training State corporations (Republic of Kenya, Office of the President, 2004).

The overall direction and management of state corporations is carried out by the Board. A Board consists of a Chairman appointed by the President who is non-executive, the Chief Executive, the Permanent Secretary of the parent Ministry, the Permanent Secretary of the Treasury, not more than seven other members not being

employees of the state corporation, of whom not more than three should be public officers, appointed by the Minister. The President may, if at any time it appears to him that a Board has failed to carry out its functions in the national interest, revoke the appointment of any member of the Board and may himself nominate a new member for the remainder of the period of office of that member or he may constitute a new Board for such period as he shall, in consultation with the Committee, determine.

Every state corporation is required to keep proper books recording all the property, undertakings, funds, activities, contracts, transactions and other business of the state corporation. The accounts of every state corporation are audited and reported on annually by the Auditor-General (Corporations). The Inspector of State Corporations has the responsibility to advise the Government on all matters affecting the effective running of state corporations; report periodically to the Minister on management practices within any state corporation; report to the Controller and Auditor-General and the Auditor-General (Corporations) any cases where moneys appropriated by Parliament are not being applied by state corporations for the purposes for which they were appropriated.

The Inspector has power to disallow any item of account which is contrary to the law or to any direction lawfully given to a state corporation; surcharge and certify the amount due from any person whom he has made a surcharge. Any person who is aggrieved by a disallowance or surcharge, may, within thirty days of the date of the certificate of surcharge, appeal by written memorandum to the Tribunal. The Tribunal, on appeal, has power to confirm, vary or quash the decision of the Inspector, and to remit the case to the Inspector with such directions as the Tribunal thinks fit for giving effect to the decision on appeal. The Inspector or the person surcharged may, if aggrieved by the decision of the Tribunal, within thirty days appeal to the High Court which shall have power to confirm, vary or annul the decision of the Tribunal. The decision of the High Court is final and is not subject to further appeal.

The State Corporations Advisory Committee advises the Government on matters relating to state corporations. The committee, with the assistance of experts where necessary, reviews and investigates the affairs of state corporations and makes recommendations to the President; in consultation with the Attorney-General and the Treasury, advises the President on the establishment, reorganization or dissolution of state corporations; where necessary, advises on the appointment, removal or transfer of officers and staff of state corporations, the secondment of public officers to state corporations and the terms and conditions of any appointment, removal, transfer or secondment; examines any management or consultancy agreement made or proposed to be made by a state corporation with any other party or person and advises thereon; examines proposals by state corporations to acquire interests in any business or to enter into joint ventures with other bodies or persons or to undertake new business or otherwise expand the scope of the activities and advises thereon (State Corporations Act, 1987).

1.2 Statement of the Problem

The Kenyan business environment has been undergoing drastic changes since the onset of liberalization in the early 1990s. Some of the changes include the accelerated implementation of economic reforms, the liberalization of the economy, discontinuation of price controls, increased competition, privatization and commercialization of the public sector (Herin, 2004). Though there are some sector differences, to a great extent, state corporations in Kenya operate under similar environment. They are greatly influenced by the same factors. However, the corporations will not respond in the same way to the same factors.

Studies have been done on responses of organizations to environmental changes. These include studies by Chune (1998), Abdullahi (2000), Kandie (2001) and Warucu (2001). These studies established that organizations have to respond to the pressure exerted by the challenges poised by the environment. Another study was done on the responses by Reinsurance companies in Kenya to changes in the environment: The

case of Kenya-Re Corporation Ltd by Mwarania (2003) established that the responses by the reinsurance corporation to changes in the environment included development of focused staff training programs, retrenchment of excessive staff, investment in real estate, embracement of technology and short and long-term financial investments. These studies however did not go further to establish factors that account for the differences in strategic responses to changes in the environment. This gave the point of departure for the present study. The following research question was drawn from the foregoing: what are the factors that influence strategic responses by state corporations to changes in the environment?

1.3 Research Objective

To determine factors that influence strategic responses by state corporations to changes in the environment.

1.4 Importance of the Study

It was anticipated that the findings of the study would be of value to a number of groups including:

- i) Top Management of state corporations in developing better strategic responses to cope with changes in the business environment.
- ii) State Corporations Advisory Committee in their duty of advising the Government on matters relating to state corporations.
- iii) The Ministry of Finance which is the Government agency entrusted with the responsibility of making and overseeing Government investments in state corporations.
- iv) Scholars, academicians and researchers. This will act as a reference point for further research into the aspects of strategic management.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design, population, sample, data collection method and data analysis techniques that were used to achieve the objective of the study which was to determine factors that influence strategic responses by state corporations to changes in the environment.

3.2 Research Design

This was a descriptive survey of Kenyan State Corporations. The choice of this design was based on the fact that it allows comparative analysis of data collected from a cross-section of organizations at one point in time.

3.3 Population

The population of study in this research was all the 125 Kenyan State Corporations (Republic of Kenya, Office of the President 2004).

3.4 Sample

The sample size was 40 state corporations. Daniel and Terrel (1975) suggested that as a rule of thumb the sample size used should be 30 or more. The sample was selected using the stratified random technique from the eight major categories shown in appendix 1. The eight categories formed the strata. The number of state corporations from each stratum was proportional to the size of the stratum as presented in appendix 1.

3.5 Data Collection

Primary data was collected using a structured questionnaire. The questionnaire contained both closed ended and open ended questions. The questionnaire consisted of two parts. Part I sought data on the profile of the respondents and the organizations; and part II focused on factors influencing strategic responses of the organizations to changes in the environment.

3.6 Data Analysis

Data was analyzed and presented in tabular form by way of percentages and frequencies. Where appropriate, pie charts were used to present the results. Measures of central tendency namely mean and mode and one measure of dispersion namely standard deviation were computed. Factor analysis was used to detect the order of importance in which state corporations consider factors that influence their strategic choices.

CHAPTER FOUR: DATA ANALYSIS, RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

Data analysis was guided by the objective of the study which was to determine factors that influence strategic responses by state corporations to changes in the environment. Out of the sample size of 40 state corporations, 31 responded appropriately, translating to a response rate of 78% of the sample.

4.2 Response Rate

The response rate from each functional category that constituted the strata in sampling was as presented in table 1 and figure 1.

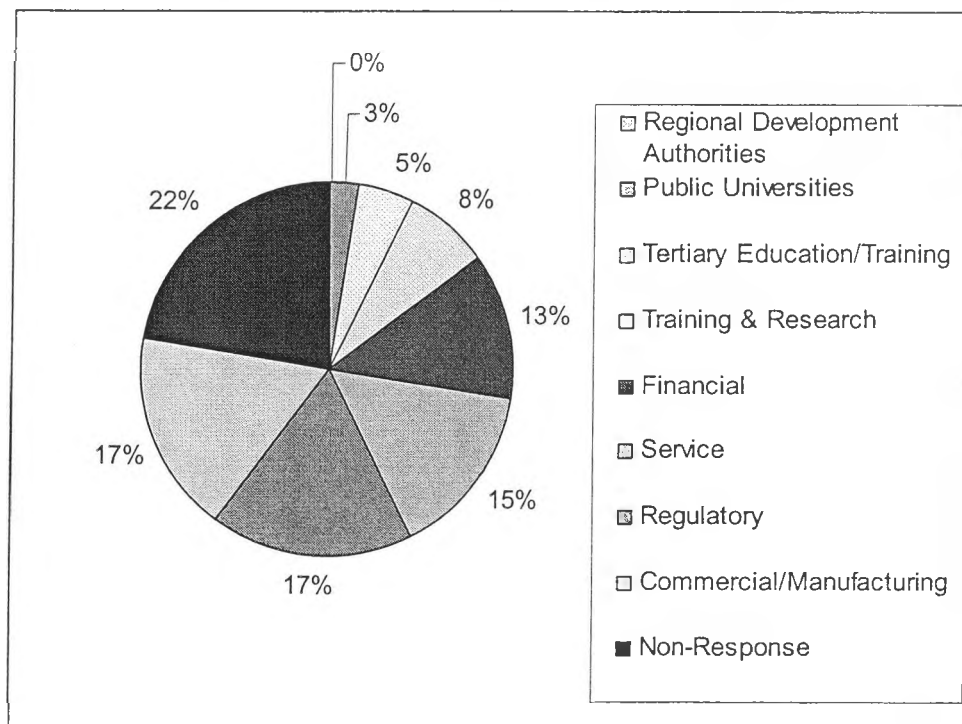
Table 1: Response Rate by Category of Organizations

Category	Sample Size	No. of Responses	% Response
Regional Development Authorities	2	0	0.0
Public Universities	2	1	3
Tertiary Education/Training Institutions	2	2	5
Training & Research Corporations	3	3	8
Financial Corporations	5	5	13
Service Organizations	8	6	15
Regulatory Organizations	8	7	17
Commercial/Manufacturing Corporations	10	7	17
TOTAL	40	31	78

From table 1, there was no response from the Regional Development Authorities. Public Universities had a response rate of 3%. Tertiary Education/Training Institutions recorded a response rate of 5%. A response rate of 8% was recorded from Training and Research Corporations while Financial Corporations recorded a response rate of 13%. Service Organizations had a response rate of 15% while Regulatory

Organizations and Commercial/Manufacturing Corporations recorded a response rate of 17% each. This adds up to the total response rate of 78%. The non-response rate was 22%.

Figure 1: Response Rate by Category of Organizations



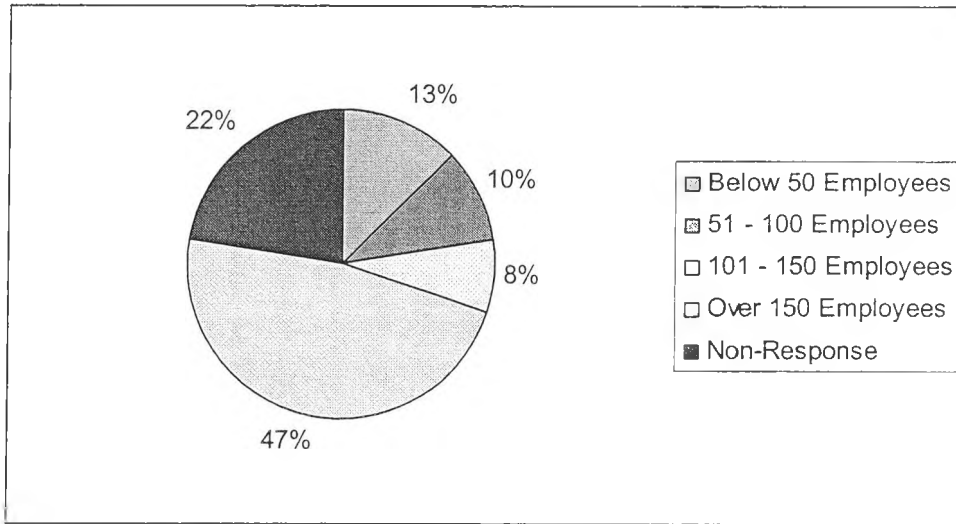
The response rate by size of state corporations in terms of the workforce was as presented in the table 2 and figure 2.

Table 2: Response Rate by Size of Organizations

Workforce Size	No. of State Corporations	% Response
Below 50 Employees	5	13
51 – 100 Employees	4	10
101 – 150 Employees	3	8
Over 150 Employees	19	47
Total	31	78

Out of the 31 state corporations that responded, 13% had a workforce below 50 employees, 10% had a workforce between 51 to 100 employees, 8% had a workforce between 101 to 150 employees and 47% had a workforce over 150 employees, translating to the response rate of 78%. The non-response rate was 22%.

Figure 2: Response Rate by Size of Organizations



4.3 Descriptive Statistics

Descriptive statistics were based on the rating scale of 1 to 5 where 1 represented “Not at all”, 2 represented “To a less extent”, 3 represented “Moderate”, 4 represented “To a great extent” and 5 represented “To a very great extent”. Table 3 presents values of the mean, mode and standard deviation of each factor that influences strategic responses. Mode represents points on the likert scale. For example, mode of 4 represents the fourth point on the scale.

From table 3, the factors that had high average rating in terms of their influence on strategic responses are organization’s mission (mean = 4.1), Organizational structure and control processes (mean = 4.07) and availability of resources (mean = 3.97) consecutively. On average, the factors that were rated low in affecting strategic responses are internal politics (mean = 2.71), influence of the CEO (mean = 2.87) and

competitors' actions and reactions (mean = 2.97). The other factors had a mean above 3.0 to imply that they were on average rated moderately.

Table 3: Descriptive Statistics

Factor	Mean	Mode	Std. Deviation
Reference to past strategy	3.194	4	1.223
Degree of the Firm's External Dependence	3.355	4	1.142
Consideration of the level of risk	3.355	3	0.950
Organizational Culture	3.581	3	0.886
Internal Politics	2.710	2	1.160
The time available for decision making	3.097	3	1.044
Competitors' actions and reactions	2.968	4	1.494
Organizational structure and control processes	4.065	4	0.772
Influence of the CEO	2.871	4	1.335
Ethical aspect of the strategy	3.452	3	1.121
Availability of resources	3.968	4	1.016
Managerial competence	3.742	3	1.032
Organization's mission	4.097	5	1.106
External environmental factors	3.871	4	1.024

Majority of state corporations rated the influence of internal politics (32%) on strategic responses to a less extent (**mode = 2**). Factors that were rated by majority of state corporations to have moderate influence (**mode = 3**) on their strategic responses are consideration of the level of risk (48%), organizational culture (39%), time available for decision making (42%), ethical aspect of the strategy (35%) and managerial competence (39%). Factors that were rated by majority of state corporations as having great influence (**mode = 4**) on their strategic responses are reference to past strategy (32%), degree of the firm's external dependence (32%), competitors' actions and reactions(26%), organizational structure and control

processes (52%), influence of the CEO (29%) and external environmental factors (35%). Organization's mission (45%) was rated by majority of state corporations as having very great influence (**mode = 5**) to their strategic responses.

The factors that recorded the least standard deviation were organizational structure and control processes (standard deviation = 0.77), organizational culture (standard deviation = 0.87) and consideration of the level of risk (standard deviation = 0.95) consecutively. This implies that majority of state corporations were almost unanimous on the extent to which these factors influence their strategic responses. On the other hand, the factors that recorded the highest standard deviation were competitors' actions and reactions (standard deviation = 1.49) and influence of the CEO (standard deviation = 1.34), respectively. This implies that organizations differed widely in terms of how these factors influence their strategic choices.

4.4 Factor Analysis

As shown in table 4, state corporations consider the factors that influence strategic choices in the order in which they are presented in the table. The mean extraction in factor analysis range from zero (0) to one (1). A mean extraction with a value closer to one signifies higher importance. A mean extraction below 0.60 signifies less importance. This means that organizational structure and control processes (mean extraction = 0.86) is perceived to have the greatest influence on strategic choices followed by availability of resources (mean extraction = 0.81). The factor rated as having least influence in strategic choices is degree of firm's external dependence (mean extraction = 0.48). This is followed by Reference to past strategy (mean extraction = 0.5). All the other factors are rated as significant in influencing strategic responses by state corporations to changes in the environment, since their mean extractions are above 0.60.

Table 4: Factor Analysis**Communalities**

	Mean Extraction
Organizational structure and control processes	.856
Availability of resources	.814
Managerial competence	.768
External environmental factors	.767
Organizational culture	.765
Competitors' actions and reactions	.749
Ethical aspect of the strategy	.748
Time available for decision making	.726
Organization's mission	.711
Influence of the CEO	.677
Internal politics	.661
Consideration of the level of risk	.627
Reference to past strategy	.501
Degree of the firm's external dependence	.484

Extraction Method: Principal Component Analysis

4.5 Other Factors

Other factors mentioned that influence strategic responses by state corporations to changes in the environment are as listed in table 5. Due to some sector differences, some factors are unique and specific to some categories of state corporations. While some factors may have very great influence to one sector, the same factors may have no influence to others sectors.

Table 5: Other Factors that Influence Strategic Responses

Factor	Level of Influence	Frequency	Percentage
Technological Advancement	To a great extent	4	23%
	To a very great extent	3	
Legislation	To a great extent	7	29%
	To a very great extent	2	
Customer Incomes	To a great extent	1	3%
Resistance to Change	Moderate	1	3%
Currency Fluctuation	To a great extent	2	13%
	To a very great extent	2	
Feedback from Customers	To a great extent	1	3%
Global Dynamics	Moderate	1	3%
Social Responsibility	Moderate	1	3%
Performance Contracts	To a very great extent	3	10%
Government Reforms	To a very great extent	2	6%
Changing Customer needs	To a great extent	1	10%
	To a very great extent	2	
Efficiency in Service Delivery	To a great extent	1	10%
	To a very great extent	2	
Human Resources	To a great extent	2	10%
	To a very great extent	1	
Gender Issues	Moderate	1	3%
Impact of HIV and AIDS	To a less extent	1	3%
Poor Infrastructure	Moderate	1	6%
	To a very great extent	1	
Corruption	To a very great extent	1	3%
Overseas Training and Internship	To a great extent	1	3%
Public Awareness	To a great extent	1	3%
Professionalism	To a very great extent	1	3%

4.6 Summary

From the data analysis, it is evident that some factors influence strategic responses of state corporations across the board, regardless of the category or sector in which the state corporation falls. These factors have been discussed by earlier scholars and hence the research findings are consistent with the views of those scholars as presented in the literature review.

On the other hand, there are some sector and industry differences. These differences lead to a situation whereby some factors may have great influence only to specific sectors and not to others. This finding is clearly proved in table 4, where different state corporations stated other factors that affect their strategic responses. These were viewed to be different from organization to organization.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the study as they relate to the objective of the study. It also states the limitations of the study as well as suggestions for further research.

5.2 Conclusion

Faced with the same scenario, different state corporations will react differently to counter the situation. A number of factors have been viewed to be affecting the responses of state corporations at different degrees. On average factors that highly influence strategic responses by state corporations are organization's mission, organizational structure and control processes and availability of resources consecutively. Those that least influence strategic responses are internal politics, influence of the CEO and competitors' actions and reactions.

Majority of state corporations were almost unanimous on the extent to which organizational structure and control processes, organizational culture, and consideration of the level of risk, influence their strategic responses. On the other hand, there was the highest level of dispersion on the extent to which competitors' actions and reactions and influence of the CEO, affected strategic responses.

The factors that were rated as being very significant in influencing strategic responses by state corporations to changes in the environment are organizational structure and control processes, and availability of resources. Reference to past strategy and degree of the firm's external dependence were rated as insignificant factors. All the other factors were rated as significant in influencing strategic responses by state corporations to changes in the environment.

5.3 Recommendations for Further Research

The problem of identifying factors that influence strategic responses to changes in the environment is one that merits further study. There is need to undertake similar studies in different sectors or industries to ascertain whether different sectors or industries are influenced by different or similar factors in selecting strategic responses. Similarly, another study could be undertaken for all state corporations to verify the results of this survey.

5.4 Limitations of the Study

While sampling, the researcher used a list of state corporations published in 2004 constituting 125 state corporations. Since then, more state corporations have been created but an updated list has not been published by the Inspectorate of State Corporations.

Due to difficulty in extracting information from some state corporations as a result of bureaucracy, some state corporations ended up not responding to the questionnaires within the data collection period. Examples of these are the Regional Development Authorities. This was coupled with the fact that Regional Development Authorities with the exception of one have their offices located out of Nairobi.

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Appendix I

COMPUTATION OF THE SAMPLE

Category	Number of State Corps	Proportion of Population (%)	Sample Size
Financial	15	12.0%	5
Commercial/Manufacturing	31	24.8%	10
Regulatory	26	20.8%	8
Public Universities	6	4.8%	2
Training & Research	11	8.8%	3
Service	25	20%	8
Regional Development Authorities	6	4.8%	2
Tertiary Education/Training	5	4.0%	2
TOTAL	125	100%	40



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 Nairobi, Kenya

DATE..19th.....SEPTEMBER.....2009.....

TO WHOM IT MAY CONCERN

The bearer of this letter ..JANE WERE.....

Registration No: D61/P/2943/05.....

is a Master of Business Administration (MBA) student of the University of Nairobi.

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 if you assist him/her by allowing him/her to collect data in your organization for the research.

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.

Thank you.

J.T. KARIUKI
CO-ORDINATOR, MBA PROGRAM

UNIVERSITY OF NAIROBI
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 MBA OFFICE
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 NAIROBI

QUESTIONNAIRE

The aim of this questionnaire is to collect data that will assist in determining factors that influence strategic responses of state corporations to changes in the environment.

PART I

1. Respondent's name (Optional): _____

2. Respondent's Designation: _____

3. Name of the state corporation.

4. What is your parent Ministry?

5. Under which of the following categories is your state corporation classified?
A) Financial [] B) Commercial/Manufacturing []
C) Regulatory [] D) Public Universities []
E) Training and Research [] F) Regional Development Authorities []
G) Service [] H) Tertiary Education/Training []
I) Others []
If Other, Specify _____

6. Into which of the following categories does your workforce fall?
A) Below 50 Employees [] B) 51 – 100 Employees []
C) 101 -150 Employees [] D) Over 150 Employees []

PART II

1. Some of the strategic responses by organizations to changes in the environment include entering into mergers and acquisitions, Vertical and horizontal integration, related and unrelated diversification, divestiture, restructuring and rightsizing, Staff training and development, competitive appointment of senior staff, outsourcing some services, aggressive product promotion, internationalization, embracing technology, among others. Your organization might have used some of these responses. In the matrix below are some of the factors that influence the choice of a strategic response. Rate the extent to which each of the factors listed in the matrix influenced your corporation's choice of one or any number of strategic responses referred to above.

The numbers on the matrices represent the following:

- 1) Not at all
- 2) To a less extent
- 3) Moderate
- 4) To a great extent
- 5) To a very great extent

Factor	Rating				
	1	2	3	4	5
Reference to past strategy					
Degree of the Firm's External Dependence					
Consideration of the level of risk					
Organizational Culture					
Internal Politics					
The time available for decision making					
Competitors' actions and reactions					
Organizational structure and control processes					
Influence of the CEO					
Ethical aspect of the strategy					
Availability of resources					
Managerial competence					
Organization's mission					
External environmental factors					

2. List other factors that influence strategic responses in your organization and rate them appropriately.

Factor	Rating				
	1	2	3	4	5

Thank you for taking time to complete this questionnaire