STRATEGIC RESPONSES BY KENYA WILDLIFE SERVICE TO GLOBAL ECONOMIC DOWNTURN

BY

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DECLARATION

This Research project is my original work and it has not been presented to any other university or college for examination.

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This Research project has been submitted for examination with my approval as the university supervisor

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DEDICATION

This study is dedicated to my fiancé Scola, parent's brothers and sisters Susan, Vicky, Valentine, Gideon, Edith and Evans.

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LIST OF ACRONYMS AND ABBREVIATIONS

EMCA: Environmental Management and Co-ordination Act

BoT: Board of Trustees

GoK: Government of Kenya

ICT: Information Communication and Technology

KWS: Kenya Wildlife Service

KEFRI: Kenya Forest research institute

KEMFRI: Kenya Marine and fisheries research institute

KARI: Kenya Agricultural research institute

GDP: Gross Domestic Product

GFC: Global Financial crisis

CBK: Central bank of Kenya

FDI: Foreign Direct Investment

IMF: International monetary fund

CPI: Consumer Price Index

ABSTRACT

The objective of the study was to establish the strategic responses adopted by Kenya wildlife Service to the global economic downturn. The research was conducted through a case study using primary data collected administered through the drop and pick later method. The researcher sent 56 questionnaires to the seven divisions of the organization. However, 43 of the questionnaires were returned registering a 77% response rate. The data was analyzed through the use of descriptive statistics. It was established that KWS is striving to outdo the prevalent global economic downturn through a review of the organizational structure, culture, leadership, staffing/recruitment, market development, tariff increase, innovations, cost cutting, diversification, market research, decentralization. However, they are faced with challenges like politics, increased insecurity, financial downturn, instability in neighboring countries, climate change, increased unemployment, fluctuations of foreign currencies, inflation rate, lack of adequate resources and increased food prices which could be avoided when responses are made before it is due. Arising from the findings, it was recommended that KWS needs to introduce operational systems; ensure that financial and human resources systems are in place; review and document organizational systems, procedures and policies; put in place a system to review and audit organizational skills; focus employee training on customer care; focus the organization's operations on profitability; realign organizational systems and plans; conduct customer satisfaction surveys; diversify into other products such as cycling in parks, rock climbing and provide camping gears for hire and use in the parks; and enhance Corporate social responsibility campaigns so as to improve on its pubic image.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

A tropical storm viewed from a weather satellite looks more or less uniform, as if it is affecting every area it touches with equal force. On the ground the picture is different. One home loses its roof while others on the same street come through intact. One community is devastated while its neighbor a mile away escapes unscathed (Ashish and Rigby, 1997).The same is true of economic downturns. Even a sharp downturn affects everyone differently. Each company has particular strengths and vulnerabilities. Each will have different answers to three critical questions: How is the slowdown affecting the industry I compete in? What is my company's strategic position within that industry? And what level of financial resources can my company draw on? Your most powerful moves in a downturn depend on where you stand on these three dimensions.

Downturns hit some industries harder than others, so staying alert matters. The variations get amplified in a globalizing, interdependent economy. Here, history doesn't repeat itself, but it does provide context With the economic storm gaining intensity, companies around the globe naturally feel exposed and vulnerable. Some firms won't rise to the occasion. They'll fall back in the pack, be acquired, or face bankruptcy, But downturns create opportunities as well as risks. By understanding clearly your strengths and weaknesses as a firm, and how this downturn will affect them, you can focus your actions on the areas of the business you control.

Organizations without exception depend on the environment as a source of inputs in the form of resources and as outlets for their outputs after a transformation (Porter, 1995). Because all organizations are environment serving or dependent, the environment within which companies operate is constantly changing presenting opportunities, challenges and hurdles that a manager must jump at the right time (Mintzberg, 1987). Failure to adapt the organization to its environment leads to a strategic problem evidenced by a mismatch between what the organization offers and what the market demands. In order to achieve their desired corporate goals in the increasingly competitive and interconnected business environment, organizations have found it necessary to engage in strategic management in order to be proactive to the changing economic environment. The role of strategy therefore is to link the organizations' capabilities and its environment (Ansoff and McDonnell, 1959).Kenya wildlife Service in its day to day operation faces all factors of the environment which calls for strategic responses for achievement of its mandate.

Other Kenyan companies have been impacted by economic downturn that is now claiming its employees as it downsize to remain sustainable. So far, a number of blue chips have opted to go public with their layoffs. In April, East African Breweries trimmed a "significant number" of its workforce while mobile service provider Zain cut 141 jobs. As the downturn tightens its grip on Kenyans, the common folk have responded accordingly to cope with the recession

Ansoff and McDonnell (1990), note that strategic response involve changes to the organizations behavior. Such response may take many forms depending on the organization capability and the environment in which it operates. According to Pearce and Robinson (1991), strategic responses are the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objectives. It's thus a reaction to what is happening in the organization's environment. On the other hand Hunger and Wheeler (1990), note that operational responses are concerned with developing and nurturing a distinctive competence to provide an organization with a competitive advantage.

1.1.1 Strategic Responses

According to Ansoff (1998), organizations must adapt new strategies to new environmental condition. The change in environmental factors will require strategies, which in turn call for reformed organizational capabilities. Organizations in industries that are fast changing respond to changes in different ways. While some may resort to improving current market and products, divestiture and diversification, others use techniques that ensure operational effectiveness. All organizations are faced with the challenge of managing strategy. Strategic issues by nature are future oriented and require large amounts of the organizations' resources. They often affect the organization's long-term prosperity and therefore have enduring effects on organizations for better or worse. They are based on what managers forecast, and not what they know. In a turbulent environment, an organization will succeed only if takes a proactive (anticipatory) stance towards change (Migunde, 2000).

In seeking to respond to the crisis, it is important to distinguish between the short-to-medium term and the longer term aspects of a strategic response. There is, of course, considerable uncertainty and differences of opinion regarding the likely duration of the crisis. Some believe it will involve a steep decline followed by a sharp upward swing, once the various stimulus packages are put in place by countries. Others feel that it is a steep decline followed by a long trough before the global economy begins to recover. Yet others, adopting a more pessimistic view, see the crisis as a steep decline followed by a long period of downturn before global economic prosperity returns. Given the diversity in the assessment of the duration of the crisis, the region will need to identify a number of short to medium-term as well as a long term measures, with a built in flexibility to move on both fronts simultaneously, instead of becoming fixated on short-term approaches, notwithstanding the need to respond in some cases with an appropriate sense of urgency to address pressing problems

Kenya wildlife service Macro economic environment has impacted on the operations of the organization and related strategic objectives in various ways including Unpredictable exchange rates, escalating energy and food costs, high inflation rates; uncertain monetary and fiscal policies, international tourist and economic trends influence to a great deal operations of the organization. In addition, creation of an enabling environment for investment (under Vision 2030) inequitable distribution of wealth, unemployment and underemployment are all real variables to be considered and noted.

1.1.2 Kenya Wildlife Service

Kenya Wildlife Service (KWS) is a State Corporation established by the Wildlife (Conservation and Management) Act, CAP 376 and The Wildlife (Conservation and Management) (Amendment) Act no. 16 of 1989. They provide for the establishment of national parks and national reserves and define how they are to be managed. The Environmental Management and Coordination Act (EMCA) of 1999 provides for the legal and administrative co-ordination of the diverse sectoral initiatives, including management and conservation of wildlife so as to improve the national capacity for the management of biodiversity and the environment in general.

The operations of the KWS are also impacted and guided by other overarching policy and legal frameworks (e.g. those relating to Forests, Fisheries, Mining, Lands, Water, Industry, Rural Development, Agriculture, Local Government, National Security, National Museums and the research programmes under KEFRI, KEMFRI and KARI) which necessitate structured and functioning relationships with other GOK departments/agencies and the international and local communities.

Kenya's GDP grew at 7% in 2007 and slowed to 4% in 2008 (due to political turmoil) and now expects only 3% growth in 2009. Focusing on actual GDP data from 2008Q3 which coincides with the downturn, real GDP grew by 2%, compared to 3% in

2008Q2 and -1% in 2008Q1. The worst performance compared to 2007Q3 was in hotels and restaurants due to the poor performance of the tourism sector (-35%), but this may also be due to the political turmoil. This is followed by agriculture (which is rain-fed) and manufacturing which registered negative growth this compares to 2007 performance where, the tourism sector maintained an upward growth momentum by recording approximately 2 million visitor arrivals, up from 1.6 million arrivals in 2006, reflecting a 12.5 percent growth. Consolidated tourism earnings expanded from Kshs. 56.2 billion in 2006 to about Kshs. 65.4 billion in 2007, reflecting an 11.6 percent growth. This was an impressive growth and the leading economic sector in Kenya recording the highest growth in the economy at 13%. It contributed about 12% of the country's Gross Domestic Product and accounts for over 9% of total wage employment, and is also a major source of Government Revenue in the form of taxes, duties, licence fees, entry fees, etc. In addition, tourism through its multiplier effect has the capacity to promote regional development, create new commercial and industrial enterprises, stimulate demand for locally-produced goods and services and provide a market for agricultural products.

The industry's strength is mainly based on Kenya's natural attractions, which include wild game. These wildlife resources managed by KWS are the backbone of the tourism industry in Kenya. KWS accounts for 90% of Safari Tourism and about 75% of total tourist earnings.

Kenya Wildlife Service controls approximately 8% of the total landmass of the country comprising 22 terrestrial national parks, 4 marine national parks, 28 terrestrial national reserves, 6 marine national reserves and 5 national sanctuaries. In addition to this, KWS currently controls 125 game stations outside protected areas. Within these parks and stations are infrastructural developments like office and residential blocks, training institutes, workshops, research centers, Bandas, hotels, shops and restaurants, boreholes, road networks, airstrips and related plant and equipment.

1.2 Statement of the Problem

Kenya Wildlife Service in the recent years has proved to the world that it is basically key driver towards the Kenyan economy. Established in 1989 following wanton poaching of Kenya's big game, the semi-autonomous parastatal organization has been credited for conserving and maintaining Kenya's biological diversity represented by the variety of ecosystem in forest reserves, terrestrial and marine parks. KWS in its operations find itself in a complex phenomenon resulting from very large socio-political contents of its environment. Also, its objectives fluctuate in their supposed order of priority almost from day to day at the whim of the public and parliamentary opinion. Moreover, the management does not have the freedom to optimize its performance in pursuit of a single objective, even in pursuit of a number of stable and compatible ones.

Kitchings, (2005) in his study explains that Kenyan economy is market based, with some state owned infrastructure enterprises and maintains a liberalized external trade system. Further still he explains that Kenya's economy is highly dependent on rain fed agriculture and tourism sector that leaves it vulnerable to cycles of boom and bust. Consequently, since its inception, Kenya Wildlife Service has been recording deficits due huge operating and security related expenses making it elusive to being a financially sustainable organization. As a result of the increasing and ever changing environment, the parastatal's management has been challenged to rethink its strategies to be able to ensure continued sustained operations and effectiveness while adhering to government regulations and policies. By adopting strategic responses, Kenya Wildlife Service would be more focused on effectiveness, as its management would be required to change the organizations' strategy to match the environment and also transform or redesign its internal capability to match the adopted strategy.

Various studies have been done to evaluate how organizations respond to environmental factors. Kathuku, (2005) carried out a study on strategic responses by cooperative bank of Kenya. Ndubi (2006)studied responses of SACCOS to changing operating environment , Mbai (2006) studied responses by Mwalimu SACCO as a result of changing environment, Lalampaa (2006) studied the responses by higher educaton loans board to environmental challenges in financing higher education in Kenya. Mulema (2004) carried out a study of the responses to the environment in the service industry focusing on Teachers Service Commision and Mwirania (2003) focused his study in Telkom Kenya Ltd. However, with the many studies that has been conducted on various organizations, results obtained cannot be used to absolve another organization owing to the Industrial differences and inter factors. Ansoff and Mc donnell (1990) argued that parts of the challenge agenda faced by different industries and firms are different, thus its not possible for organizations to adopt similar prescription to all its challenges which would apply to all other industries and firms. Therefore, how has Kenya wildlife service responded to the global economic downturn?

1.3 Research Objectives

The study sought to establish the strategic responses adopted by Kenya wildlife Service to the global economic downturn.

1.4 Significance and Justification of the study

The findings of this study will benefit KWS management by enabling them to develop better management principles that will help them survive the global economic downturn. Moreover it will be of assistance to the senior management given the turn out in the management of the organization hence consistency of both corporate and functional strategies for the institution.

Lastly the findings of the study constituted additional information and knowledge for further studies on strategic responses by KWS or any other organization in the public sector.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter focuses on literature review as derived from research works by other researchers obtained from manuals, journals, magazines and internet. The purpose of this section is to assist the researcher ascertain what knowledge and ideas have been established on strategic responses and Global economic downturn, Hence familiarize himself with any contrasting perspective and viewpoints on the topic under study

2.2 Organizations and the Downturn

Downturn in a country's economy is measured by a decline in aggregate economic activity. Most economic measures of a downturn are at least partly subjective, although a widely held definition says a downturn occurs when real gross domestic product declines in two consecutive quarters. Another indicator of a downturn is a sudden rise-at least two percentage points-in the unemployment rate. This often means that a downturn can be well underway before policymakers in government and business become aware of it and begin taking corrective actions.

Crisis theory has been the subject of much debate within the history of the Marxist critique of political economy. Its few perceptive exponents faired very badly during the vagaries of Stalinist orthodoxy It is concerned with explaining the business cycle, downturn and crises in capitalism, drawing particularly on Karl Marx's achievement in articulating the Law of the Tendency for the Rate of Profit to Fall arising out of the consequences of value relations.Kenya has not articulated a strong view on how to handle the GFC. A task force has been set up to look into ways of cushioning Kenya's economy from the adverse effects of the GFC. The Central Bank recently lowered the cash ratio from 6% to 5% and the Central Bank Rate from 9% to 8.25% in order to lower interest rates and enhance credit supply in the economy, although some observers contend these actions are not enough to significantly achieve these objectives. Besides actions by the CBK, the government has initiated a number of programmes which however may not be directly linked to the GFC.

Velde, 2008 and Kennan, 2009 in their studies identified various factors that makes a country vulnerable to the crisis this includes; Countries with a significant share of exports to crisis-hit advanced economies, economies depending on few commodities or multiple-dependent commodity exporters, Countries exporting commodities whose prices have dropped or products and services with high income elasticity of demand, Countries heavily dependent on remittances and/or tourism, Countries heavily dependent on private capital flows (including FDI, portfolio and Development Finance Institutions) and particularly exposed to the volatility of capital inflows, Countries with exposed banking sectors and sophisticated but weakly regulated stock markets, Countries with a high share of foreign-owned banks and foreign assets and Countries dependent on aid.

As Ansoff and McDonnell (1990) argued, business firms are in a constant two way interaction with the government. They receive an assorted of resources from the environment and after a transformation, deliver them back to the environment in the form of goods and services. The connection of the external environment and the organization is that of input – throughout – output process where inputs are received from the environment and released back into the same environment after being processed by the organization. What is released back can only be consumed by the organization if it fits the environment requirements and needs (Porter, 1985).

Pearce and Robinson (2007) define an organization's external environment as all those factors beyond the control of the firm that influence its choice of direction, action, organizational structure and internal processes. Organizations exist in a complex commercial, economic, legal, demographic, technological, political, cultural and social environment. This environment is not static but is under constant change which affects the organizations that operates within it. These environmental changes are more complex to some organizations than others and for survival an organization must maintain a strategic fir with its environment. The environment is important and an organization has to respond to its dynamism, heterogeneity, instability and uncertainty (Thompson, 1967). In addition, the competitive environment has been and continues to be driven by technological innovation, global, competition and extreme emphasis on price, quality and customer satisfaction. As a result organizations must continuously create and innovate in order to stay relevant and be successful. A sustainable competitive advantage is achieved when there is a strategic fit between the external and internal environment. Suave (2002) noted that the environment is a critical factor for any organization's survival and success hence should be seen as a biosphere in which individuals and organizations live over the long term and as a community project in which to be actively involved. It is a resource to be managed and to be shared hence the need to effectively manage the value system, establish collaborative partnerships and get involved in social responsibility, this will enrich this resource and enhance the corporate image of the organization.

Fundamental forces of change have been experienced in the global business environment resulting in unprecedented competition. Organizations responding to these changes have realized their existing strategies and configurations may no longer serve them (Ansoff and McDonnell, 1990). In this case, the degree of change are important factors and determine whether an organization's external environment is relatively stable or unstable. External environmental factors are most responsible for change, which include competition, cultures, customers, politics, technology and the labor forces. Individuals in organizations must often make decisions under conditions of risk and uncertainty. These decisions reflect the environmental forces that those individuals cannot control, but that may in the future influence the outcomes of their decisions.

It is imperative that managers apply critical investigations into the realities of the changing environment of this millennium through enlightened diagnosis of the problem it faces. Commercial, economic, political, social, cultural and technological factors for example can influence the lifestyle and health of people. This same environment should also be seen as a system that calls for profound understanding in order to improve decision making and recognize the links between past, present and future and also between local and global matters. According to Hunger and Wheelen (1999), the environment consists of variables that from the context within which the firm exists. As Pearce and Robinson (2000) noted, a firms environment can be divided into two main subsets; internal and external environments.

2.3 Economic Downturn

There is no commonly accepted definition of a global downturn, IMF regards periods when global growth is less than 3% to be global downturns. The IMF estimates that global downturns seem to occur over a cycle lasting between 8 and 10 years. During what the IMF terms the past three global downturns of the last three decades, global per capita output growth was zero or negative. Economists at the International Monetary Fund (IMF) state that a global downturn would take a slowdown in global growth to three percent or less. By this measure, four periods since 1985 qualify: 1990–1993, 1998, 2001–2002 and 2008–2009.

According to economists, since 1854, the U.S. has encountered 32 cycles of expansions and contractions, with an average of 17 months of contraction and 38 months of expansion. However, since 1980 there have been only eight periods of negative economic growth over one fiscal quarter or more, and four periods considered downturns: July 1981-November 1982: 14 months, July 1990-March 1991: 8 months, March 2001-November 2001: 8 months, December 2007-current: current. For the past three downturns, the NBER decision has approximately conformed to the definition involving two consecutive quarters of decline. While the 2001 downturn did not involve two consecutive quarters of decline, it was preceded by two quarters of alternating decline and weak growth. Official economic data shows that a substantial number of nations are in downturn as of early 2009. The US entered a downturn at the end of 2007 and 2008 saw many other nations follow suit.

The 2008/2009 downturn is seeing private consumption fall for the first time in nearly 20 years. This indicates the depth and severity of the current downturn. With consumer confidence so low, recovery will take a long time. Consumers in the U.S. have been hard hit by the current downturn, with the value of their houses dropping and their pension savings decimated on the stock market. Not only have consumers watched their wealth being eroded - they are now fearing for their jobs as unemployment rises. The unemployment rate of US grew to 8.5 percent in March 2009, and there have been 5.1 million job losses till March 2009 since the downturn began in December 2007. That is about five million more people unemployed compared to just a year ago. This has become largest annual jump in the number of unemployed persons since the 1940's.

A few other countries have seen the rate of growth of GDP decrease, generally attributed to reduced liquidity, sector price inflation in food and energy, and the U.S. slowdown. These include the United Kingdom, Ireland, Canada, Japan, China, India, New Zealand and many countries within the EEA. In some, the downturn has already been confirmed by experts, while others are still waiting for the fourth quarter GDP growth data to show two consecutive quarters of negative growth. India along with China is experiencing an economic slowdown but not a downturn. Also Africa and South Africa are experiencing economic slowdown and global outbreak. Australia avoided a technical downturn in 2009, and had positive growth against the overall global economic downturn. Kenya's economic growth rate fell from 7.1 percent in 2007 to 1. 7 percent in 2008. The projections for this year are modest with financial experts putting the maximum growth rate at two to three percent

2.3.1 Economics factors

Pearce and Robinson (2007) state that economic factors concern the nature and direction of the economy in which a firm operates. Since consumption patterns are affected by the relative affluence of various market segments, each firm must consider economic trends in the segments that affect its industry. Some of the economic factors on both national and international level that managers must consider include general availability of credit, the level of disposable income, the propensity of people to spend, interest rates, inflation rates, and trends in the growth of the gross national product. The economic conditions affects how easy or hard it is for a firm to be successful and profitable at any time. A firm must therefore include these factors in its strategy formulation.

Business is affected by the external environment as it is by the competitors. It is important that firms are aware of the changes in the external environment to be successful. Understanding the influence of Macroeconomic factors helps the firms to determine the current market conditions and how beneficial will they be for the success of their business. Various macroeconomic factors that influence the business are:

2.3.1.1 Economic Growth

Economic activities refer to the level of buying and selling activities happening in an economy over a time period. It is a highly complex activity and keeping accurate track of it is beyond comprehension. Economic activity is not constant and can change rapidly, thereby affecting the business. Economic activity changes could happen due to the following reasons; Changes in income levels, Future prospects of individuals, Future of the economy, The level of economic activity in the world as a whole, Political activities around the world, Natural disasters - like hurricanes, earthquakes, or flood etc, Changes in prices of raw materials - oil, metals, fuel, energy and so on, Changes in world stock markets

The level of economic activity is usually measured by GDP (Gross Domestic product). It refers to the total amount of goods and services a country produces. Businesses are greatly influenced by the economic activities. When GDP rate falls or slows down, there will be a fall in demand for good or services offered by businesses.

As a result, businesses will witness a fall in revenues and profit margins. To curb this business will have to reduce their prices to increase the sales. This could further lead to increase in unemployment. On the other hand when there is an increase in GDP, the demand for products will automatically increase and hence the prices will go up. To cope with the increase in demand business will need to employ new people resulting in reduction in Unemployment rates.

2.3.1.2 Interest Rates

Interest rates are the charges levied by the banks for lending a loan. Increase in Interest rates will directly influence the business as businesses borrow money from the banks from time to time. Increase in interest rates will lead to higher interest expense: Businesses will have to incur higher costs to repay the loan. Interest rate changes also affect customers who in turn will affect the business. In case of increase in interest rates the amount that individuals need to pay to borrow the money will increase thereby, reducing the demand for large products in the market. Further, if the interest rates decrease then the charges on a loan to buy larger items like cars, electrical equipments are likely to fall. As a result, a large number of people might be willing to buy such items. There will be a sudden increase in the demand for the products offered by such businesses.

2.3.1.3 National Output: GDP

Output, the most important concept of macroeconomics, refers to the total amount of goods and services a country produces, commonly known as the gross domestic product. The figure is like a snapshot of the economy at a certain point in time. When referring to GDP, macroeconomists tend to use real GDP, which takes inflation into account, as opposed to nominal GDP, which reflects only changes in prices. The nominal GDP figure will be higher if inflation goes up from year to year, so it is not necessarily indicative of higher output levels, only of higher prices. The one drawback of the GDP is that because the information has to be collected after a specified time period has finished, a figure for the GDP today would have to be an estimate. GDP is nonetheless like a stepping stone into macroeconomic analysis. Once a series of figures is collected over a period of time, they can be compared, and economists and investors can begin to decipher the business cycles, which are made up of the alternating periods between economic downturns (slumps) and expansions (booms) that have occurred over time.

2.3.1.4 Unemployment

The unemployment rate tells macroeconomists how many people from the available pool of labor (the labor force) are unable to find work. Macroeconomists have come to agree that when the economy has witnessed growth from period to period, which is indicated in the GDP growth rate, unemployment levels tend to be low. This is because with rising (real) GDP levels, we know that output is higher, and, hence, more laborers are needed to keep up with the greater levels of production.

2.3.1.5 Inflation

With the increase in Inflation there will be an increase in the level of prices of products and services over a specific period of time. As a result the firms will have to incur higher costs of operations. This will be also due to the increase in wages of the employees Inflation is primarily measured in two ways: through the Consumer Price Index (CPI) and the GDP deflator. The CPI gives the current price of a selected basket of goods and services that is updated periodically. The GDP deflator is the ratio of nominal GDP to real GDP. If nominal GDP is higher than real GDP, we can assume that the prices of goods and services have been rising. Both the CPI and GDP deflator tend to move in the same direction and differ by less than 1%. CBK data showed that Kenya inflation rose from 18.8% in January 2008 to 21.9% in January 2009, and most recently inflation was at 25.1% in February 2009. Some remaining inflationary pressures, despite lower commodity prices may be explained in some by depreciating local currencies.

2.3.1.6 Disposable Income

What ultimately determines output is demand. Demand comes from consumers (for investment or savings - residential and business related), from the government (spending on goods and services of federal employees) and from imports and exports. Demand alone, however, will not determine how much is produced. What consumers demand is not necessarily what they can afford to buy, so in order to determine demand, a consumer's disposable income must also be measured. This is the amount of money after taxes left for spending and/or investment. In order to calculate disposable income, a worker's wages must be quantified as well. Salary is a function of two main components: the minimum salary for which employees will work and the amount employers are willing to pay in order to keep the worker in employment. Given that the demand and supply go hand in hand, the salary level will suffer in times of high unemployment, and it will prosper when unemployment levels are low.

Demand inherently will determine supply (production levels) and equilibrium will be reached; however, in order to feed demand and supply, money is needed. The central bank prints all money that is in circulation in the economy. The sum of all individual demand determines how much money is needed in the economy. To determine this, economist's look at the nominal GDP, which measures the aggregate level of transactions, to determine a suitable level of money supply?

2.3.2 Government Response

Government responses to address the fall out of the global financial crisis ranges from continue business as usual to a pro-active approach. Some countries are considering implementing or accelerating growth policies (e.g. Cambodia), or implementing fiscal stimuli (Indonesia), yet in others there has been a very small monetary policy step and not much else (e.g. Kenya).

2.3.2.1 Monetary Policy

A simple example of monetary policy is the central bank's open-market operations. When there is a need to increase cash in the economy, the central bank will buy government bonds (monetary expansion). These securities allow the central bank to inject the economy with an immediate supply of cash. In turn, interest rates, the cost to borrow money, will be reduced because the demand for the bonds will increase their price and push the interest rate down. In theory, more people and businesses will then buy and invest. Demand for goods and services will rise and, as a result, output will increase. In order to cope with increased levels of production, unemployment levels should fall and wages should rise. On the other hand, when the central bank needs to absorb extra money in the economy, and push inflation levels down, it will sell its T-bills. This will result in higher interest rates (less borrowing, less spending and investment) and less demand, which will ultimately push down price level (inflation) but will also result in less real output.

2.3.2.2 Fiscal Policy

The government can also increase taxes or lower government spending in order to conduct a fiscal contraction. What this will do is lower real output because less government spending means less disposable income for consumers. And, because more of consumers' wages will go to taxes, demand as well as output will decrease. A fiscal expansion by the government would mean that taxes are decreased or government spending is increased. Either way, the result will be growth in real output because the government will stir demand with increased spending. In the meantime, a consumer with more disposable income will be willing to buy more. A government will tend to use a combination of both monetary and fiscal options when setting policies that deal with the macro economy.

2.4 Levels of Strategic Management

Strategy in business can be understood to be split into three different levels – Corporate Unit level, Business Unit level and the Operational level, the main difference between them being due to their sphere of influence (Sharplin ,1985). A brief introduction to these levels is necessary for estimating the scope of strategy and the power it wields on various business and operational activities.

2.4.1 Corporate level strategy

Pearce and Robinson (2005), describes Corporate level strategy as one which concerns itself with the whole corporation as a unit and consequently, aims to answer the purpose or the mission of the organization. Corporate level strategy makers analyze the commonalities of various business units and work to add value to the whole system besides individual growth of participating business units. In other words, corporate level strategy takes a view at the overall scope of an organization and how to enhance stakeholder value. Issues concerning the introduction of new products or expansion into new markets or segments are all a part of this strategic level. Assessing the value of a business unit in the overall portfolio of activities is also a corporate level decision alongside optimal resource allocation for units.

Corporate level strategy forms the trunk of the strategic decision tree and the management has to be fully aware of its implications as well as the sensitivity of all succeeding strategies, no matter at what level. It is of prime importance that corporate level strategy is fully aligned with the overall vision of the organization and the values and expectations of stakeholders. Any deviation can result in serious repercussions for the management as also the stakeholders. A detailed analysis of corporate level strategy shall be dealt with in detail later.

Strategic responses

Ansoff and McDonnell (1990), note that strategic response involve changes to the organizations behavior. Such response may take many forms depending on the organization capability and the environment in which it operates. According to Pearce and Robinson (1991), strategic response are the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objectives. It's thus a reaction to what is happening in the organization's environment. On the other hand Hunger and Wheeler (1990), note that operational responses are concerned with developing and nurturing a distinctive competence to provide an organization with a competitive advantage.

Thompson (1997), defines strategic adaptations as a change that takes place over time to the strategies and objectives of an organization. Such change can be gradual or evolutionary or more dramatic or even revolutionary. Well developed and targeted strategic responses are formidable weapons for a firm in acquiring and sustaining a competitive edge. The results of strategic activity are new products, new services, new processes, new markets, abandoned markets, new competitive strategies for attacking the markets and new responses to social and political challenges. The overall responsibility for effective strategic response belongs to the general management of the firm. Strategic response is where the strategy will achieve the best fit for an organization, given its situation, is implemented by selecting a good strategy given the organizations circumstances, competitive advantage will be built. Literature on strategy formation and choice generally support the use of sophisticated analytical, technique if an organization is to improve its chances of selecting the most ideal strategy that would be relevant to its situation. However, Keith et al (1998) notes that manager involved in strategy formulation still rely heavily on get feet and intuition when selecting the most appropriate strategy. Since the effectiveness of a particular strategic response is largely a function of the firms environment (Andrews, 1971) a strategy that is effective under one set of environment conditions may be much less effective under a later changed set of conditions.

2.4.1.1 Information and communication technology

The computer and development in telecommunications are the most important aspects of information and communication technology that have transformed the business environment and process. According to Porter (1998) technological change especially information technology, is amongst the most important forces that can alter the rules competition. The computer has enabled the automation of many processes in business organizations which has led to dramatic improvements in productivity and reduction in costs while telecommunications have dramatically improved the speed with which information is transmitted thus facilitating speedy decision making.

Information technology has become an indispensable ingredient in several strategic thrust that business have initiated to meet the challenges of change. Such strategic thrust include internet working, the internet, intranets and other types of networks, which have become the primary information technology infrastructure that supports the business operations. This is especially evident in electronic commerce. Using information technology for business re-engineering frequently results in the development of information systems that help give a company a competitive advantage in the market place. These strategic information systems use information technology to develop products services and process and capabilities that give a business a strategic advantage over the competitive forces it faces in its industry (O'Brien, 1999)

2.4.1.2 Leadership

According to Kotler (1990), leadership is about coping with change part of the reason leadership has become important in recent year is that the business world has become more competitive and more volatile. Major changes are more and more necessary to survive and compete effectively in this new environment. More changes always demands more leadership. Pearce and Robinson (2003) observe that organizational leadership involves action in first guiding the organization to deal with constant change, clarifying strategic intent and shaping the culture to fit with opportunities and challenges that change affords and sends, identifying and supplying the organization with operating managers prepared to provide leadership and vision.

Ansoff and McDonnell (1990), characterize organization leadership as a general management capacity. They define general management capability as the propensity and ability of the general management to engage in behaviour, which will optimize attainment of the firms short and long term objectives. They see general management's role as that of a developer of the firm's future. The successful performance of this role requires a climate within the firm, which welcomes and seeks change, a competence to anticipate, analyze and select attractive opportunities. They recognize that general management capacity is determined by qualifications and mentality of key manager, social climate (culture) within the firm, power, structure, systems and organization structure and capability of general management to do managerial work.

According to Pearce and Robinson (2003) organizational structure is the set of important assumptions (often unstated) that member of an organization share in common. An organizations culture is similar to an individual's personality, an intangible yet even present theme that provides meaning, direction and the basis of action. Insightful leaders nurture key themes or dominant values within their organizations that reinforce the competitive advantages they posses or seek such as quality differentiation cost and speed. The most typical beliefs that shape organization culture include a belief in being the best, a belief in superior quality and service, a belief in the importance of details of execution, the nuts and bolts of doing the job well a being the customers should reign supreme e.g. one approach to develop a culture of quality is enough.

Total quality management (TQM) whose idea and principles were empowered by Deming (1950). TQM focuses management in the continuous improvement of all, processes of work. It is built around an internal focus on customer satisfaction. On accurate measurement of every critical variable in business operation, on continuous improvement of products, services on work relationship based on trust and teamwork. An important tool of TQM is benchmarking whole objective is to identify the "best practices" in performing an activity to learn how lower fewer defects cost, or other outcomes liked to excellence are achieved.

2.4.1.3 Cultural change

Brown (1998) defines organizational cultural as the pattern of beliefs, values and learned ways of coping with experience that have developed during the court of an organizational history and which tend to be manifested in its members. Thus an appropriate and cohesive culture can be a source of competitive advantage. This is because it promotes consistency, coordination and control and reduces certainty while enhancing motivation and organizational effectiveness of which facilitate the chances of being successful in the market place. Corporate cultural identity for the market is a strategic tool that is used to manipulated consumer perception of an organization and its product and services.

The culture of organization would need to be changed when it does not fit well with the requirement of the environment or the organization resources, the company is not performing well and needs major strategic changes, or the company is growing rapidly in a changing environment and needs to adapt. Kotler, (1996) notes that truly adaptive firms with adaptive cultures are awesome competitive machines. They produce superb products and services faster and better even when they have fewer resources or less market share. Cultural change and corporate learning are interdependent. The rate of organizational learning is dependent in culture while the rate and continent of organizational learning fundamentally influence culture.

2.4.1.4 Organizational Structure

Wilson and Rosenfeld (1990), define organizational culture as the established pattern of relationships outlining communication control and authority patterns with regards to the number of levels in the structure of the organization often. Referred to as the scalar chain, Drucker (1989) suggests that those should be as far as possible, too many levels bring difficulties in the understanding of objectives and communicating both up and down the hierarchy. Successful organization once required an internal focus, structured interaction, self sufficiency, and top sown approach. Today and tomorrow, organization structure reflects an external focus, flexible interaction, interdependency and a bottom up approach (Pearce and Robinson 2003).

One of the strategic responses to environmental is restructuring at the heart of restructuring is the notion, that some activities, within the business value chain are more critical to the success of the business strategy than others. Business process Re-engineering (BPR) popularized by consultants hammer and Chumpy (1993) is one of the more popular methods by which organizations have undergone restructuring efforts to remain competitive. It involves fundamental rethinking and radical redesigns of a business process to achieve dramatic improvements such as reduce cost, improve quality and service and improve on speed. Re-engineering and value orientation here led to down sizing, outsourcing and self-management as true themes influencing organizational structured. Downsizing is eliminating the number of employees' particularly middle management in company. Downsizing results in increase self management, larger spans of control and more work for those that remain outsourcing is obtaining work that was previously done by employees inside the organization from sources the company many organizations have outsourced some activities. Such as information processing, various personnel activities and production of parts that can be done better outside the company. Outsourcing then, can be a source of competitive advantage and result in a learner, flatter organization structure.

2.4.1.5 Competitive strategy

Porter (1998) states that the goals of a competitive strategy for a business went in an industry is to find a position in the industry where the company can best defend itself against the five competitive forces - entry, threat of substitution, bargaining power of buyer, bargaining power of suppliers and rivalry among current competitors. There five forces constitute the industry structure and it is from industry analysis that the firm determines its competitive strategy. He identified three potentially successful generic strategy approaches to outperforming other firms in an industry. There are overall cost leadership, differentiation and focus, in formulating its strategic response to changes in its environment, a firm must have a first decided on a core idea of generic strategy about how it can best compete in the market place. Pearce and Robinson (1997) states knowledge of these underlying sources of competitive pressure provides the grounds work for strategic agenda of action. The highlight of the critical strengths and weaknesses of the company, animate the positioning of the company in its industry, clarify the areas of strategic changes and may yield the greatest payoff.

2.4.1.6 Diversification

Diversification makes sense when good opportunities can be found outside the present business. Kotler (2000) states that a good opportunity is one in which the industry is highly attractive and the company has the mix of business strengths to be successful Fred 1997 observed. Three types of diversification are possible. The company could seek new products that have technological and/or marketing synergies with existing product lines even though the new products themselves may appeal to a different group of customers (concentric diversification). Second the company might search for new product that could appeal to. Its current customers even though the new products are technologically correlated to its current product line (horizontal diversification). Finally, the company might seek new business that have no relationships to the company's current technology, products or markets

(Conglomerate diversification) Strategic responses to a changing competitive environment therefore entail substantial changes to organization long term behavior. The adaptation may be gradual or revolutionary depending on the nature and circumstances facing the organization.

2.4.1.7 Differentiation strategy

Differentiation strategy is one of porter's key business strategies. When using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty (porter, 1998). Pearce and Robinson (2007) contend that strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. Product differentiation fulfils a customer need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

2.4.2 Business level Strategy

SBU- level strategic management is the management of an SBU's effort to compete effectively in a particular line of business and to contribute to overall organizational purposes. Sharplin (1985), Business level strategies are essentially positioning strategies whereby businesses tend to secure for themselves an identity and position in the market. The aim here is to increase the business value for the corporate and stakeholders by increasing the brand awareness and value perceived by the customers. If we understand products or a services offered by a business unit as a deck of cards, then we can safely decipher that businesses do not have many suits to play with.In fact, they can either focus on pricing or product differentiation to increase the perceived customer value. It is a different thing that for either of the suit there are many parameters that need to be studied which is a painstakingly complex and time consuming process.

2.4.3 Functional level Strategy

Sharplin (2005), explains that functional strategic management involves relatively narrow areas of activity which are of vital, pervasive or continuing importance to the total organization. It is concerned with successfully implementing the strategic decisions made at Corporate and business unit level through optimal utilization of resources and competencies of the business unit. This level of strategy is extremely significant in shaping the success of other strategies as it translates strategic decisions into strategic actions by directly impacting the design of operational processes and networks, human and other resources etc. Companies can also adopt operational strategies and purchasing strategies (Hayes et al, 1996). They argue that operations provide powerful sources of competitive advantage as a subordinate to finance, marketing and Research and Development functional areas of the organization. Byars (1991) notes other operational strategies to include Research and Development strategies, human resource strategies and purchasing strategies. According to him, the human resource strategy is concerned with determining the human resources that the organization needs to achieve its objectives as it could decide to use low-skilled or skilled employees. He observes that the Research and Development strategies are an effective way to safeguard the organization against either product or production process obsolescence. For the purchasing strategy, he notes that they deal with the obtaining of raw materials, parts, and supplies needed to perform operational functions.

Operational Responses

According to Hunger and Wheelen (1990), firms can respond to environmental changes by crafting new operational strategies, which are taken by functional areas of the organization to achieve corporate and business unit objectives by maximizing resource productivity. They note that operational responses are concerned with developing and nurturing a distinctive competence to provide an organization with a competitive advantage. They observed that these operational responses include marketing and financial strategies. As they noted, marketing strategy deals with pricing, selling and distribution of a product. By adopting a marketing development strategy, a company can nurture a share of existing market for current products through market saturation and market penetration. As Kotler (1990) observed, the company could also develop new markets for current products. Using the product development strategy, a company can develop new products for existing markets or develop new products for new markets. A company can use "push" and "Pull" marketing strategies for advertising and promotion. A company can also examine the financial implications of corporate and business unit options and identify the best financial course of action. As Hunger and Wheelen (1990) noted, the key issue here is the trade-off between the desired debt-to-equity ratio and relying on internal long-term financing via cash flows.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This Chapter provides an account of the procedures and methods that were used in carrying out the research. The study was guided by the research objectives laid down in chapter one which will then cover the research design, data collection and data analysis methods. The research will be qualitative in nature.

3.2 Research Design

The research was conducted through a case study. A case study is an in depth investigation of an individual group, institution or phenomena (Mugendi 2001) Kothari (1990) defines a case study as a very powerful form of qualitative analysis and involves a careful observation of a social unit be that of unit, person family, institution, cultural , group or even the entire community. The research is geared towards collecting as much data as possible in order to establish strategic responses by Kenya Wildlife Service to global economic downturn. The importance of using a case study is that enables an in-depth understanding of behavior patterns of the concerned unit facilitating intensive study of concerned unit facilitating intensive study of the concerned unit which is not possible with different methods. It also avails possibility of obtaining the inside facts from experienced personnel.

3.3 Data Collection

The study used both primary data to study how Kenya Wildlife Service responded to the global economic downturn. The data was obtained through personal interviews guided by a questionnaire. The drop and pick method was also used. The researcher collected data from top management, middle level management and lower level management.

3.4 Data analysis

The data obtained was descriptive. As a result, the data was analyzed through the use of descriptive statistics which includes frequency distribution, percentages, mean scores and standard deviation.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter provides the analysis, and interpretation of data gathered through questionnaires distributed to Kenya wildlife service managers and data collected from the KWS strategic plan, Annual report, circulars and journals.

4.2 Response rate

The researcher sent 56 questionnaires to the seven divisions of the organization comprising of Directors', Security, Strategy and Change, Community wildlife service, Research & Biodiversity, corporate support and Finance and Administration. Each division was required to complete 8 questionnaires. 43 of the questionnaires were returned registering a 77% response rate.

Table 4.1: Response Rate per Division

Division	Target	Frequency	Percentage
Security	8	6	75
Finance and Administration	8	8	100
Strategy and Change	8	7	88
Biodiversity Research and	8	6	75
Corporate Support	8	6	75
Directors	8	6	75
Community Wildlife Service	8	4	50
Total	**56**	**43**	77

4.2.1 Response rate by Job category

According to the target population tabulation, the questionnaires were to be answered by senior managers, middle level managers and low level managers who are the formulators take part in the implementation of the strategies.

Table 4.2: Response rate by Job Category

Job Category	Frequency	Percent
Senior Management	14	33
Middle Management	13	30
Lower Management	16	37
Total	**43**	**100.0**

The table above shows the response rate in terms of job category. From the analysis, 33% respondents were senior managers, 30% middle managers and 37% lower level managers.

4.2.2 Response by work experience

The table under shows the respondents distribution in terms of work experience. In this analysis there are 12% of the respondents who have worked for less than 1 year, 51% of the respondents have worked for between 2 to 5 years, 21% of the respondents have worked for between 6 to 10 years, whilst 16% have worked for more than 10 years.

Table 4.3: Response by Work Experience

Period	Frequency	Percent
Less than 1 year	5	11.6
2-5 year	22	51.2
6-10 years	9	20.9
More than 10 years	7	16.3
Total	43	100.0

The purpose of this analysis was to determine the participation of employees on the basis of work experience. For obvious reasons employees who have stayed in an organization for a longer period have enough information compared to employees who have stayed for a shorter period. The experience of employees' impacts on the validity of data collected.

4.2.3 Response by Level of Education

The researcher sought to find out the level of education of the respondents. The purpose of this analysis was to determine the participation of employees on the basis of education. For obvious reasons employees with high level of education have better understanding of the global economic downturn, hence a better understanding on the required responses. The findings were as in the following table.

Table 4.4: Response by Level of Education

Level of Education	Frequency	Percent
PhD	2	5
Masters	21	49
Bachelors	13	30
Diploma	7	16
Total	**43**	**100.0**

There are 5% of the respondents who have acquired their PhD's, 49% are masters holders, 30% Bachelor degree holders while the remaining 16% hold diplomas.

4.2.4 Strategic Planning process

The study endeavored to obtain data on how strategic planning was being undertaken in the organization. It looked at the existence of formal strategic planning process, the level of involvement of staff in the process and how it was communicated to the staff. The purpose of this analysis was to establish whether the respondents' contribution in strategy formulation is indeed of great importance. It is from these strategic plans that one can identify the various strategic responses the organizations have adopted.

In this analysis the researcher found out that all the respondents know that the organization has a strategic plan with vision and mission statements. The only issue where respondents differed was the level of involvement in strategic planning process. 91% agreed involvement and only 9% disagreed. Taking into account the importance of strategies, the percentage involved in the formulation strategies is enough. Hence, that explains the reasons why Kenya wildlife service has beaten the odds to achieving its mandate. Furthermore, the analysis on who should the back stop in formulation of strategy raised varied response. 47% of the respondents claimed that it is the role of top management. 35% said it was the responsiobilty of the BOT, Top management, Director and Consultants to formulate strategix plans for the organization. 12% confirmed that consultants formulated strategic for the organization.

The researcher sought to find out how different respondents felt the extent the organization was impacted by the downturn. This is because Global downturn is a subjective matter which welcomes different views in terms of impact. 37% of the respondents felt that the extent of the economic downturn was between 15-45%, whereas 63%felt that the impact was over 45%. The study further sought to establish the extent of strategic response by KWS to the Global economic downturn. Findings indicated that KWS had stagnated in its response to the downturn rated at a mean score of 4.36 out of a possible 5. A feeling that the response had decreased was rated at a mean score of 3.88. The rating as to whether the organization's response had increased was the lowest rated at a mean score of 1.66.

4.3 Challenges facing Kenya Wildlife Service

While the organization is interested in positively responding to each and every changed business environmental condition taking place in the industry, it is not easy to do so due to certain challenges experienced by the organization in their day-to-day activities. The table below depicts the challenges faced by KWS when setting responses.

Respondents were required to indicate the extent to which the identified challenges were impeding response to the global downturn on a five point likert type scale ranging from 1 (very seriously) to 5 (not at all). The scores "Very seriously" and "Seriously" represented a variable that was Most challenging (MC) in response to the global economic down-turn equivalent to 1 to 2.5 on the five-point Likert scale. The score "Moderately" refers to a variable that was Less challenging (LC) in response to the global economic down turn equivalent to 2.6 to 3.5 on the five-point Likert scale. The scores of "Less serious" and "Not at all" represented a variable that was not challenging (NC) in response to the global economic down turn equivalent to 3.6 to 5 on the five-point Likert scale. Standard deviations of more than one (Std Dev. >1.0) represented a significant difference in the degree in which the variable was challenging in response to the global economic down turn. The findings were as in Table 4.5.

Table 4.5: **Challenges facing Kenya wildlife service**

Challenge	Mean	Std.
Reduced government funding	2.28	0.93
Liberalization of the Economy i.e. Public private partnership.	3.19	0.79
Politics	1.58	0.98
Globalization	2.73	1.06
Information technology advancement	2.58	0.85
Poor infrastructure in terms of information technology	2.72	0.93
Reduced Growth	2.46	0.97
Changes in customer taste/needs	2.49	0.86
Increased unemployment	2.35	1.09
Inflation rate	2.14	0.89
Increased Insecurity	1.74	0.88
Fluctuations of foreign currencies	2.35	0.69
Lack of adequate resources	2.50	0.93
High staff turnover	3.00	1.09
Rapid changes in business environment	3.00	0.87
Lack of skilled manpower	3.00	1.02
Increased food prices	2.47	0.91
Financial downturn	1.74	0.76
Climate change	1.79	0.97
Instability in neighboring countries	1.95	0.82
Stringent government policies/directives	2.56	0.77
Tariff change	3.23	0.87
Cost cutting measures	2.64	1.08

Findings indicated that the respondents were in agreement that reduced government funding, politics, increased insecurity, financial downturn, instability in neighboring countries, climate change, increased unemployment, fluctuations of foreign currencies, inflation rate, lack of adequate resources and increased food prices were the most challenging when responding to the global economic downturn as all these challenges were rated at mean scores of less than or equal to 2.5. however, the degree of variation to the extent to which these variables were most challenging when responding to the global economic down turn does not significantly differ as reflected by the standard deviations of less than one (Std. Dev<1.0).

The respondents confirmed that liberalization of the Economy i.e. Public private partnership, Globalization, Information technology advancement, Poor infrastructure in terms of information technology, High staff turnover, Rapid changes in business environment, Lack of skilled manpower, Stringent government policies/directives, and Cost cutting measures as challenges facing the organization were less challenging whrn responding the global economic down turn as they both scored mean scores of above 2.5 but less than 3.5 out of the possible 5. Results indicated that the degree to which globalization, increased unemployment, high staff turnover, lack of skilled manpower and cost cutting measures were challenging when responding to the global economic down turn varies significantly as they reported standard deviations of more that one (Std. Dev. 1.0).

4.4 Strategic responses to the global economic downturn

Various responses are put in place to counter the global economic down turn. These include the organizational structure, culture, leadership, staffing/recruitment, market development, tariff increase, innovations, cost cutting, diversification, market research, decentralization.

Respondents were requested to indicate the extent to which various responses had helped KWS counter the global economic downturn on a five-point Likert scale ranging from 1 (very large extent) to 5 (no extent). The scores of "Very Great Extent" and "Great Extent" represented a variable that had helped KWS counter the global economic downturn to a "Great Extent" (GE) equivalent to 1 to 2.5 on the Likert scale. The score of "Moderate" represented a variable that had helped KWS counter the global economic downturn to a "Some Extent" (SE) equivalent to 2.6 to 3.5 on the Likert scale. The scores of "Small Extent" and "No Extent" represented a variable that had helped KWS counter the global economic downturn to a "No Extent" (NE) equivalent to 3.6 to 5 on the Likert scale. The findings were as in the following tables.

Table 4.6: Organizational Structure

Response	Mean	Std.
Introduction of new posts	3.65	1.13
Reduction of posts	3.85	1.10
Flattening of the structure	3.43	1.58
Average	**3.64**	**1.27**

From Table 4.6, overall, the organizational structure has been of no help to KWS responding to the global economic down turn as this factor was rated at a mean score of 3.64 out of a possible 5. Introduction of new posts and reduction of posts were of no help to KWS in responding to the down turn. Flattening of the structure was to some extent helpful to the organization's response to the down turn. However, the degree of variation to the extent to which the organizational structure was helpful in responding to the down turn significantly varies as it had a standard deviation of more than one (Std. Dev. >1.0).

Table 4.7: Organization culture

Response	Mean	Std.
Changes in beliefs and values	2.30	1.22
Willingness to be the best	2.23	0.90
Average	**2.27**	**1.06**

From Table 8, the analysis shows that organizational culture has been of great help to KWS responding to the global economic down turn as this factor was rated at a mean score 2.27 out of a possible 5. All the variables to the response showed great extent of usefulness towards countering the economic downturn. However, the degree of variation to the extent to which organizational culture was helpful in responding to the down turn significantly varies as it had a standard deviation of less than one (Std. Dev. <1.0).

Table 4.8: **Organizational leadership**

Response	Mean	Std.
Top management commitment	2.28	1.14
Departmental heads commitment	2.67	1.17
Average	**2.48**	**1.16**

The analysis on Table 4.8 shows that KWS leadership has provided leadership in responding to the global economic down turn as this factor was rated at a mean score 2.48 out of a possible 5. Top management commitment contributed a great extent in the leadership aspect whereas departmental heads commitment is to some extent helpful. However, the degree of variation to the extent to which the organizational leadership was helpful in responding to the down turn significantly varies as it had a standard deviation of more than one (Std. Dev. >1.0).

Table 4.9: Staffing

Response	Mean	Std. Deviation
Based on competence	2.91	1.06
Vacancy advertisement	2.65	0.75
Skills and Experience	2.81	0.93
Average	**2.79**	**0.92**

Findings in Table 4.9 above shows that staffing/recruitment in KWS has to some extent been helpful to some extent in responding to the global economic downturn. This factor was rated at a mean score 2.79 out of a possible 5. However, the degree of variation to the extent to which the organizational leadership was helpful in responding to the down turn has had small significance variation with a standard deviation of less than one (Std. Dev. <1.0).

Table 4.10: **Market Development**

Response	Mean	Std. Deviation
Focus on domestic market	2.51	0.80
Product differentiation	3.42	0.91
Price Leadership	2.93	1.06
Average	**2.95**	**0.92**

From Table 4.10, overall, the market development has been to some extent of help to KWS in responding to the global economic down turn as this factor was rated at a mean score of 2.95 out of a possible 5. All variables taken into cognizance has had its importance towards responding to the downturn to some extent. However, variation to the extent to which market development has had on responding to the down turn has had minimal deviation of less than one (Std. Dev. <1.0).

Table 4.11: Innovations

Response	Mean	Std. Deviation
Introductions of park events	2.28	0.70
Technology in operations	2.56	0.93
Adoption/Upgrading of technology	2.74	0.66
Provision of services	2.73	0.55
Average	**3.05**	**0.95**

Findings in Table 4.11 show that KWS innovativeness has provided enough cushioning that's is able to guard it to some extent on the effects of the global economic downturn. This has however been varied in terms of contribution whereby introductions of park events having a great extent in contributing to innovations and other factors including technology in operations and provision of services providing response to some extent. However, the degree of variation to the extent to which the innovation was helpful in responding to the down turn had minimal significance of less than one (Std. Dev. >1.0).

Table 4.12: **Cost cutting**

Aspect	Mean	Std. Deviation
Prioritization on core activities	2.56	0.77
Trimming operations	3.30	0.94
Public private partnership	2.95	0.84
Outsourcing non-core activities	2.91	1.15
Pay cuts for particular periods	3.88	1.42
Average	**3.12**	**1.02**

Findings in Table 4.12 show that KWS has instituted various cost cutting measures as a way of remaining relevant in times of global economic crisis The analysis on this table shows that, prioritization on core activities, trimming operations, public private partnership and outsourcing of non core activities has been helpful towards responding to the crisis which was rated 3.12 overall. However, the degree of variation to the extent to which the cost cutting was instituted varied significantly to a standard deviation of more than one (Std. Dev. >1.0).

Table 4.13: Diversification

Aspect	Mean	Std. Deviation
Income generation activities	3.02	1.30
Offering new products	3.10	0.91
Offering other products	2.93	1.02
Average	**3.02**	**1.07**

From the findings illustrated in Table 4.13 above, overall the diversification had some extent of effect in responding to the downturn which has been rated 3.02. However, the degree of variation to the extent to which the diversification has been helpful in responding to the down turn varied significantly to a standard deviation of more than one (Std. Dev. >1.0).

Table 4.14: **Market Research**

Aspect	Mean	Std. Deviation
Research on customer needs	3.47	0.98
New markets development	3.28	1.05
Focus on domestic market	2.79	0.86
Product pricing	2.67	0.97
Develop market niche	3.26	1.26
Average	**3.09**	**1.02**

Market research findings have shown in Table 4.14 above that it has had to some extent impact on response to the downturn. These factors which included research on customer needs, new markets development, focus on domestic market, product pricing and the need to develop market niche had contributed to top a small extent rated at a mean score of 3.09. However, the degree of variation on market research has to some extent been varied to a standard deviation of more than one (Std. Dev. >1.0).

Findings indicated that decentralization to regional offices has had great importance in responding to the global economic downturn, this is as a resultant of the ratings by respondent which gave a mean of 2.44. However, the degree of variation of decentralization has to some extent been varied to a standard deviation of more than one (Std. Dev. >1.0), hence an indication of divergent views in the issue.

CHAPTER FIVE: SUMMARY AND CONCLUSIONS RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusion and policy implication based on research findings.

5.2 Summary, and Conclusions

KWS is striving to outdo the prevalent global economic downturn even though challenging and ever posing a great threat to the business. They have tried to respond well to the environment by looking at ways of cost cutting, innovation of new tourism product offering amongst others. However, since they hardly involve their staff in strategy formulation, then their creativity to combat non-traditional players would be insufficient. They are thus faced with challenges like, politics, increased insecurity, financial downturn, instability in neighboring countries, climate change, increased unemployment, fluctuations of foreign currencies, inflation rate, lack of adequate resources and increased food prices which could be avoided when responses are made before it is due. Poor, unreliable and slowness of growth in ICT coupled with stringent regulations is making it difficult for them to complete with non-traditional players who have fast tracked their innovation through the use of technology and had been let loose to innovate with less hindrance by the regulator.

5.3 Conclusions

From the foregoing discussion, it can be concluded that KWS faces stiff competition emanating from various other tourist destinations. The organization's position as the leader in leader in wildlife conservation is under threat arising from the great extent to which most of the other industry players are performing.

This study had one major objective to establish the strategic responses of the Kenya Wildlife Service to the global economic downturn. One of the response strategies adopted by KWS is the use of superior technology. This strategy was basically to enhance the organization's systems and policies to improve the efficiency and effectiveness of its staff. This strategy worked for KWS although it has not been fully implemented.

The organization has also made efforts towards collaborative arrangements with stakeholders aimed at improving its recognition, linkages and relationships with stakeholders so as to achieve its mandate. Such collaboration took the form of improving the management of relationships with communities, the private sector, NGOs, Gok and its agencies and the scientific community. However, the organization is slow and lacks the necessary operational policies for the same.

Kenya Wildlife Service also increased its marketing strategy due to the increased competition in the tourism industry. Kenya Wildlife Service has made marketing and tourism promotions more pronounced with a lot of emphasis on promotion of domestic tourism with increased production of branded materials such as cookery, glassware, pottery, T-shirts. However, it lacks the required funds to adequately operationalize these strategies.

Diversification has also been resorted to by the organization as a response to the increased competition in the tourism industry. Kenya Wildlife Service has embraced diversification of revenue generating activities including new and expanded tourism and non-tourism facilities and products such as Horse-riding, walking Safaris, game viewing, hiking, and underwater viewing. Kenya Wildlife Service has also strengthened its internal capacity so as to attain its operational and fiscal stability, develop and implement its rationalized organized structure, devolve its operations to parks and stations and purchase, improve and codify its physical facilities and equipment. However, the organization still lacks the needed skilled human resources and policies to effect the strategy.

In addition, the KWS has put in place a five-year strategic plan to guide and integrate its corporate as well as departmental operations in the competitive tourism environment. This strategic plan is to focus the organization on commercialization of non-core activities, resource mobilization, development of appropriate partnerships, revision of the wildlife policy and legislation, minimization of the human-wildlife conflict, enhancement of wildlife and visitor security, security of wildlife habitats, undertaking of demand-driven research, acquisition of and development of appropriate staffing levels, and ensuring cost-effective and efficient use of the limited resources. However, the organization is yet to fully establish the needed structures to ensure the plan's full implementation.

Furthermore, KWS has responded to the needs of the conservatory regions by developing organization-wide human resources systems, policies and procedures manuals empowering the organization's conservatory regions to devolve them with area wardens. In addition, it was established that KWS is regrouping its Fields and Parks on regional basis with similarities in ecosystems, geographical proximity and conservation activities and decentralizing its structures in order to facilitate faster decision-making. They have enhanced communication and information flow within the organization and are in the process of establishing administrative policies and procedures to guide their operations.

From the discussions above, KWS response to the global economic downturn have been proactive in nature given that the response has been institutionalized to day to day operations. For the organization to achieve it mandate and the set objectives there is need for continuous proactive business approach in its daily operations. Moreover at the formulation stages the organization needs to involve all staff to ensuring that there is successful implementation of the strategic plan.

5.4 Limitations of the Study

One major limitation of the study was the fact that most area assistant directors as well some heads of departments were not available. Hence, the researcher was forced to administer questionnaires to the acting officers in their offices. Secondly, the time allocated for the study was limited. The global economic downturn is still taking place presenting various challenging elements for the organization and KWS is still responding to the downturn.

Thirdly, the study focused on management perspective. It would have been of value to obtain the views of other stakeholders such as tourists, suppliers of the organizations as well as other suppliers of alternative tourist destinations.

5.5 Recommendations for Further Research

Arising from the findings, it is recommended that a further research be done to establish what turnaround strategies was adopted by KWS

5.6 Recommendations for Policy and Practice

The policy and legislative framework under which KWS operate has not kept pace with the changes in the operating environment. The organization's capacity to fulfill its mandate has therefore been curtailed. KWS needs to be proactive in policy and legislative reviews and enforcement to ensure its sustainability.

KWS needs to assume the leadership in conservation and natural resource management by raising the profile of science in it operations and improve on the effectiveness and adaptability of management and security functions. The capacity of KWS needs to be enhanced all round in order to equip it sufficiently to deliver its mandate. Appropriate change management activities need to be identified and included in the strategic plan to focus and control the envisaged changes.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

STRATEGIC RESPONSES BY KENYA WILDLIFE SERVICE TO THE GLOBAL ECONOMIC DOWNTURN

This questionnaire is divided into three Parts. Part I will be used to obtain general information about the respondent .Part II will be used to obtain the extent to which economic variables have to the organization. Part III will be used to ascertain the extent certain strategies by Kenya Wildlife service has had on responding to the global economic downturn.

NB: The Information obtained will be strictly treated in confidence. Your assistance in completing this Questionnaire will be highly appreciated

Instructions:

Tick in the space provided [ ] or write your response in the space provided (...............)

PART I: RESPONDENTS AND INSTITUTION'S PROFILE

A) Please state your Division/Department/Area

....

B) Position in the organization structure

Senior level Manager [ ]

Middle level Manager [ ]

Lower level Manager [ ]

Others (Please specify)____________________

C) Which of the following statement best describes your work experience in the organization?

Less than 1 year	[ ]
2-5 years	[ ]
6-10 years	[ ]
More than 10 years	[ ]

D) What is your highest level of education?

PhD Level	[ ]
Masters Degree	[ ]
Bachelors Degree	[ ]
Diploma	[ ]

Others (specify please)..

E) Does KWS have a Strategic Plan?

Yes [ ] No [ ] Not aware [ ]

F) Does KWS have a vision statement?

Yes [ ] No [ ] Not aware [ ]

G) Does KWS have a mission statement?

Yes [ ] No [ ] Not aware [ ]

H) Does the organization involve you when planning/Reviewing the strategic plan?

Yes [ ] No [ ] Not aware [ ]

I) How often is the plan reviewed?

Yearly	[ ]
2-3 years	[ ]
2- 5 years	[ ]
Never reviewed	[ ]
Others (specify)	[ ]

J) Who is Responsible for Formulating/ Review strategic plans in KWS?

BOT	[ ]
Director/CEO	[ ]
Top management	[ ]
Consultants	[ ]
Others (specify)	[ ]

K) In your opinion to what extent do you think the global economic downturn has affected the organization

Less 15%	[ ]
15% to 30%	[ ]
30% to 45%	[ ]
45% to 60%	[ ]
60% to 75%	[ ]
Over 75%	[ ]

l) To what extent do you agree or disagree with the following statements on strategic response by KWS to the Global economic downturn.

Statement	Strongly agree	Agree	I don't Know	Disagree	Strongly disagree
Increased					
Decreased					
Stagnated					

PART II: ORGANIZATION AND ECONOMIC VARIABLES

Below are some of possible challenges facing the organization, in your opinion kindly indicate to what extent they have affected the organization on the scale given.

1 = Very seriously

2 = Seriously

3 = Moderately

4 = less serious

5 = not at all

Challenges	1	2	3	4	5
Reduced government funding					
Liberalization of the Economy i.e. Public private partnership.					
Politics					
Globalization					
Information technology advancement					

Poor infrastructure in terms of information technology					
Reduced Growth					
Changes in customer taste/needs					
Increased unemployment					
Inflation rate					
Increased Insecurity					
Fluctuations of foreign currencies					
Lack of adequate resources					
High staff turnover					
Rapid changes in business environment					
Lack of skilled manpower					
Increased food prices					
Financial downturn					
Climate change					
Instability in neighboring countries					
Stringent government policies/directives					
Tariff change					
Cost cutting measures					

Others (specify)

____

____

____

PART III: STRATEGIC RESPONSES

In your opinion, please indicate to what extent the following responses have helped the organization counter the global economic downturn. Considering the following scale

1 – Very great extent

2 – Great extent

3 - Moderate

4 – Small extent

5 – No extent

		1	2	3	4	5
A.	Organizational structure					
(i)	Introduction of new posts	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Reduction of posts	[ ]	[ ]	[ ]	[ ]	[ ]
(iii)	Flattening of the structure	[ ]	[ ]	[ ]	[ ]	[ ]
B.	Organization culture					
(i)	Changes in beliefs and values	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Willingness to be the best	[ ]	[ ]	[ ]	[ ]	[ ]
C.	Organizational leadership					
(i)	Top management commitment	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Departmental heads commitment	[ ]	[ ]	[ ]	[ ]	[ ]
D.	Staffing/recruitment					
(i)	Based on competence	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Vacancy advertisement	[ ]	[ ]	[ ]	[ ]	[ ]
(iii)	Skills and Experience	[ ]	[ ]	[ ]	[ ]	[ ]

G.	Market development					
(i)	Focus on domestic market	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Product differentiation	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Price Leadership	[ ]	[ ]	[ ]	[ ]	[ ]
H.	Tariff Increase					
(i)	Focus on domestic market	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Product differentiation	[ ]	[ ]	[ ]	[ ]	[ ]
I.	Innovations					
	Introductions of park events	[ ]	[ ]	[ ]	[ ]	[ ]
	Technology in operations	[ ]	[ ]	[ ]	[ ]	[ ]
	Use of advanced technology					
(i)	Adoption/ Upgrading of technology	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Provision of services	[ ]	[ ]	[ ]	[ ]	[ ]
J.	Cost cutting					
(i)	Prioritization on core activities	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Trimming operations	[ ]	[ ]	[ ]	[ ]	[ ]
(iii)	Public private partnership	[ ]	[ ]	[ ]	[ ]	[ ]
(iv)	Outsourcing non-core activities	[ ]	[ ]	[ ]	[ ]	[ ]
(v)	Pay cuts for particular periods	[ ]	[ ]	[ ]	[ ]	[ ]
K.	Diversification					
(i)	Income generation activities	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	Offering new products	[ ]	[ ]	[ ]	[ ]	[ ]
(iii)	Offering other products	[ ]	[ ]	[ ]	[ ]	[ ]

L. Market research

(i)	Research on customer needs	[ ]	[ ]	[ ]	[ ]	[ ]
(ii)	New markets development	[ ]	[ ]	[ ]	[ ]	[ ]
(iii)	Product pricing	[ ]	[ ]	[ ]	[ ]	[ ]
(iii)	Develop market niche	[ ]	[ ]	[ ]	[ ]	[ ]

M. Decentralization

(i)	Decentralize to regional offices	[ ]	[ ]	[ ]	[ ]	[ ]

APPENDIX II: Letter of introduction to the respondent

University of Nairobi
School of Business
Dept. Of Business Administration
P.O. Box 30197
Nairobi

Dear Respondent,

COLLECTION OF SURVEY DATA

I am a postgraduate student at the University of Nairobi, School of business. In order to fulfill the degree requirements; I am undertaking a management research project on "**Strategic responses by the Kenya Wildlife Service to the Global Economic Downturn**".

You have been selected to form part of this study. Therefore, I kindly request your assistance to kindly fill the accompanying questionnaire.

The information provided will be used exclusively for academic purposes and will be held in strict confidence.

Thank you

Yours faithfully

EDWIN CHEROP
STUDENT

DR. ZACK AWINO
LECTURER

KWS/137

31st August, 2009

Edwin C. Cherop
KWS HQS

Dear Edwin,

APPLICATION TO CARRY OUT RESEARCH

Reference is made to your letter dated 27th August, 2009 on the above subject.

We are pleased to confirm that your request to carry out research has been approved for three (3) months from 1st September, 2009 to 30th November, 2009 at Kenya Wildlife Service Headquarters, subject to the following conditions;

1. You shall not disclose any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of KWS.
2. You shall not, without KWS's written prior consent make use of any document or information enumerated in 1 above.

You are required to give a copy of your final findings to the Human Capital – Training and Development Office.

Yours sincerely,

Jacqueline Muthoga
For: DIRECTOR

Cc: Deputy Director – Strategy & Change

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAM – LOWER KABETE CAMPUS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 27/08/2009

TO WHOM IT MAY CONCERN

The bearer of this letter Edwin C. Cherop

Registration No: D61/8762/2006

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.

DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA OFFICE
P. O. Box 30197
NAIROBI