STRATEGIC RESPONSE TO ENVIRONMENTAL CHANGES BY WORLD HEALTH ORGANIZATION IN KENYA

BY

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DECLARATION

This research project is my original work and has never been presented in any other		
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DEDICATION

This study is dedicated to my dear lovely wife Grace and my sons Gitau and Kamande for their perseverance, support encouragement and prayers during the program. Whenever I would feel weak, their love kept me going.

The study is also dedicated to my mother Grace Wambui who sacrificed in order to ensure that I got basic education which marked the beginning of the journey leading to this project and for training me the value of patience, discipline and hard work. The study is also dedication to my paternal grandmother Hannah Wanjiru Wakang'u (Cucu wa Gathanga) for her encouragement and to my late maternal grandmother Elizabeth Watiri wa Kung'u (Cucu wa Wakang'u) who took care of me during my childhood.

Above all the study is dedicated to the Almighty God for bestowing upon me his kindness and strength to acquire knowledge and go through this program. Glory is to His name forever.

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ABSTRACT

Strategic response has been an important concept in strategic management by commercial organizations over time. However it is only in recently that the concept started getting attention by non profit organizations managers who have to contend with unprecedented challenges resulting from major micro and macro environmental changes. Survival and success of these non profit organizations calls for crafting and deployment of appropriate response strategies. Industry, political, economical, social -cultural, technological, ecological and legal forces influence operations in non profit organizations forcing them to seek for appropriate response strategies for survival and growth. Dynamism in business environment makes some past successful strategies to be obsolete forcing managers to modify them or craft new ones in order to keep abreast with the environmental changes.

The objectives of this study were to investigate how business environmental changes affect World Health Organization in Kenya and what response strategies the organization is adopting. In order to achieve these objectives, the investigation was designed as a single case study. The study involved collection primary and secondary data. The primary data mostly qualitative was collected by means of a semi structured interview guide where members of senior management in the organization were interviewed, while the secondary data came from review of documents, reports and policies. The interview guide provided the principal source of the data. In order to corroborate the findings from the interviews, content analysis of

relevant documents, reports and policies coupled with physical observation of the operations at the organization was undertaken.

The case study results indicate that the concept of strategic response is partially appreciated at the World Health Organization in Kenya and that the organization employs a combination of different strategies across the organization. In addition the findings shows that the extent of implementation of these strategies in not uniform across the various programs and hierarchical levels in the organization. Crafting and adopting of appropriate response strategies is at a more advanced level at the organization's Headquarters level than at the country office. For instance while the strategic direction from the headquarters is for more collaboration and cohesion with other United Nations agencies in the country, WHO country office is yet to fully embrace the strategy.

Overall though the country office has taken some steps toward embracing appropriate strategic response especially as appertains to strategic relationships with other organizations mainly non profits outside the United Nations system, weak environmental scanning hinders the crafting and adoption of appropriate response strategies in line with the environmental changes. Other strategies being partially employed at the country office includes organizational learning, focus and differentiation strategies.

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LIST OF ACRONYMS

AFRO Africa Regional Office
AMRO Americas Regional Office
CDC Centre for Disease Control

EB Executive Board

EMRO Eastern Mediterranean Regional Office

EURO European Regional Office

HO Head Quarters

IFRC International Federation of the Red CrossINGO International Non Governmental OrganizationIOM International Organization for Migration

KCO Kenya Country Office

MDGs Millennium Development Goals

MOH Ministry of Health

MOPS Ministry of Public Health and Sanitation

MOMS Ministry of Medical Services NGO Non Governmental Organization

PESTEL Political, Economical, Social, Technological, Ecological and Legal

SEARO South East Asia Regional Office

SWOT Strengths, Weaknesses, Opportunities and Threats

UN United Nations

UNAIDS United Nations Programme on HIV/AIDS

UNDAF United Nations Development Assistance Framework

UNDP United Nations Development Programme
UNEP United Nations Environmental Programme
UNESC United Nations Economic and Social Council

UNFPA United Nations Population Fund

UNHCR United Nations High Commission for Refugees

UNICEF United Nations Children's Fund

UNOCHA United Nations Office for Coordination for Humanitarian Affairs

WHA World Health Assembly
WHO World Health Organization
WPRO Western Pacific Regional Office

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

This study is intended to investigate the impacts of business environmental changes on operations of the World Health Organization in Kenya and the strategies it is adopting to respond to these changes. Organizations exist and operate in the context of complex environment with commercial, political, economical, social-cultural, technological, ecological and legal variables that are rapidly changing. The dynamism of external environment provides both opportunities and threats to an organization. While all organizations private or public experience environmental impacts on their operations, the effects may differ between different contexts.

Ansoff (1987) observes that business environment is continuously changing. In order to survive, organizations need to constantly scan their environment and align their operations to match the environmental turbulence. Since environment is not static, development of strategy should be evolving otherwise organizations may become victims of their past success and get out of line with the environment. Russell (1998) observes that organizations grow old because habits based on successful strategies are hard to change in line with the environmental changes. Similarly Ahmed, et al (1996) observes that complexity and turbulence of business environment calls upon organizations to be flexible and adapt to the relentless change and state of fluidity, complexity and chaos. Crafting successful strategic responses depend on understanding the impacts of environmental changes, understanding, the organization's strategic capability and managing expectations and influences of powerful stakeholders.

1.1.1 Strategic Responses

In order to respond to environmental changes, organizations need to craft and implement appropriate strategies. The concept of strategy has its history within the military but later adopted by the business world. The word strategy originates from the Greek word "Strategos", which means 'what Generals do'. There are various perspectives of what the concept of strategy. Lack of common agreement has led different authors to define the concept in their own words.

According to Mintzberg (1987), strategy is a plan, ploy, pattern, position or perspective. It is a plan when it is consciously intended, designed in advance of the actions it governs and developed deliberately. It is a ploy when it entails specific maneuvers to outsmart opponents and shed off competitor's threat. As a pattern, strategy emerges from a stream of actions while as a position it involves locating an organization in the environment is such a way as to develop sustainable competitive advantage. Strategy as a perspective reveals the way an organization perceives the outside world. The perception may be an abstract which exists only in the mind of some interested parties.

According to Brown and Eisenhardt, (1998), organizations potentially face two opposite problems. One is where managers and organizations become too webbed to one view of the future, making them too futuristic thereby plugging them into a "foresight Trap". The other is where managers or organizations give little attention to forces which affect the future thereby failing to evolve with changes in the environment. Acceptance that environment is ambiguous, uncertain and complex could help managers avoid falling into either trap. Strategic response entails evaluating available alternative strategic options, selecting and then implementing the most appropriate option for survival and growth.

It involves positioning the organization within the most attractive environment (Porter 1980), formulating appropriate strategies to exploit the organization's strategic capability for sustainable competitive advantage and addressing the expectations and influences of key stakeholders.

There are several strategies that non profit organizations adopt in response to environmental changes. Successful response depends on selection and implementation of the most appropriate strategies. Some of the strategies which World Health Organization could employ includes conformity strategy (DiMaggio & Powell 1983), Porter's generic strategies (Porter, 1980, 1985), collaboration strategies (Doz & Hamal, 1998, Huxham, 1996 & Faulkner, 1995), learning organization (Senge, 1990), and blue ocean strategies (Kim & Mauborgne, 2005). Other strategies may include outsourcing innovation (Quinn, 2000).

1.1.2 World Health Organization

The World Health Organization (WHO) is the UN specialised agency mandated with ensuring of the health for all. In Kenya WHO is classified under international Non Governmental Organizations (INGOs). Kenya NGO co-ordination Act (1990), defines an NGO as any private voluntary grouping of individuals or associations operated without the aim of generating profit or commercial gains but rather organized nationally or international for promotion of social welfare, development, charity or research through resource mobilization. World Health Organization focuses on promotion of health for all. According to World Health Organization definition, health is not the absence of diseases but the attainment of the highest possible state of well being.

The Organization operates within the health sub-sector of the non profit sector. The sector is complex as it deals with every aspect of human life such as medical care, alleviation from hunger, provision of clean drinking water, responding to epidemics and promoting healthy lifestyles. Players

in the sector other than WHO includes other UN agencies such as UNICEF, UNFPA, UNAIDS, UNDP, UNOCHA, NGOs, governmental institutions such as CDC, bilateral and multilateral organizations, development partners and MOH. The Sector complexity and dynamism is propelled by current time's globalization unprecedented in speed, scope and scale.

WHO was established on 7th April 1948 as the health technical cooperation agency under United Nations Economic and Social Council (UNESC) which reports to UN Secretary General. The organization has three governance organs, World Health Assembly, an Executive Board and a Secretariat. WHA with a current membership of 193 states is the supreme organ of the organization. It approves all policies and strategic decisions as proposed by the Executive Board. The board comprises of 34 technically qualified health experts who formulates health and other policies for WHA approval. The secretariat is the implementing arm of the organization and comprises of the administrative and technical staff all over the world. The head of the secretariat is a Director General elected by the WHA every five years. The organization has six regional offices which are AFRO, EMRO, EURO, AMRO, SEARO and WPRO.

In Kenya, WHO has three offices which are Kenya country office (KCO) and country offices for Somalia and South Sudan. KCO is in AFRO Region based in Brazzaville, Congo while Somalia and South Sudan offices belong to EMRO Region based in Cairo, Egypt. KCO human resource consists of 50 nationals and 10 international staffs.

The office is headed by a WHO Representative who also acts as the liaison officer between Kenya government and the Somalia and South Sudan Country offices based in Nairobi. The organization supports the Government of Kenya implement the health agenda through programs implemented in conjunction with the two ministries of health, MOPS and MOMS. These programs are delivered fewer than three clusters which are program support, health systems and WHO presence.

Financial support to Kenya by the health agency has greatly increased over the last few years from US\$ 9,994,000 in 2004/5 biennium, to US\$30,528,000 during 2008/9 biennium. One of the major environmental changes that affect World Health Organization is the UN reforms. The reforms were proposed as a response to changes in the environment within which the UN operates. The changes are propelled by recent time economic conditions, environmental degradation, and erratic climatic changes, resulting to water and food insecurity thereby leading to deteriorating human health. The proposed reforms were aimed at making the UN more effective in responding to the 21st century challenges. The recommendations coined "Delivering as One" targeted at overcoming the systemic fragmentation of programs at country level and create synergetic opportunities among the agencies. (UN Summit 2005).

The reforms comprise of five strategic directions, one coherence and consolidation of UN activities at country level in line with the principle of country ownership, two establishment of appropriate governance, managerial and funding mechanisms at all levels (country, regional, headquarters) to empower and support consolidation and link performance and results of the agencies to funding, three overhaul of business practices of the UN agencies in order to support implementation of the MDGs, four create significant opportunities for consolidation and effective delivery as One UN through an in-depth review of agencies operations and five implementation of the reforms in an urgent but planned manner. The various United Nations agencies and entities are expected to fully support the reforms.

As one of the UN agencies, World Health Organization needs to conform (DiMaggio & Powell, 1983) to these reforms. The reforms provide both opportunities and threats to the Organization. The opportunities include one, access to more funding due to consolidated fundraising. Two synergic benefits as a result of joining the other agencies and third reduced competition as former

competitors become collaborators. The challenges include first implementing conformity to the reforms, second establishing appropriate corporate governance, third reviewing the business practices for an organization which has existed since 1948 and hence solidified its business culture over the years. And fourth creating organizational systems that support coherence and consolidation and accommodate new relationships and reporting lines different from its traditional three level hierarchies.

1.2. Statement of the Problem

Since business environment is constantly changing, appropriate response strategies are also evolving. Successful responses yesterday may not necessarily hold today. Similarly response strategies in different contexts may produce different results. Response strategies can therefore be viewed to be time and context specific. Environmental changes produce both opportunities and threats to organizations and therefore managers need to respond to these changes.

World Health Organization being an open system is affected by the complexity and dynamism of its environment. The environmental changes occur within the United Nations system, the health sector and in the wider nonprofit sector. In order to respond to these changes, the organization needs to craft and implement appropriate response strategies.

Stone and Crittenden (1994) identified five areas in non profit sector which need research attention, to be strategy formulation, strategy content, strategy implementation, performance and governance. Similarly Kearns and Scarpino (1996) identifies independent variable, dependent variable, context and process as other unattended nonprofit areas. Kearns and Scarpino (1996), observes that the level of managerial research focus on the nonprofit sector is inadequate, when compared to the economic impact of such organizations.

In Kenya, studies on strategic response to environmental changes have mainly focused on profit oriented organizations, (Kandie 2001, Kathuku 2005, Goro, 2003, Njau, 2000 and Migunde 2000). Findings from profit oriented studies may not necessarily apply to the nonprofit organizations. Bryson (1988) suggests that the nature of organizations in the nonprofit and public sector prevents exact duplication of the private sector strategic planning process. There have not been sufficient studies to describe how nonprofit organizations respond to environmental changes.

The focus of this study is to identify the impact of environmental changes on World Health Organization and the response strategies being adopted by the organization. The study endeavoured to answer two main questions. One how the environmental changes impacts on World Health Organization? And two what strategies the organization adopts to respond to these changes?

1.3. Objectives of the study

The objectives of this study are one to identify the impacts of environmental changes on World Health organization and two identify the response strategies being employed by the organization.

1.4. Importance of the study

Since business environment is constantly changing, response strategies are also evolving. Studies in strategic responses will therefore continue to be one of the key research areas in strategic management.

This study contributes to understanding how non profit organizations in Kenya respond to environmental changes. The findings of this study enhances insight into strategic challenges facing world Health Organization and enable the management to address the challenges. Management of other United Nations agencies also stands to benefit by being able to articulate the strategic gaps within the environment. The study could also benefit other players within the health sector and enhance how well they respond to the changing environment. The interconnectedness in the health

sector makes the findings of this study valuable to strategic decision making process of the other players in the sector.

The government of Kenya especially the two ministries of health would find the findings of this study valuable. Other interested parties include development partners, donors and governments of member states who may use the findings as a point of reference as they review project proposals and develop policy documents.

In addition, the study contributes to strategic management knowledge for use by academicians, scholars and researchers as a point of reference. The study provides opportunities for further research especially in the context of the nonprofit sector.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

Literature on nonprofits provides several organizational responses to environmental challenges (Alexander, 1998, Oliver, 1991 & Scott, 1997 among others). Hofer (1976) and Wortman (1979) predicted that major environmental shifts would impact the continued success of many nonprofit organizations and observed lack of strategic management studies in such organizations.

Oliver (1991) confirmed that the nonprofit sector has experienced fundamental shifts in their environmental conditions. Due to these changes, organizations are forced to continuously review their response strategies.

2.2. Macro Environmental Analysis

2.2.1 Environmental Dependence

Business environment comprises of internal and external environment .The internal environment comprises of the factors within the organization and the industry within the organization operates

while external environment comprises of factors which affects the organization from beyond the organization's industry boundary. Boulding (1978) defined environment as everything outside a particular organization. According to Ansoff and McDonnell (1990), organizations are both environment dependent and environment serving. They receive their inputs from the environment; transform these inputs through strategy into valuable outputs useful to the environment. Since environment is constantly changing Andrew, (1971), observes that managers cope with these changes by choosing appropriate strategies and designing matching structures. Chandler (1962) observes that structure follows strategy.

Environmental impact on an organization depends on the degree of dependence that the organization has upon its environment. Studies in environmental dependence have led to two main perspectives which are environmental determinism and agent or choice model. Environmental determinism also known as the natural selection model proposes that environment selects certain types of organizations to survive and others to perish based on fit prospects (Hannan & Freeman 1977). The model assumes that an organization survival is determined totally by the environment and management can not alter that destiny. On the other hand the agent or choice model also known as resource dependence model (Pfeffer, 1982) suggests that organizations are able to manage their environment strategically.

Similarly Astley and Van de Ven, (1983), observed that organizations can adapt to environment jolts and even create their own environments. The environment determinism model supports conformity to the environment, while the choice and resource dependence model by Pfeffer (1982) argues that organizations can strategically manage their environment.

Strategic responses by organizations depend upon constant environmental scanning and analysis. Several techniques such as PESTEL, five forces framework and SWOT have been identified for environmental analysis. Successful response strategies can assist organizations to select the most attractive industries and through good positioning within the industries exploit their unique competences thereby gaining competitive advantage.

2.2.2 PESTEL Framework

Organizations operate within a macro environment with influential forces which are continuously changing. These forces have been categorized in the PESTEL framework into six main factors. These are political, economical, social, technological, environmental and legal. Current times, business environment is characterized by a state of permanent flux, complexity and intense competition. Hamel (1994) argues that technological change, globalization, deregulation and social change contribute to a business environment that is in a constant state of flux.

Global politics is constantly changing as new governments takeover power different countries. It is apparent that the UN which was established created 60 years ago to deal with economic and political challenges of the post war world, can no longer handle the emerging global complexity unprecedented in its speed, scope and scale. More than ever before conflicts have evolved from being inter countries to intra countries and intra communities. There are also more risks of terrorism and infectious diseases that threaten security and safety across borders. Political conflicts negatively affect the health sector. It is difficult to provide health care within unstable governments. For Kenya, political conflicts in neighboring countries such as Somalia and Sudan greatly affect health care services within the country. Influx of refugees into Kenya outstretches existing health facilities in addition to promoting transmission of infectious diseases.

Another factor which affected the health sector is the post election crisis of the 2007 which left over 300,000 internally displaced persons in addition to collapse of several health systems. As the leader in health and main collaborator with MOH, World Health Organization is required to support the

Government of Kenya in dealing with the challenges. The organization can not single handedly deal with the challenges and therefore need to establish more preferable relationships (Bielefeld et al, 1998) with other organizations to facilitate the required support.

The organization could for instance become closer to other agencies and tap into the resources mobilized by the unified UN. In addition the organization needs to develop a rapport with the national government and encourage it to provide adequate health budget. The organization needs to play a liaison role between the other agencies and other development partners and the ministries of health.

Global economic conditions and high interdependence has resulted in sharp social and economic inequalities among countries. Some of the poorest countries and communities remain isolated from economic integration and benefits of globalization. Many people especially in the third world can not access the basic needs including health.

In Kenya about half of the population lives in poverty earning less than one dollar a day. They can not access health care service, clean water and food. These challenges hinder the country from attainment the United Nations MDGs. The organization need to establish relationships (Bielefeld et al, 1998) with other stakeholders to facilitate the required support. The organization could collaborate with other organizations such as UNHCR and IOM in addressing in and cross borders health challenges.

There has been various changes in social cultural factors. One such variable is increased calls for gender equality and women empowerment all over the world. In response to these changes the United Nations has incorporated gender equality in all its unified country and made it a permanent mandate within the entire system.

Other social cultural factors include changing lifestyles and increased rural urban migration is creating new health challenges. Rural urban migration in Kenya has resulted in one of the largest informal settlement in Africa located at Kibera in Nairobi. Informal settlements overstretch the available health facilities while poor living conditions lead to disease outbreaks. Changing lifestyles within the Kenyan middle and upper class is also posing health challenges, many people within these social classes are being diagnosed with lifestyle related illnesses such as obesity, lung cancer, and diabetes and cardio logical problems.

World health organization is expected to support the government in dealing with the above challenges. These challenges require a multi sector wide approach which involves many stakeholders. The organization therefore needs to collaboration with other stakeholders, such as the government, other UN agencies, development partners, and NGOs.

Technological advancement creates both opportunities and threats. Some of the opportunities include easy communication, integration, innovation and knowledge transfer. Some of the challenges include technology divide which create inequalities because some countries and communities are unconnected and lose out on globalization benefits. In addition technology is costly and therefore inaccessible to many. Technological advancement affects all sectors in an economy. In Kenya technology is at its developing stage some areas are more connected than others. Connectivity through technology provides a solid platform for collaboration. World health organization can take these opportunities and collaborate more the other UN agencies. In addition the organization could differentiate itself as the source of health information through online resource centre to which other organization can link for health materials.

Some of the key ecological factor changes that affects the world includes global warming, El-Nino Phenomenon, famine and floods which affect human lives. In order to respond to these challenges the UN forum recommended that UNEP be strengthened and encouraged the other agencies to corporate more with the environmental agency. Environmental conditions contributes to most diseases and outbreaks .WHO needs to collaborate with more with other UN agencies, NGOs and development partners and mobilize support the Kenya government in addressing environmental challenges especially as relates to health.

In the recent past, there has been various changes in legal factors. For instance citizens of many countries are more aware of their basic human rights and call for legislative changes to address these needs. In Kenya the government has enacted legislation aimed at addressing the MDGs, such the affirmative action which addresses gender inequality and the children Act which address the rights of children. The recent of legal changes in Kenya is the enactment of a new constitutional dispensation. World Health Organization need to collaborate more with the ministries of health and other stakeholders in order to push for legislation and policies which will ensure that people have access to health.

2.3. Industry Analysis

2.3.1 Introduction

According to economic theory, an industry can be defined as a group of organizations producing similar products. The concept can be extended toward the non profit organizations as a sector. In this case a sector can be viewed as a group of organizations the offering similar services or serving the same sector of the society.

Porter (1979) identified the five forces framework as a framework for the industry analysis and business strategy development. These changes of these forces dictate to a great extent what strategies an organization needs to craft to respond to the changes.

2.3.2 Porter's Five Forces Framework

The five forces framework (Porter, 1980), is a technique for analyzing industries and competitors. The five forces under the framework are threat of entry, threat of substitutes, powers of buyers, power of suppliers and competitive rivalry. The above framework though initially coined for profit making organizations can be applied in the non profit sector within which WHO operates.

Threat of entry depends on the extent to which there is barrier to entry into the sector. The health sector is highly attractive to many organizations. To deal with these threats, world health organization could solidify its relationship with MOH which the most viable mechanism to the serve the health sector in the country.

In addition, the organization could join the other UN agencies in the one country program, where it could enhance its strategic capabilities thereby protect its leadership in the health sector. Collaboration with other United Nations agencies will provide complementing abilities such as human resources and finances thereby providing a definite competitive advantage of the other health sector players.

Threats of substitutes are factors which reduces demand for a particular class of products or services. World health organization may overcome the threat by differentiating itself as authority and leader in health on the basis of neutrality since the organization draws membership from countries all over the world.

In every sector there are powerful buyers and suppliers who influence business operations in the sector. In the health sector buyers include the donors who provide the funds. World Health organization reduces the power of buyers by joining the other UN agencies in joint project proposal where they can be able to negotiate better. In addition the organization could differentiate itself on

cost leadership through efficiency. In order to address the impact of the power of the suppliers, the organization could collaborate with other UN agencies in undertaking centralized procurement.

In current times, the NGO sector just like the profit sector is highly competitive. The sector has many players including UN agencies and NGOs who compete against World Health Organization for funding .

The organization could reduce the rivalry through collaboration whereby rivalry and competition among the UN agencies ceases and they become partners. In addition the organization could focus on unexploited health segments.

2.4. Internal Analysis

2.4.1 Introduction

In order to survive environmental turbulence, organizations need to understand the internal strengths and weaknesses so as to be able to deal with the external threats and tap the opportunities available at the external environment. One of the tools used in internal analysis is the SWOT, a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. The technique credited to Albert Humphrey involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

Others internal analysis includes strategic capability and stakeholder's analysis. Strategic capability analysis describes the organizations strategic strengths while stakeholders' analysis describes the key stakeholders to the organizations. Some of the literatures on the concepts are as below.

2.4.2 Strategic Capability

In today's rapidly changing and complex environments strategic capability yesterday may not be effective today. An organization can enhance its strategic capability by evolving into a learning

organization. In this context, the organization recognizes the intuition of its people, welcome different and at times conflicting ideas and support experimentation as the norm and a component of the learning process.

Teece et al (1997), observes dynamic capabilities to be the firm's ability to integrate, build and reconfigure internal and external competences in line with the changing external environments. Wernerfelt (1984) observes that competitive advantage of an organization is explained by the distinctiveness of its capabilities.

2.4.3 Stakeholders Analysis

In addition to environmental scanning and strategic capability analysis, strategy is about delivering the people's expectation of the organization. The fundamental expectation is described by the corporate governance framework which analysis who the organization serves and how the direction and purposes of the organization are determined. Corporate governance (Davies, 1999, Tricker, 1999, Monk & Minow, 2002) provides the framework which describes the relationships and responsibilities between various stakeholders groups of an organization. Organizations need to undertake a stakeholder's analysis in order to clearly identify their stakeholders and appreciate their expectations and influences. Stakeholder analysis Ambrosini et al, (1998) enables organizations to understand their stakeholder's varied and sometimes conflicting expectations through techniques such as stakeholders mapping (Mendelow, 1991).

2.5. The Concept of Strategy

According to Mintzberg (1987), strategy is a plan, ploy, pattern, position or perspective. It is a plan when it is consciously intended, designed in advance of the actions it governs and developed deliberately. It is a ploy when it entails specific maneuvers to outsmart opponents and shed off competitor threat. As a pattern, strategy emerges from a stream of actions. Strategy as a position

means locating an organization in the environment is such a way as to develop a sustainable competitive advantage. While Strategy is a perspective if it reveals the way an organization perceives the outside world and may be an abstraction which exists only in the mind of some interested party.

Aosa (1992) observed that strategy is creating a fit between the external characteristics and the internal conditions of an organization to solve a strategic problem. An organization needs to align its competences and resources to the conditions of the external environment. Barman (2002) identified differentiation as a new mode of strategic response by non profit organizations to competitive conditions of recent times. Mintzberg and Waters (1985) identified strategies as either deliberate or emergent. They observed that the existence of perfectly deliberate or perfectly emergent strategies is rare. They concluded that most strategies fall along a continuum with deliberate strategy on the one hand and emergent strategy on the other end.

2.6. Response Strategies

2.6.1 Introduction

As Thompson and Strickland (1993) observes organizations depend on their environment for survival and they need to continuously scan the environment to detect the changes and adapt their strategies accordingly. Response strategies may include strategic alignment, Porter generic strategies, and collaboration strategies among others.

Strategic fit is a response where the organizational strategy involves matching of the resources and activities of an organization to the environment in which it operates (Porter, 1980). An organization could also fit to the environment by conforming to institutional pressures. According to DiMaggio and Powell (1983), conformity to institutional pressure is one of the strategic responses by non profit organizations. Similarly non profit organizations which do not conform are often perceived to be illegitimate (DiMaggio and Powell, 1983).

Ashforth and Gibbs (1990) proposed that the success of such organizations depends on having legitimacy, where the symbolic structures and practices signify compliance with institutionalized rationales. Barman (2002) observed that while institutional pressures may lead nonprofits toward conformity, competition induces nonprofits to adopt the exact opposite strategic response.

The Resource dependence theory assumes that organizations have some degree of influence or control over the environment in such a way as to ensure smooth and stable flow of critical resources for their survival. Pfeffer and Salancik (1978) observed that a nonprofit organization can under certain conditions strategically manage institutional pressures. It could refashion its institutional environment by shaping existing rules and regulations and rationales to their own benefit (Hage, 1970) or by differentiating themselves as unique under conditions of competition (Porter, 1980).

According to Lawrence and Lorsch (1969), organizations differentiation increases in accordance with the environmental complexity. The growth and prosperity of the organization therefore depends on its ability to exploit opportunities resulting from changes in the environment (Starbuck, 1976).

2.6.2 Porter's Competitive Strategies

Porter (1980, 1985), proposed that organizations can follow three generic strategies which are differentiation, cost leadership and focus strategies. The strategies were proposed for organizations as means of remaining competitive.

Under differentiation strategy, organizations gain competitive advantage by emphasizing in high quality, extraordinary service innovation, technological capability or unusual positive brand image. Nonprofit organizations need to be innovative in service delivery as they face challenges of hostile competitive environment as the number of NGOs increase and compete for scarce

resources, escalating social economic problems; environmental degradation, famines, and poverty.

Cost leadership occurs when organizations differentiate themselves by being low cost producers thereby creating a competitive advantage. Non profit organizations can through appropriate value chain management efficiently manage their costs without compromising on service quality.

Focus strategy to entails identifying a segment in the market or sector in which the organization has a competitive advantage and serve that sector. The strategy could also be employed to focus on the unattended segments of the sector.

2.6.3 Collaboration Strategies

Collaboration between organizations can be an important vehicle to achieving advantage and avoid competition (Doz & Hamal, 1998, Huxham, 1996, Faulkner, 1995). Collaboration may be applied to increase selling power, increase buying power, build barriers to entry or avoid substitution, gain entry and competitive power, share with customers or to gain more leverage.

The World Health Organization needs to identify areas in which collaboration strategies will generate competitive advantage. The challenge facing many organizations is being able to look beyond collaboration to build sustainable, long-term relationships and fundamentally change how the organization functions. Collaboration can develop from mere joint planning to real strategic alliances. Spekman and Swahney (1990) defined strategic alliance as inter-organizational relationship in which the partners make substantial investments in developing long-term collaboration in order to achieve individual and mutual goals. Strategic alliances can take the form of joint ventures, contractual agreements and equity strategic alliances.

The organization could consider entering into strategic alliances with other United Nations agencies and other NGOs so as to create a critical mass and co-specialization. These strategic responses may

include establishing new and preferable relationships with other actors through co-optation or other practices (Bielefeld et al, 1998) in a manner that leads to modification of prior resources flow to suit their own ends (Gronbjerg, 1993).

2.6.4 Learning Organizations

Senge (1990), views the learning organization as one that is continually expanding its capacity to create its future, while Pedler et al (1991), define the learning organization as one that facilitates the learning of all its members and continuously transforms itself Marquardt (1996), observed a learning organization as one that engage in collective learning, empowers people within and outside the organization to learn as they work, and is continually transforming itself to better collect manage and use knowledge for organizational success. Learning is deemed to be essential for survival in rapidly changing and competitive environment (Schein, 1993, Senge, 1990). Converting an organization into learning can be a strategic response to a changing environment. Marquardt (1996) noted five strategic advantages of learning organizations. First they are able to anticipate changes in the environment and readily adapt and quickly implement strategic changes.

Secondly accelerate development of new products and services. Thirdly learn effectively from past mistakes, competitors, collaborators. Fourthly expedite the transfer of knowledge within the organization and lastly they are able to use human resources effectively and six stimulate continuous improvement in all areas of the organization.

2.6.5 Blue Ocean Strategy & Other strategies

Unlike red ocean strategy, the conventional approach to beating competition, blue ocean strategy attempts to align innovation with utility, price and cost positions (Kim and Mauborgne, 2005). The researchers identified the corner stone of blue ocean strategy as value innovation.

They argue that a blue ocean is created when a company achieves value innovation that creates value for both the buyer and the company simultaneously. The concept of blue ocean strategy enables the managers to focus on other issues rather than beating competition.

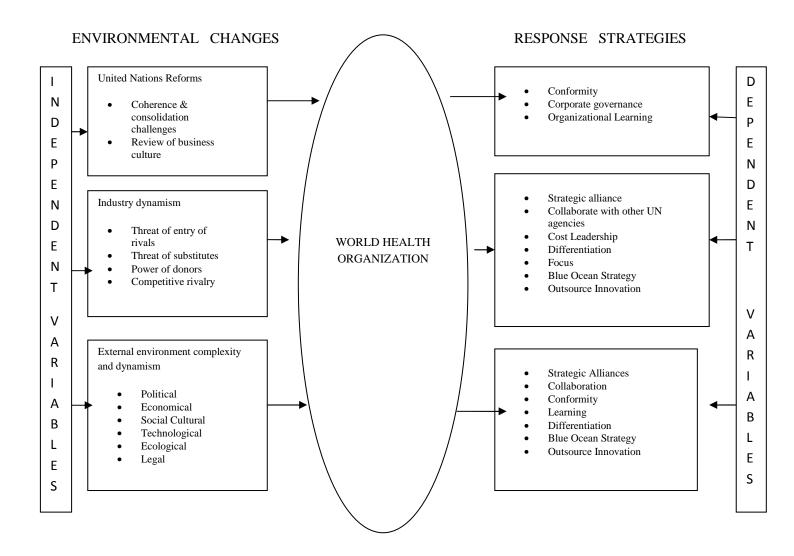
Quinn (2000) observed that when everybody is innovating, the way to stay ahead is by outsourcing innovation. The researcher observes that current time's innovation calls for the complex knowledge that only a broad network of specialists can offer.

2.7. Summary

Overall, World Health Organization operates within a dynamic complex environment with several environmental factors affecting the organization simultaneously. The several response strategies available call for the greatest degree of urgency, action and power on the part of the organization (Barman, 2002).

There are several strategies that the organization can choose from to respond to these changes. The relationship between the environmental changes and response strategies is summarized in the diagram below.

Figure 1. Strategic responses to environmental changes conceptual framework



Source: (Author)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents the research design, data collection methodology and data analysis. It entails how data was collected, the data collection tools and how the data was analyzed.

3.2. Research Design

In order to describe the effect of changes in environment on operations in the World Heath Organization, and describe the strategic response by the organization, the research was conducted as a single case study. According to Yin (1989), a case is an event, an entity, an individual or even a unit of analysis. It is an empirical inquiry that investigates a contemporary phenomenon within its real life context using multiple sources of evidence. Yin (1994) identified three typical purposes which may justify the use of a single case design. First is where the case is critical in relation to prevailing theories, models, presumptions or practice. The second is when the case is unique or extreme and third is when the case is indicative of a new phenomenon.

Case study design was chosen by the researcher to enable him enhance understanding of strategic response by non profits, in real settings. The researcher is of the opinion that there is fitting match between the case and the prevailing theory that warrant comparison. In addition the researcher believes that WHO in Kenya is unique in that the organization operates in a complex multi sector environment and its operations affect the lives of most Kenyans. Furthermore, strategic response is a fairly new phenomenon for nonprofits in an increasing stiff competition for donor's funds. It is therefore interesting to understand how a specific organization responds to the changes. The case study provides an opportunity to understand how the organization is managing its micro and macro environmental changes.

3.3. Data Collection

In this study, primary data was collected through an interview guide, while secondary data came from review of relevant documents and archived records. Semi-structured interview guide was the principal data gathering instrument for the research. The questions was carefully designed to enable adequate coverage necessary for research .In addition major questions were in the form of general statement and followed by sub-sections for further probing.

The interview instrument comprised of three parts .The first part collected data on the general background information, the second captured data industry analysis to identify environmental impacts and the third part provided data on strategic response adopted to address the changes. The respondents were predetermined and comprised of the senior level management staff of world health organization based in Kenya. These senior staff comprised of the WHO Country Director, two senior administrative officers, two program cluster heads, four technical advisers and seven program managers. The research also involved content analysis of documents relevant to the study in addition to physical observation. The documents sources includes organization resource centre, organization periodicals and website both intranet and internet.

3.4. Data Analysis

The study involved qualitative data and therefore content analysis was applied. The findings of the data analysis enabled the researcher to identify the impacts on World Health Organization of the environmental factors in general and 2005 UN reforms in particular and the responses being adopted by the organization to these changes.

Content analysis has been applied successfully by other researchers such as Kathuku (2005), Kandie (2001), Migunde (2003) and Mwangi (2008).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1. Introduction

This chapter describes how the data collected was analyzed, presentation of the results and discussion of the findings. In this study purposive sampling was applied in that the names of the respondents were determined upfront on the basis of their job positions and responsibilities as well as their involvement in strategic management process at World Health Organization in Kenya. In addition, respondents were chosen on the basis of the researcher's individual judgment that they could provide the necessary information for the study.

Most of the field work involved interviewing the senior management staff using semi-structured questions for ease of flexibility and deeper probing. The responses were then recorded and summarized for further analysis. The summary presented in frequency distribution tables provided the basis of the conclusions.

In addition physical observation of operations at WHO Kenya office assisted in shedding more light into strategic responses being adopted by the organization. The observation assisted in validating the responses provided during the oral interviews.

Similarly the field work also comprised of the review of documents, meeting reports, resolutions and policies of the organization and other players in the sector. Documents were collected from the organization's resource centre, periodicals and web sites. This documentary data also assisted in cross-validating and corroborate the information gathered through the interview.

4.2. Data Analysis and Research Findings

The data collected through oral interview were recorded, summarized into six frequency distribution tables as illustrated below.

Table 1. Analysis of competition between W HO and other organizations

United Nations						Commercial Organizations	
Respondents	%	Respondents	%	Respondents	%	Respondents	%
4	33%	8	67%	4	33%	9	75%
2	17%	1	8%	2	17%	2	17%
4	33%	2	17%	4	33%	1	8%
2	17%	1	8%	2	17%		0%
12	100%	12	100%	12	100%	12	100%
	Respondents 4 2 4 2	Respondents	Organizations Respondents % Respondents 4 33% 8	Organizations Respondents % Respondents % 4 33% 8 67% 2 17% 1 8% 4 33% 2 17% 2 17% 1 8%	Organizations Organizations Respondents % Respondents % Respondents 4 33% 8 67% 4 2 17% 1 8% 2 4 33% 2 17% 4 2 17% 1 8% 2	Organizations Organizations Respondents % Respondents % 4 33% 8 67% 4 33% 2 17% 1 8% 2 17% 4 33% 2 17% 4 33% 2 17% 1 8% 2 17% 2 17% 1 8% 2 17%	Organizations Organizations Organizations Respondents % Respondents % Respondents 4 33% 8 67% 4 33% 9 2 17% 1 8% 2 17% 2 4 33% 2 17% 4 33% 1 2 17% 1 8% 2 17% 2 17% 1 8% 2 17%

Source: Research field work

Of the respondents interviewed, 95% indicated that competition within the non profit sector has continuously increased over the recent past. They attributed increased competition to increase in the number of organizations within the sector who compete for donor funds which is depleting in the wake of economic challenges globally.

Over 67% of the respondents indicated that WHO strongest competitors comprise of other United Nations Agencies, multilateral and bilateral organizations. The weaker competition came from private organizations at 25 % and NGOs at 34 % respectively. The results indicate that competition was based on interest in the health sector as well as technical and financial resource capacity. The UN agencies, multilateral and bilateral organizations have strong interests in health and the resource capacity. While commercial firms though in possession of resource capacity have low interests in the health sector hence the weak competition.

Table 2. Level of collaboration between W H O and other Organizations

Level of collaboration	United Nation	s			Other Non Profit Organizations		Commercial Organizations	
	Respondents	%	Respondents	%	Respondents	%	Respondents	%
Joint Meetings	6	50%	5			33%	33% 5	
Joint Proposal	2	17%	2	17%	1	11%	0	0%
Parallel Programs	3	25%	4	33%	4	44%	6	50%
Joint Programs	1	8%	1	8%	1	11%	1	8%

Source: Research field work

Most respondents sited collaboration as one of the responses to counter competition. They indicated that the organization should collaborate with its competitors and if possible convert them into partners. However further probing revealed that nature of collaboration at the organization entails merely of joint program meetings and joint proposal writing. Only 8 to 11% of the programs undertake joint program activities as a strategy and even then the initiative of delivering as one program as proposed in the 2006 & 2008 WHA resolutions and the 2005 United Nations reform is not considered an option.

Though various donor organization reports recommends full collaboration between the various non profit organizations in order to increase effectiveness, efficiency and reduce duplication of activities , the findings of this study indicate that World Health Organization does not conform to the expectation of these donors. In an environment of intense competition, alignment to the expectation of the donors is critical for the World Health Organization

In order to craft appropriate strategies, organizations need to understand and consider competitors strategic moves .The table below describe the extent to which World Health Organization consider the strategic moves by other organizations in crafting its strategies.

Table 3. Effect of decisions in other organizations on WHO decisions

Extent of analysis of strategic moves by other	United Nation	United Nations				Other Non Profit Organizations		Commercial Organizations	
	Respondents	%	Respondents	%	Respondents	%	Respondents	%	
Never	2	17%	3	25%	7	64%	4	33%	
Some times	3	25%	6	50%	2	18%	6	50%	
Most times	7	58%	2	17%	1	9%	1	8%	
Always	0	0%	1	8%	1	9%	1	8%	

Source: Research field work

Over 83% of the respondents indicated that the organization scans and incorporates the strategic moves of other UN agencies when crafting its own strategies, compared to only 34% scanning for multilateral and bilateral organizations strategic moves. Both United Nations and multilateral and bilateral organizations were considered to be the main competitors to World Health Organization. Over 75% of the respondents indicated that the organization considers strategic moves by private organizations and NGOs though competitive analysis indicates these groups generates only 25% and 33% of the competitive threat to the organization respectively. These findings indicated a weak level environmental scanning.

Implementation of appropriate response strategies depends on the existence of adequate strategic capability. The table below summarizes the strategic strengths of the World Health organization in Kenya. In addition the table highlights some of the main challenges and weaknesses which hinder implementation of the strategies.

Table 4. Analysis of WHO's Strengths and Weaknesses

Strengths/Opportunities			Weaknesses/Challenges		
	Respondents	%		Respondents	%
Technical Expertise	4	33%	Financial capacity	3	25%
Track record/Neutrality	1	8%	Rigidity	5	42%
Closeness to MOH	6	50%	Beauracracy	3	25%
Access to health					
information	1	8%	Changing Environment	1	8%

Source: Research field work

50% of the organization's strength comprise of unique strategic position which emanates from close collaboration with the Ministry of Health, 33% in its human capital with high technical expertise in the area of health. While the neutrality nature of the organization, its track record in dealing with health matters and unique access to health data provides 16 % of the strategic capability. These findings indicate unexploited strategic strengths especially as regard to access to health data.

The greatest weaknesses emerge from rigidity of the organization culture, bureaucracy and inadequate financial resources base. Despite the general acceptance that environmental change is a major challenge to business organization, only 8% of the WHO managers considered changes in the organization's business environment as a challenge. This may be attributed to weak appreciation of strategic response concepts leading to poor environmental scanning. Rigidity and bureaucracy contributes 70% of the challenges and hinders the organization's ability to adapt to environmental changes.

In order to improve on effectiveness and efficiency, organizations should undertake a value chain analysis and outsource those activities for which they do not possess competitive advantage or which can be outsourced at a lower cost than internal production.

The table below summarizes how the World Health Organization undertakes its value chain analysis and how it responds to these analysis.

Table 5. Capabilities / activities match and extent of outsourcing

None	3	25%	Never	9	75%
Weak	2	17%	Sometimes	1	8%
C 1		420/	N	1	00/
Good	5	42%	Most times	1	8%
Excellent	2	17%	Always	1	8%
Total	12	100%		12	100%

Source: Research field work

Over 25 % of the activities implemented by the organization do not match the strategic capability while another 17% has a poor match to the organizational strengths. However despite lack of strategic capability in these about 42% of the activities, the organization only out sources 25% of the activities. These means that 17% of the activities are inefficiently and ineffectively implemented. This is attributed to the organizational culture which does not encourage outsourcing of services and hence the procedures to do so elaborate and inflexible. The bureaucracy and rigidity of the organization hinders appropriate adoption of outsourcing as a strategic response option in organization.

Due to turbulence in business environment today, strategic management is more emergent rather that planned. One of the strategies that support emergent strategic management is organizational learning, whereby the organization accepts change and creates an environment that accommodates the change. The table below summarizes the extent of organizational learning at World Health Organization in Kenya.

Table 6. Extent of Organizational learning in World Health Organization

Rating	New ideas encouraged		Organization new ideas	ation adapts to Information as Sharing			Partcipative Decisions		
	Respondents	%	Respondents	%	Respondents	%	Respondents	%	
Never	1	8%	6	50%	5	42%	2	17%	
Sometimes	2	17%	3	25%	2	17%	1	8%	
Most times	8	67%	2	17%	3	25%	6	50%	
Always	1	8%	1	8%	2	17%	3	25%	
Total	12	100%	12	100%	12	100%	12	100%	

Source: Research field work

Though new ideas are welcomed at World Health Organization 92% of the times, only half of them are incorporated into the organization's decision making process. The rigidity and bureaucracy of the organization hinders their implementation thereby remaining in meeting minutes and organizational reports. Information sharing is developing and is currently at 58%. There is an 83% rate of participation in decision making, though further probing revealed that most of these decisions are operational rather than strategic. Overall organizational learning strategy is partially implemented at World Health Organization.

While all respondents interviewed agreed to the fact that changes in environmental factors i.e. Political, Economical. Social –cultural, Technological, Ecological and Legal factors affects the operations at World Health Organization in Kenya, the extent of the effects varied. The tables below summarize the extent of effects of the different environmental factors on the organization.

Table7a.Extent to which changes in PESTEL forces affect World Health Organization

Effect of the	Political Changes		_		Social - Cultural		Technological	
environmental					changes		Changes	
Change								
	Respondents	%	Respondents	%	Respondents	%	Respondents	%
Weak	7	58%	3	25%	3	25%	1	8%
Strong	2	17%	1	8%	2	17%	3	25%
Very Strong	2	17%	5	42%	6	50%	6	50%
Hyper Strong	1	8%	3	25%	1	8%	2	17%

Source: Research field work

58% of the respondents did not consider political changes as a challenge on WHO operations. However on further probing, 75% of the respondents indicated that the 2007 post election crisis affected their programs adversely. Most of the respondents also indicated that cross border migrations due to political instability adversely affect WHO operations.

About 75% of the respondents indicated that economic changes in Kenya affect their programs. However further probing indicated these effects were indirect resulting from the effects on lifestyles of the population which the organization serve rather than financial implications on the organization's operations. The reason for this that most donor funds to the country office are not locally generated.

About 75% of the respondents indicated that social cultural changes in Kenya affect their operations. Further investigations revealed changes in lifestyle and rural urban migrations as the main forces in this change. Lifestyle changes have lead to emergence of new health challenges such as obesity, diabetes and cancers.

On the other hand rural urban migration has lead to informal settlements which bring about easy transmission of diseases in addition to challenges of outstretched social facilities.

92% of the respondents indicated that technological advancement has provided in opportunities especially in supporting in information dissemination and communication. However it also generates some challenges by creating a technology divide which lead to discrimination of some of the remote areas.

Table 7b. Extent to which changes in PESTEL forces affect World Health Organization

Effect of environmental change	Ecological changes		Legal Changes	
	Respondents	%	Respondents	%
Weak	2	17%	3	25%
Strong	4	33%	4	33%
Very Strong	4	33%	3	25%
Hyper Strong	2 17%		2	17%

Source: Research field work

83% of the respondents indicated that their operations are affected by ecological changes. Further investigation revealed that most of these effects are associated with the El Nino phenomenon which brings about floods and famine in the country. These changes affected service delivery and in some cases altered the normal disease patterns in the country necessitating urgent contingency measures. For instance areas that are usually malaria free zones becoming malaria endemic zones.

75% of the respondents indicated that legal changes especially the enactment of a new constitutional dispensation affects the way the organization operates. For instance under the new constitution the two ministries of health will be merged into one ministry. Other effect resulting from legal changes includes the country's health focus from national to county levels. In response to these changes,

most respondents indicated that WHO can not handle the challenges alone and therefore advocated

for multi- Sect oral partnership with other organizations.

Physical observation entailed sitting in meetings and observing flow of work .What came out of this

observation is that 70% the organization's program activities comprise of meetings with the

Ministry of Health officers. The focus of most of the meetings observed entailed of how the

organization could enhance its support to the ministry of health. Few of the meetings address

management issues such efficient utilization of resources, procurement of human resources, cost

analysis and management and review of service providers. The organization has a procurement

committee which sits weekly and is responsible for all the procurement activities in the

organization. The main challenge for the committee is availability of the members since most of

them are program officers who get tied up by meetings. Other challenge include delay in requisition

from the ministry of health which form the bulk of the procurement activity and also is the risk of

endorsing service providers in order to retain collaborative alliance with the ministry of health

allegiance to the ministry of health.

Review of documents was undertaken to corroborate the finding gathered from the interviews. In

order to analyze these findings, seven key concepts were identified and coded. The documents were

reviewed for this concepts and their frequency, recorded and summarized into the frequency

distribution table below.

Table 8: Content Analysis

35

Strategies recommended	WHO Reports	WHO Reports	United Nations	Reports from
	at Head quarters	at Country	Reports	other sources
		Office		
	frequency %	frequency %	frequency %	frequency %
Collaboration	60%	45%	75%	80%
Cohesion	55%	35%	65%	70%
Delivering as One	65%	5%	85%	90%
Harmonization &	1			
Alignment	55%	10%	70%	75%
Corporate Governance	10%	5%	65%	85%
Cost Efficiency	60%	5%	64%	75%
Focus on unexploited areas	75%	50%	85%	5%

Source: Research field work

Content analysis indicates collaborative strategy has been recommended in most of the donor organization and the UN Secretariat reports on addressing the effect of the changing non profit business environment at 80% and 75 % respectively. 60% of the reviewed WHO headquarters reports advocates for collaboration with other UN agencies while the country office in Kenya reports indicates the importance of collaboration at 40% with the main focus being collaboration with the Ministry of Health rather than with other sister agencies.

The country office reports addresses issues of efficient management of resources 5% of the times as compared to reports from WHO Head quarters, the United Nations and development partners which focus on the issue in about 60% of the reports. Corporate governance has been recommended by donor organizations and the United Nations in more than 65% of the reports reviewed. Of the WHO reports reviewed, 10% at HQ and 5% at the country office recommend review of the existing

governance to enhance management. About 85% of the donor organizations regard corporate governance highly and lack of proper corporate governance could be a reason for denial of funding.

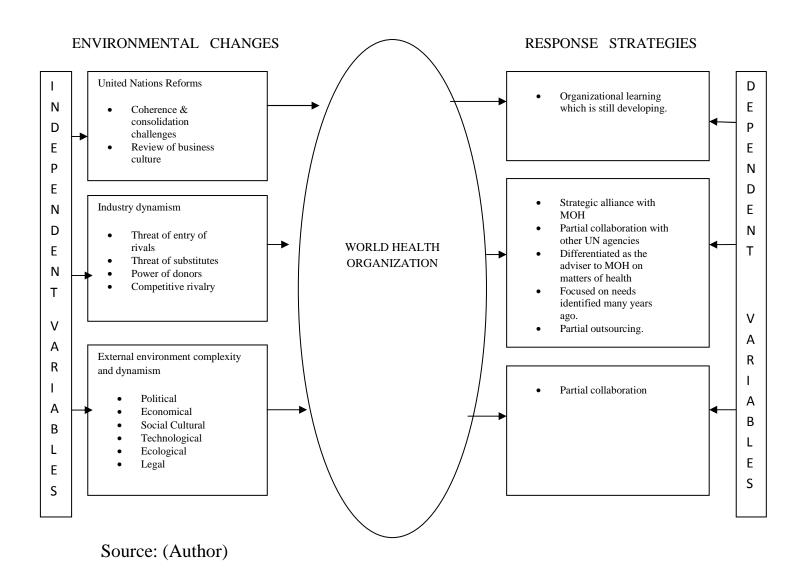
Only 10% of the organization country office reports recommend harmonization with other agencies and alignment of its business practices and operations with the United Nations reform of delivering as one. The regard given by WHO in Kenya to harmonization and alignment is quite low when compared with the expectation of donor organizations that are against fragmentation and duplication of activities.

WHO in headquarters reports indicates the need to the organization to join the other UN agencies in the delivering as one initiative but only 55% of the Kenya country office reports reviewed address the issue. This again shows misalignment of the country office strategies with the strategic direction of the headquarters as well as the larger United Nations system.

At least 50% of the country office reports reviewed recommends that the organization should address new unexploited areas. However oral interview probing on this issue revealed that most of the respondents do not easily identify areas out of the routine. The organization's innovative skills in this area are weak.

The results of the field work assisted the researcher to understand the effects of environmental changes on the operations of World Health Organization and identify the response strategies the organization employing in response to the changes. The summary of the findings is illustrated in the diagram below.

Figure 2. Strategic responses to environmental changes as adopted by the World Health Organization in Kenya.



4.3. Discussion of the Findings of the Study

The results of the investigation through oral interviews, physical observation and analysis of documents indicate that World Health Organization in Kenya is indeed affected by business environmental changes within its industry and macro environment. This corroborates the findings of Oliver (1991) that nonprofit sector is experiencing fundamental shifts in their environmental conditions. The findings also confirm Ansoff and McDonell (1990) observation that organizations are both environment dependent and environment serving

The findings of the study indicate that strategic response concept is not fully appreciated at World Health Organization in Kenya. The organization employs a combination of different strategies across the organization. These strategies includes collaborative strategy (Doz & Hamal,1998, Huxham, 1996, Faulkner, 1995), focus (Porter,1980,1985), Organizational learning (Senge,1990), Strategic alliances (Spekman and Swahney,1990) and differentiation (Porter, 1980,1985) strategies. The strategy implementation across the organization is not homogeneous. The study indicates that strategies employed at the organization's headquarters are not necessarily being employed in the country office in Kenya .Similarly some strategies are employed to a greater extent in some programs than others within the country. For Instance some programs in the organization collaborative more with external organizations than other programs.

Similarly organizational learning is more in some departments than others. The overall effect of this is partial implementation of the strategies. The reason for this may that the organization is primarily a service organization and the challenges of standardizing service production and delivery come into play.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter describes the summary of the study, the conclusion derived and the recommendations by the researcher.

5.2. Summary of the study

This study was designed as a single case focusing on World Health Organization in Kenya. The field work of the study entailed interview using semi-structured questions, physical observation and review of relevant documents. The researcher managed to interview 12 respondents out of 15 which were targeted the interviews were conducted using semi-structured questions. To corroborate the interview responses, the researcher undertook physical observation of operations and reviewed several meeting reports, resolutions, monthly country office reports and information available in the organization website and the internet.

5.3. Limitation of the Study

The scope of this study is limited to strategic responses by World Health Organization in Kenya. Comparative studies of other United Nations agencies and in different contexts would increase the reliability of the findings of this study. The study investigated strategic response in the context of one organization within the United Nations system and a member of the non governmental organizations subsector of the non profits sector. The Findings of this study may therefore not be generalized across the entire United Nations system, the health sector and the non governmental sector. Similarly since the study was conducted within Kenyan context, the findings may not necessarily hold in the other contexts. Conducted as case study and data was collected through an interview guide, review of documents and relevant archived records.

5.4. Suggestion for further research

Since many other non profit organizations operates within turbulent, constantly changing environment, It would be interesting to observe how they respond to the environmental changes. Since the study focused on only one united nations agency, similar studies could be undertaken in the context of other united nations agencies. Similarly the study could replicated in the context of WHO offices in other countries. In order to corroborate the findings of this study and generalize, similar investigation using a survey research design could be conducted..

5.5. Conclusion and Recommendations

In conclusion the findings of this study indicate that changes in the business environment affect organizations and that several strategies can be adopted to respond to these changes. The success and survival of organizations depends on how well the organization select and implement appropriate response strategies. The World Health Organization in Kenya like other organizations is operating a turbulent dynamic environment and is being affected by these changes. The organization has adopted some response strategies but can do better. Failure to adopt appropriate strategies is affecting WHO position as the health leader.

In order to remain strategically positioned, the organization should urgently review its business practices in order to create a flexible environment and implement appropriate strategies such as, corporate governance, cost management, align and conform to the expectation of the donors, organizational learning and Blue Ocean strategies.

The organization should consider collaborating more with its sister agencies and in order to reduce competition and convert them into partners thereby building its competitive power over the bilateral and multilateral organizations. The organization could also identify and exploit the strategic gaps within the health sector and capitalize on strategic capabilities based on its global mandate,

neutrality and strategic position with the ministries of health and credible track record. In addition the organization could exploit its accessibility to health data and position itself as a health information resource centre. The organization could identify its weak points and outsource those activities in which it does not possess competitive advantage. The organization has the potential to enhance its strategic response since it has the support its head quarters.

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Appendix I: Letter of Introduction



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TO WHOM IT MAY CONCERN

RE: INTRODUCTION LETTER- RESEARCH: PAUL J W GITAU D/61/72857/2009

The above named is a Post Graduate student at the School of Business, University of Nairobi. In partial fulfillment of the requirements of the Master of Business Administration Degree, he is conducting a research on "Strategic Responses to environmental changes by World Health **Organization in Kenya**" for his research work.

We request your organization to assist the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-confidence**. A copy of the research project will be made available to your organization upon request. Your co-operation will be highly appreciated. Thank you. Dr. JOHN YABS **PAUL GITAU SUPERVISOR STUDENT Appendix II: Interview Guide** SECTION ONE: GENERAL INFORMATION 1. Name of staff member 2. Functional Title 3. **Functional Cluster Program Support** Health Systems Country Presence 4. Program Type of contract Fixed term appointment Temporary appointment Special Service Agreement 6. Years of service to World Health Organization SECTION TWO: INDUSTRY ANALYSIS 7. How would you describe the competition between your organization and other organizations in? Commercial UN System NGOs Other Non profit Organizations Companies

5.

Weak				
Strong				
Very Strong				
Hyper Strong				
8. How does	the competition af	fect your program	?	
9. How often are	key decisions in y	our organization	influenced by decisions of	f other organizations
in the				
	UN System	NGOs	Other Non profit Organizations	Commercial Companies
Never				
Some times				
Most times				
Always				
	-	-	organization in the health	sector as compared to
the other organiza	ations within the ho	ealth sector?		
Sect	tor Leader			
Sect	tor follower			
Not	Sure			
11. What are t	he key strengths of	your program as	compared to similar prog	grams in other
organizations?				

•••••		•••••	•••••	• • • • • • • • • • • • • • • • • • • •			•
			•••••	• • • • • • • • • • • • • • • • • • • •			
12. In addi	ition to your	current areas of	focus in yo	our program, w	hich other	segments in the healt	h
sector could b	enefit from y	our expertise?					
							•
							•
13. Are the	ere other orga	nizations which	h currently	support the seg	ments ider	ntified in (12) above?	,
				•••••			
SECTION TH	HREE: EX	TERNAL A	NALYSIS	S			
14. How w	ould rate the	effect on your	operations	of changes in the	ne followir	ng environmental	
factors in Ker	nya?						
	Politics	Economy	Social	Technology	Ecology	Legal	
Weak							
Strong							
Very Strong							
Hyper Strong							
15. How d	oes increased	cross border m	nigration af	fect your progr	am?		

a)	How do you manage the changes?
16.	How does the split of Ministry of Health in Kenya affect your program?
a)	How do you manage the changes?
17	What are other effects of the 2007 most election exists on your group?
17.	

	a) How do you manage the changes?
18.	How does economic changes in Kenya affect your program?
a)	How do you manage the changes?
,	
19.	How does increased rural urban migration in Kenya affect your program?
a)	How do you manage the changes?

20.	. How does technological progress such as mobile phone and internet connectivity in Kenya
	affect your program?
b)	How do you manage the changes?
21.	. How does climatic changes such as floods and drought in Kenya impact on your program?
a)	How do you manage the changes?

22. How does the passi	How does the passing of the new constitution in Kenya affect your program?				
		• • • • • • • • • • • • • • • • • • • •			
	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			
SECTION THREE: ST	RATEGIC I	RESPONSE	CS TO ENVIRONN	1ENTAL	
CHANGES 23. In which ways does	s vour program	collaborate w	rith programs in other of	organizations ?	
UN Sys	stem	NGOs	Other Non profit Organizations	Commercial Companies	
Joint Meetings					
Joint budget proposals					
Implement parallel programs					
Implement joint programs					
Deliver program as one					
24. How would you rat	e the extent to	which you sul	o-contract activities in y	our program?	
	Never				
	Rarely]		
	Most of the t	imes]		
	Always]		

a)	If so which activities do you sub contract				
25.	How would you rate the extent to which you receive sub-contracts to undertake activities for				
	other organizations in your sector?				
	Never				
	Rarely				
	Most of the times				
	Always				
a)	If so from which organizations do you get the		sub-		
	contracts				
26.	. How would you rate the extent to which you	u participate in your organization	on decision making		
	and your views incorporated in the final decision	made?			
	Never				
	Rarely				
	Most of the times				
	Always				
a)	If not what could be the main reason				
27.	. How often do your subordinates contribute	to the decisions you make in yo	our Cluster.		
	Never	П			

	Rarely	
	Most of the times	
	Always	
a) If not what could be	the main reason	