

**STRATEGIC RESPONSES ADOPTED BY THE KENYA PORTS AUTHORITY TO  
CHANGING EXTERNAL ENVIRONMENT**

**BY**

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## DECLARATION

I declare that this research is my original work and has not been presented to any other university for the award of a degree.

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## SUPERVISOR'S DECLARATION

This research project has been submitted with my permission as the University Supervisor.

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## **DEDICATION**

This work is dedicated to my late parents David and Ruth Habwe who instilled in me the value of education and to my loving husband Aggrey, children Linda, Brian and Bruce for their support and patience during the entire period of my study. I cannot overstate their encouragement and continued prayers towards successful completion of this course.

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## **LIST OF ABBREVIATIONS**

CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CFS	Container Freight Station
COMESA	Common Markets for Eastern and Southern Africa
GATT	General Agreement on Tariffs and Trade
IAPH	International Association of Ports and Harbors
ICD	Inland Container Depot
ISPS	International Ship and Port Facility Security
KPA	Kenya Ports Authority
KWATOS	Kilindini Waterfront Automated Terminal Operating System
MIS	Management Information system
QMS	Quality Management System
SAPs	Structural Adjustment Programmes

## **ABSTRACT**

To the date of this study, no known study had focused on the strategic responses adopted by Kenya Ports Authority to counter changes in environment. This was despite the fact that the current changes brought about by globalization and economic crisis have had a great effect on the port given its international dealings. The objective of this study was to determine the strategic responses adopted by KPA as a response to the changing external environment. This was a case study since the unit of analysis is one organisation. The research utilized both primary and secondary data. The interviewees of this study were the eight heads of divisions. These respondents are appropriate because they are well versed and form part of the decision making body. The raw data was edited for completeness and consistency. A content analysis was employed. The data was then presented in a continuous prose as a qualitative report on the strategic responses to the changing environment in Kenya Ports Authority.

The study concludes the organization has employed strategies such as differentiating the main services from those offered by competitors as well as global economic changes that had made the organization launch extensive financial strategies so as to remain competitive in the market. The study concludes that low cash flows, entry of many regional competitors due to liberalization of the economy; regulation and receptive attitude of potential customers since the authority is a government agency. The study concludes that to counter the changes, the organization has reacted by introducing low-cost but high quality services so as to make it easy for customers to access their services and that KPA has been focusing more on the East and Central region market as a strategy to be the ports authority of choice for everyone. The study concludes that strategic responses were both proactive and reactive to the changes in the company's external environment. The study also concludes that the organization had a better vision and improved regulatory and commitment to develop and partner with other organizations had caused the organization to change from conservative to forward-thinking. The study recommends that KPA should engage more in talent acquiring responses to ensure that there is innovations geared towards development of new services that are affordable and high quality. The study further recommends that KPA should heavily involve in regional trade by diversifying in other countries in East Africa and Africa at large in order to take advantage of economic liberations in many countries as a result of globalization. The study also recommends that the company should recruit workers who have the necessary knowledge and competencies in the business to minimize on the induction and training costs.

**Key words: Strategy; strategic response; environment**



## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

The environment in which organizations operate is constantly changing with different factors influencing them. Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive. Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies Pearce and Robinson (2005). The days when firms could simply wait for clients to beat a path to their door are long gone. Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves Kotler (2000).

Industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changed environment Aosa (1982). They adopt strategies such as improved customer services, credit facility, post-paid cards and provision of convenience goods and services. Rapid technological change has created a new business environment where innovation has become a top competitive strategy. Ansoff and McDonnell (1990), echoes this by observing that increased competition has created fundamental shift in economic environment whereas no organization can hope to stay afloat if it fails to come up with proper strategic responses. Terminologies such as retrenchment, mergers, rightsizing and cost reduction have become a routine for survival means.

Environmental analysis is concerned with examining those forces not under the direct control of the organization or its industry but which can profoundly influence the industry and organizations within the industry. Analysis of the environment is a critical component of strategic management because it produces much of the information required to assess the outlook for the future. The environment being of significant source of change (Byars, Rue & Zahra 1996), points that some organizations become victims of change, while others use

change to their advantage. Organizations are more likely to be able to turn change to their advantage if they are forewarned and this forms the major purpose of the environmental analysis process.

### **1.1.1 Concept of Strategic Responses**

Strategic responses are concerned with decisions and actions meant to achieve business objectives and purpose. The three areas of a company strategy that are important in identifying the responses of a firm to its environmental challenges (Lowes *et. al.*, 1994), include objective setting, the vision and mission of the company, competitive strategy where after considerations of the firm's competitive strengths and weaknesses vis-à-vis competition and customer needs, the company establishes a position of competitive advantage. In 1990, Ansoff and McDonnell noted that strategic responses involve changes in the firm's strategic behaviour to assure success in transforming future environment.

Strategic responses are defined by Pearce and Robinson (1997), as the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firm's objectives. In 1998, Porter's views of operational responses are as part of a planning process that coordinates operational goals with those of the larger organization. Hence, operational issues are mostly concerned with certain broad policies and policies for utilizing the resources of a firm to the best support of its long term competitive strategy.

In 1998, Burnes asserted that the concern in real time responses is to minimize the sum to total losses and restore profitability to ensure organization's success in a turbulent and surprising environment. According to Hill and Jones (2001), they state that by planning, an organization is able to identify the problems and plan how to solve them by using appropriate strategies. Kenya ports authority plans are centred around the Port Master Plan which focuses on making the port a landlord Port.

### **1.1.2 The Changing Organizational Environment**

An organization's external environment as defined by Pearce and Robinson (2005), all those factors beyond the control of the firm that influence its choice of direction, action, organizational structure and internal processes. The environment is what gives organizations their means of survival (Johnson, Scholes and Whittington) 2008. However, the environment is also the source of threats and environmental change can be fatal. It is therefore vital that managers analyze their environments carefully in order to anticipate and if possible, influence environmental change.

Environment has been characterized as complex, dynamic, multi-facet and having far reaching impact Kazmi, (2002). As a result of these characteristics, the environment is composed of various factors, events, conditions and influence which interact with each other to create an entirely new set of influences leading to constant environmental change in its shape and character. A fundamental change is occurring in the world economy whereby the world economies are witnessing the forces of globalization and liberalization of trade. The phenomenon of globalization, according to Hammond and Grosse (2003), refers to "the fact that people around the world are becoming more and more knowledgeable about each other".

To survive in a dynamic and highly competitive business environment, different organizations have had to engage various strategies. Pearce and Robinson (2005), note that there is need to adopt new strategies that match the challenges from the environment. Ansoff and McDonnell (1990) asserts that the management system used by a firm is a determining component of the firm's responsiveness to environmental changes because it determines the way that management perceives the environment, diagnosis their impact on the firm, decides what to do and implements the decisions.

It is important to note that no two organizations face exactly the same external environment. Hence the analysis of the external environment must be tailored specifically for the organization for which strategy is to be formulated. The relationships, events, and conditions that make the unique environment of any organization are not static. Some of these environmental changes are so fundamental that they may affect long-term survival of an organization, while others are only temporary and may be ignored. The dynamic nature of the environment means that environmental assessment must be continuous avers Byars, Rue & Zahra (1996). Organizations are not helpless in the face of environmental forces, but certainly some aspects of environmental changes are more amenable than others to control or influence.

### **1.1.3 Profile of the Kenya Ports Authority**

Kenya Ports Authority (KPA) is a state corporation established in 1978 by an act of Parliament (Cap 391 of the laws of Kenya) to manage the Port of Mombasa which includes ; Kilindini harbor, Port Reitz, the Old Port, Port Tudor and other small ports of Lamu, Malindi, Kilifi, Mtwapa, Kiunga, Shimoni, Funzi and Vanga (Government of Kenya, 2008). Kenya Ports Authority is an original investor in Kenya National Shipping Line, a state corporation of Kenya formed in 1989. In 1989, the government of Kenya brought together the operation and regulation of existing ferry services, including the Likoni Ferry service at Likoni, Mombasa, into one subsidiary of the KPA, Kenya Ferry Services (Kenya Ports Authority Handbook, 2010-11). The subsidiary was devolved to the status of an independent Kenya state corporation in 1998. The Port has important infrastructure, including bulk oil jetties, handling facilities for coal clinker and cement and a three-berth container terminal as well as inland container terminals in Nairobi, Kisumu and Eldoret.

Since its foundation, KPA has been working towards facilitating sea borne trade in the most efficient manner by progressively benchmarking its operational targets to internationally acceptable standards (Government of Kenya, 2008). The Port of Mombasa handles all types of ships and cargo and also serves the hinterland countries of Uganda, Rwanda, Burundi, Democratic Republic of Congo, Ethiopia, Southern Sudan, North-Eastern Tanzania and Somalia. (Government of Kenya, 2008). KPA's vision is to be rated amongst the top twenty ports in the world in terms of reputation and performance by the year 2010, while its mission is to facilitate sea-borne trade in the most efficient manner by progressively bench marking its operational targets to internationally acceptable standards (Kenya Ports Authority Handbook, 2010-11).

The increased accountability to wider stake holder interests and customer expectations especially in terms of the quality and personal services offered puts KPA to thorough scrutiny. The rights in terms of safety, reliability and better information, the rapid advance of microelectronic technology which has revolutionized many of the processes by which goods and services are made available; Kilindini Waterfront Automated terminal operating system (KWATOS) is operational. Vast improvements in worldwide communications systems, enabling faster flow of information between customers, suppliers, agents are of great concern hence KPA has to provide real time feedback. In order to minimize human contact so as to avoid corrupt practices, and enhance efficiency in service providing and effectiveness in operations, the use of tracking and electronic processes is employed. KPA is faced with competitions both in domestic and world markets. Competitions from other ports such as Durban, Daresalaam and Djibouti and mushrooming private container freight stations. With greater concern worldwide for the protection of the environment leading to government and international action against piracy, pollution of the seas, KPA has been given certification of

the integrated security systems project. The scenario presented by all these changes is a complex one which requires KPA to look well beyond its domestic boundaries.

## **1.2 Statement of the Problem**

The importance of the strategic dimension of management has arisen due to several factors emanating from the changing external environment in which organizations operate. These include the changing political situations both locally and internationally, growth in economies and increased accountability to wider stake holders interests and customer expectations coupled with rapid advanced technology. These have impacted on how KPA carries out its business activities. The great interest generated in the chief executive officers' (CEO) position is attested by the frequency of appointments made by almost each government of the day. This interference is manifested in the appointment of four CEO's in a span of five years. The dynamic laws and regulations affecting business as a result of decisions made by both the government and other interested groups such as Common Markets for Eastern and Southern Africa (COMESA) and General Agreement on Tariffs and Trade (GATT) will impact on the strategies a firm employs.

Locally, studies on strategic responses and changing environment have been conducted: Mutua (2004), did a survey of responses to changing environmental conditions which was a case study of University of Nairobi; Mpungu (2005), carried out a research on strategic responses to changing environmental conditions whose focus was on AAR Health Services Ltd.; Kashero (2008), studied the strategic responses to changing environment at Lloyd Masika and established that the company mainly employed diversification strategy and operational strategies clarifying the areas of strategic changes that may yield the greatest payoff; while Maina (2008), did a research on the strategic responses to changing environmental conditions which centered its focus on Central Bank of Kenya (CBK) and

established that the management concentrated on differentiation strategy and focus strategy. Studies focusing on Kenya Ports Authority include: Mwenda (1987), on perceived quality of port services; Tai (2007), strategy implementation while Abdulaziz (2006), focused on Strategic Planning.

To the date of this study, no known study had focused on the strategic responses adopted by Kenya Ports Authority to counter changes in environment. This was despite the fact that the current changes brought about by globalization and economic crisis have had a great effect on the port given its international dealings. There was therefore need for strategic alignment to the environment in a unique way. There had been changes in customer expectations, rapid advance of microelectronic technology, increased competition in both domestic and world markets. All these changes called for a response in strategy. It was in this light that the researcher aims to fill the existing gap by carrying out a research on the strategic responses to changing external environment. This study therefore sought to answer the question: what are the strategic responses adopted by KPA towards changing external environment?

### **1.3 Objective of the Study**

The objective of this study was to determine the strategic responses adopted by KPA as a response to the changing external environment.

### **1.4 Importance of the Study**

The study would contribute to the general understanding of changes in operating environment in Kenya and would provide a detailed examination on how KPA responds to changing environment. It would be of great significance to the KPA managers by enlightening them on how changing environment affects them directly or indirectly. The study issues would guide them make informed decisions on strategic response as a way to overcome effects. It would

help to sensitize the management on the importance of strategic response and raise their awareness of the concept. Other companies and policy makers would gain from the documentation and analysis of the response strategies and this will help them evaluate their current strategy and plan for the future. The study would add to the existing body of knowledge on the concept of strategic response to benefit academicians and aid further research on the concept. It would form a fundamental base upon which further researches into the field will be based as it would act as both reading and secondary source material in such cases.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are strategy, environmental changes, environmental economic factors, social factors, political/legal factors, technological factors, ecological factors (PESTEL), environment and strategy, strategic responses, competitive strategies, diversification strategies, focus strategies, operational strategies, differentiation strategies and empirical studies.

### **2.2 Concept of Strategy**

Strategy according to Johnson and Scholes (2002) is the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfill stakeholders' expectations. Strategy is certainly applicable when threats emanate from the more general environment, strategy analysts earn their stripes in circumstances in which rivals contest head to head. This is the fertile ground of strategy; the point-counterpoint of market competition. Strategy is about competition and the means by which an organization tries to gain a competitive advantage Porter (1998). Porter describes a category scheme consisting of three general types of strategies that are commonly used by businesses. The three generic strategies are as follows: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market to be targeted. Porter simplifies the scheme to the three best strategies: cost leadership, differentiation, and market segmentation. Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market scope. According to Boseman and Phatak

(1989), if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations' success is dependent on productivity, customer satisfaction and competitor strength.

### **2.3 Environmental Changes**

As Ansoff and McDonnell (1990) argued, business firms are in a constant two way interaction with the environment. They receive an assortment of resources from the environment and after a transformation, deliver them back to the environment in the form of goods and services. In today's global environment, change rather than stability is the order of the day. Increased trade liberalization reduces country-based trade barriers, thus increasing the opportunity for cross-border entry (Ellis and Williams, 1995). If new entrants have adopted new technologies and/or developed more efficient business operations systems, the competitive intensity will increase pressure of existing industry to internationalize by weakening their competitive position. To be successful overtime, an organization must be in tune with its external environment. The speed or response time to the environmental challenges has been identified as a major source of competitive advantage for numerous firms in today's intensely competitive global economy (Pearce and Robinson 2005). The environment is important and an organization has to respond to its dynamism, heterogeneity, instability and uncertainty (Thompson, 2005).

Economic factors concern the nature and direction of the economy in which a firm operates (Pearce and Robinson, 2005). 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 affect 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.

The social factors that affect a firm involve the beliefs, values attitudes, opinions and lifestyles of persons in the firms' external environment, as developed from cultural, ecological, demographic, religious, educational, and ethnic conditioning (Pearce and Robinson, 2005). As social attitudes change so too does the demand of various types of products. Like other forces in the external environment, social factors are dynamic with constant change resulting from efforts of individuals to satisfy their desires and needs by controlling and adapting to environmental factors. Dynamic social forces can significantly influence the demand for an organization's products or services and can alter its strategic decisions Byars, Rue and Zahra, (1996). For managers, informed judgment of the impact of changes in social; cultural factors are paramount.

Political factors affect the operating environment of organizations. Pearce and Robinson (2005), reckon that, the direction and stability of political factors are a major consideration for managers on formulating company strategy. Political factors define the legal and regulatory parameters within which firms must operate. Political constraints are placed on firm's fair trade decisions antitrust laws, tax programmes, minimum wage legislation, pollution and pricing policies and administrative regulations. Byars, et al (1996), avers the activities of the state through its legislature and law enforcement agencies impinge considerably on organizations. Some are meant to protect the firm and they include patents laws, government subsidies etc.

Pearce and Robinson, (2005) observed that a technological breakthrough can have a sudden and dramatic effect on a firms' environment. It may spawn new markets and products or significantly shorten the anticipated life of a manufacturing facility. Hence, for a firm to stay successful, it must strive to understand both the existing technological advances that can affect its products and services. The ability to forecast future technological advances helps alert strategic managers to both impending challenges and promising opportunities. Cole (1997), states that organizations which want to maintain a competitive advantage have to be ready to adopt and adapt technological developments to their production and administrative procedures in order to stay ahead. A study by Stewart and Champion (2007) found out that small enterprises in Ghana adapted to the competitive environment as a result of Structural Adjustment Programmes (SAPs), by altering their product mixes. This enabled these firms to compete with imports. Changes in product mix were prevalent in those sectors whose products were more vulnerable to competition from standardized imports. Systems delay typically occurs in large firms due, in part, to the time consumed in observing, interpreting, collating and transmitting information to responsible managers. In another part, it is due to the time consumed by these managers in communicating with one another and establishing a common understanding as well as the time necessary for processing the decisions among the responsible groups and decision levels (Powell, 1995). They will opt for waiting a little longer to see if the threat will 'blow itself out.'

Ecology as Pearce and Robinson (2005) define is the relationship among human beings and other living things and the air, soil and water that support them. Specific concerns in this area include global warming, loss of habitat, and biodiversity as well as air, water, and pollution. Firms are increasingly being called upon to pay attention to this by protecting the environment. They further observed that despite cleanup efforts, the job of protecting the stakeholders is entrusted on the organizations. Hence any effort to attain success through

competitive advantage must be fully aware of all the external environmental factors and their impact on the day to day operations of the business.

#### **2.4 Environment and Strategy**

According to Johnson and Scholes (2002), dealing with the environment is difficult because of three factors. First is the diversity of the different influences that affect a business. Identifying the environmental influences may be possible but it may not be of much use because no overall picture emerges of the really important influences on the organization. The second difficulty is the speed of change. Managers typically feel that the pace of technological change and the speed of global communications mean more and faster changes than ever before. Third is the problem of complexity. Managers are no different from other individuals in the way they cope with complexities; they try to simplify what is happening by focusing on those few aspects of the environment which have been important historically. It is important to avoid these tendencies whilst achieving an understanding of the environment which is both usable and oriented towards the future.

#### **2.5 Strategic Responses**

According to Porter (1998), strategy is about competition and the means by which an organization tries to gain a competitive advantage. Pearce and Robinson (2005) states knowledge of these underlying sources of competitive pressure provides the ground 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. Porter (1998) argues that developing competitive strategies involves development of a broad formula on how a firm is going to compete, what are the goals and policies or tactics necessary for achieving the goals. Competitive strategy includes actions or attempts by a firm to attract customers, retain them, withstand competitive pressures and strengthen its market positions and is aimed at gaining competitive advantage.

Porter expressed the key aspects of firm's competitive strategies in what he referred to as the "wheel of competitive strategies". The company's corporate strategy should help in the process of establishing a distinctive competence and competitive advantage at the business level. There is a very important link between corporate-level and business level. According to Johnson and Scholes (2002), corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

Diversification strategy is the process of entering new business markets with new products. Such efforts may be undertaken either through acquisitions or through extension of the company's existing capabilities and resources (Smith, 2003). Diversification is meant to be the riskiest of the four strategies to pursue for a firm. According to him, diversification is a form of growth marketing strategy for a company. It seeks to increase profitability through greater sales volume obtained from new products and new markets. Diversification can occur either at the business unit or at the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry in which the business is already in. At the corporate level, it is generally entering a promising business outside of the scope of the existing business unit (Ansoff 1998). According to Johnson and Scholes (2002), corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

A focus strategy provides an opportunity for an entrepreneur to find and then exploit the gap in the market by developing an innovate product that a customer cannot do without. The company has enormous opportunity to develop its own niche and compete against low-cost and differentiated enterprises which tend to be larger. Business unit strategy is about how to

compete successfully in particular markets”. According to Johnson and Scholes (2002), operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people. Even though strategies may be focused on a given function, as often as not they embrace two or more functions and require close co-operation among functions to attain companywide efficiency, quality innovation, and customer responsiveness goals.

Differentiation strategy is an approach under which a firm aims to develop and market unique products for different customer segments. 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 (2005) 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 customers’ need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

Strategic responses to a changing competitive environment therefore entail substantial changes to organization long term behaviour. This adaptation may be gradual or revolutionary depending on the nature and circumstances facing the organization. Locally, Sheikh (2000) conducted a study on strategic response by insurance companies following liberalization and concluded that the companies in the industry consider strategic plans to be important. Kandie (2001) studied the strategic response of Telkom Kenya in a competitive environment and found that financial constraints and lack of managerial empowerment has limited the capability to respond to the environmental changes. Isaboke (2001) investigated the responses of the oil companies in Kenya to the threats of the new entrants. Response included a combination of generic strategies and lobbying for a level playing ground.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter sets out various stages and phases that were followed in completing the study. It involved a blueprint for the collection, measurement and analysis of data. This section was an overall scheme, plan or structure conceived to aid the researcher in answering the raised research question. In this stage, most decisions about how research will be executed and how interviewees will be approached, as well as when, where and how the research will be completed is addressed. Therefore, in this section the research identified the procedures and techniques that will be used in the collection, processing and analysis of data. Specifically the following subsections were included; research design, data collection instruments, data collection procedures and finally data analysis.

### **3.2 Research Design**

This was a case study since the unit of analysis is one organisation. It aimed at getting detailed information regarding the strategic responses to changing external environment in Kenya Ports Authority. According to Yin (1994), a case study allows an investigation to retain the holistic and meaningful characteristics of real life events. Kothari, (2004) noted that a case study involves a careful and complete observation of social units. It is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. Primarily data collected from such a study is more reliable and up to date.

### **3.3 Data Collection Method**

The research utilized both primary and secondary data. Primary data was collected using in depth face to face interviews with the top management of the organization. The interviewees



of this study were the eight heads of divisions namely, operations division, technical division, legal division, Human resources division, Corporate development, reforms manager, harbor master and finance division. These respondents are appropriate because they are well versed and form part of the decision making body.

Secondary data was collected by use of desk search techniques from relevant publications journals, periodicals and information obtained from the internet. The interview guides were used to collect both qualitative and quantitative data. Qualitative data was used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the study. The interview guides designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the interviewees. The second part was structured to address issues on external environmental changes, strategic responses and their impact to the organization where the main issues of the study were put into focus.

### **3.4 Data Analysis**

Before processing the responses, the raw data was edited for completeness and consistency. A content analysis was employed. Content analysis is defined as a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same to relate to trends. It provided the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings. The content analysis was used to analyze the interviewees' views about the strategic responses to the changing environment in Kenya Ports Authority. The data was then presented in a continuous prose as a qualitative report on the strategic responses by KPA to the changing external environment.

## **CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION OF RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents the analysis and interpretations of the data from the field. It presents analysis and findings of the study as set out in the research methodology on the strategic responses adopted by KPA towards changing external environment. The data was gathered exclusively from an interview guide as the research instrument. The interview guide was designed in line with the objectives of the study. To enhance data quality of data obtained, unstructured questions were used whereby interviewees indicated their views and opinions about the strategic responses adopted by KPA towards changing external environment.

According to the data found, of the 8 heads of department projected in the previous chapter to be interviewed 6 were interviewed which makes a response rate of 75%. This response rate was achieved after the researcher made frantic efforts at booking appointment with the head of department despite their tight schedules and making phone calls to remind them of the interview.

### **4.2 General Information**

#### **4.2.1 Name of Department**

The study sought to establish the interviewees' departments. From the findings, the interviewees indicated that they worked in the financial division, corporate services, Harbor master's division, operations, technical services, corporation secretary's division, Human resources and administration division and reforms department.

#### **4.2.2 Designation in the Department**

The study sought to investigate the respondents' designation in the organization. The respondents indicated that they worked as financial controller, chief operations manager, Procurement and Supplies Manager, departmental head and sectional heads.

#### **4.2.3 Total Work Experience**

The study sought to investigate the total work experience in years. Majority of the respondents indicated that they had a total work experience of years, 14 years, 18years, 25 years and 34 years.

#### **4.2.4 Length of Time Worked in the Company**

The study sought to establish the length of time that the respondents had worked in the company. A number of respondents indicated that they had worked in the organization for a period of 25 years.

#### **4.3 Environmental Changes**

The study required to indicate the external changes that have had major impact on the organization's operations from the economic environment. The interviewees indicated that the changes that they have experienced in their organization in regard to the strategies employed to increase the competitiveness of the company were such as differentiating the main products from those offered by competitors. The interviewees also agreed that global economic changes had made the organization launch extensive financial strategies so as to remain competitive in the market. The concessionaire of the Kenya Railways Corporation coupled with the re-construction of the Nairobi-Mombasa highway has impacted on the performances on the Inland Container Depots (ICD's). They indicated that other economic

changes were competition from existing and mushrooming container freight stations (CFS) to provide alternate cargo storage and clearing facilities. This is meant to enhance container handling efficiency by the CFS's freeing the much needed space at the container terminal. The off-dock storage and clearance creation revolutionized the handling of containers which are transferred quickly from the terminal to one of the several CFS's located close to the port. They also indicated that technological advancement has led to the organization to adopt the SAP and KWATOS systems in order to increase efficiencies.

The study also sought to investigate the changes in regulation policies that have affected the organization operations. From the study, following changes were realized; policies where the central Bank of Kenya has put a cap on amounts that can be paid by cheque and anything above Kshs. 1 million must be transferred by using real time gross settlement system. Policies on gender development; changes in working days from 5 to 7 working days round the clock (24/7), organizational structures, employment and promotion procedures, procurement procedures and operational procedures.

On the changes that have taken place in the organization due to political climate, the interviewees cited frequent changes of office holders such as CEOs and the membership of the board. The expectation from the government on set targets through performance contracting. Other changes were low cash flows, entry of many regional competitors due to liberalization of the economy; regulation and receptive attitude of potential customers since the authority is government owned. In addition, there is the privatization of berths 11 to 14 and the impending construction of Dongo Kundu bypass to open up Dongo Kundu as a free trade zone.

The study also required the respondents to indicate the areas in which technology has taken effect. The interviewees were in agreement that systems technology had impacted in areas

like adopting Information Communication Technology such as Management Information System (MIS); Wimax and fibre for data services and cargo inspection system. The size and types of ships and the types of goods had also changed due to technological advancements. The grain bulk handling terminal under Public/private partnership which has provided efficient and cost effective handling solution for bulk grain and fertilizer is a modern plant. Respondents also cited adoption of technology in operations, security department, finance, condition monitoring and infrared thermograph in predictive maintenance in the technical section and almost all sections in the organization. Others were in operations where modernized handling equipment has resulted in faster handling of work with timely access to data and information. In addition to improved planning procedures, computerized work processes both in back and operational areas have responded to modern technology. Personnel involving duplication of roles have been reduced as the system requires fewer staff to perform certain roles and better ways of collection of revenue and reduction of loopholes in revenue collection, thus posting improvements in the revenue base.

The study sought to establish whether there has been any improvement in performance owing to this technology adoption. The interviewees agreed in unison that there has been improvement due to the adoption of technological advancements citing improvements in staff through training, registration, transaction processing, security systems and regulation of the strategic decisions. The fast vessel turn around and document processing time reduction, faster evacuation of cargo and KWATOS sealing loop holes in documentation and removal of unnecessary human intervention all leading to an increase in revenue collection. The SAP and predictive maintenance led to eradication of equipment breakdowns with a 30% saving on maintenance.

#### **4.4 Strategic Responses**

The study required the respondents to indicate the strategies that were adopted to respond to the changes. The interviewees indicated that to counter the changes, the organization has embarked on major development projects that include the construction of the second container terminal, dredging of the channel, conversion of berths 11-14 to a container terminal and the establishment of second sea port at Lamu which will serve Sudan, Ethiopia and open the country to immense economic opportunities, thereby responding to the international association of ports and harbors' (IAPH) call to move ahead with continued investments to improve productivity and expand capacity. The organization also reacted by introducing low-cost but high quality services so as to make it easy for customers to access their services. The interviewees also reiterated that KPA has been focusing more on the East and Central region market as a strategy to be the ports authority of choice for everyone. The organization has adopted timely resolutions, relevant and significant to sufficiently handle ever-increasing cargo volume. KPA has received funding from the Government and is in the process of constructing a second port; Lamu Port is expected to offer an alternative sea port for Kenya which serves countries in the great lakes region. This is also meant to offer wider channel to accommodate bigger vessels since Kilindini channel is narrow. The idea of a new port at Lamu and the associated road and rail links will fulfil a dream going back nearly 40 years to a time when the Kenyan government sought a strategic alternative to Mombasa. In anticipation of work starting on the project, the KPA has opened a new water front office in Lamu.

The interviewees also indicated that to cope with the technological challenges, the strategies that have been put in place to achieve the required performance were such as the introduction of the optical fiber cables that transfer data at a very high speed. The organization also formed alliances with other institutions to enable fast services, system and distribution

system, automated cargo handling, Quality Management Systems (QMS) and quality polices. They also indicated that the organization has considered acquiring a robust IT system; the board was in the process of increasing talent and diversity of expertise in its composition. The Authority is committed to institutionalizing the principle of gender mainstreaming to ensure that opportunities and benefits are equally accessible to both female and male workers in all the Authority's operations. To improve safety at the port and in compliance with the International Ship and Port facility Security (ISPS) code, KPA carries out a port facility assessment occasionally. KPA has embarked on an integrated security system improvement programs which addresses access controls, surveillance and detection among others. This is designed to contain terrorists' activities, pilferages and general crime in and around the port. Other strategies that have been put in place in response to the technological changes were such as engagement with ministry of transport, ministry of Finance and Kenya Railways corporation on the infrastructure (railway line), the upgrade of equipment (cranes) and harbor mobile cranes. Increase of capacity for both the SAP and the servers and implementation of the vessel traffic management system. Mega Ports initiative that deals with radioactive material which is currently under implementation and the three staged implementation strategy for an E-port; ERP, KWATOS and Community Based system currently renamed the National single window are all responses to the technological changes.

The study sought to investigate whether the interviewees were involved in the formulation of any of the response strategies highlighted. The interviewees unanimously agreed that they were involved in the formulation of the strategic responses in various ways such as providing the relevant information regarding their departments, formulating the organizational strategic decisions, plans and objectives, forecasting the future of the operating environment research into the possible strategic responses towards the environmental changes among others.

On the responses that have led to fruitful results, the interviewees indicated that the responses

to the changing environment that have led to fruitful results were continual improvement of QMS, strong financial strategies (operation cost reduction), innovation (process and technology) and invention (new services and technological) strategies and research and development ventures aimed at developing the relevant customer knowledge. The interviewees also indicated that recruiting the best talent has changed the strategic model, refurbishment and restructuring has increased customer confidence and change in leadership/management has been changed has shown the organization's commitment in terms of leadership and management to the customers. The vessel traffic management information system and the improved security surveillance have led to improved harbor surveillance and improved monitoring of security concerns in the harbor and channel.

The study sought to establish whether the respondents consider the various response strategies adopted by KPA to be proactive or reactive to the changes in the corporation's external environment. The interviewees indicated that those strategic responses were both proactive and reactive to the changes in the company's external environment. They also indicated that the organization had a better vision and improved regulatory and commitment to develop and partner with other organizations had caused the organization to change from conservative to forward-thinking.

The respondents were required to indicate the other strategic responses that KPA has adapted to the challenges posed by the external environment. The interviewees indicated that the organization has adopted other strategic responses such as KWATOS System, marketing strategies and especially promotional strategies that has resulted in success in the organization customer acquisition endeavor. They also said that the organization has also increased their coverage and invested in modern equipment to make their services better which gives the organization a competitive advantage over others, engender advertising to embrace the affirmative action policy (making special efforts to include women), applies a



gender responsive approach during short listing of candidates based on qualifications and merit, gives equal opportunity to employees in recruitment and promotion, bearing in mind gender disparity, strives at gender balancing, evaluate existing practices on recruitment/promotion and ensure gender responsiveness, adopts deliberate steps to achieve gender balance in areas where women are marginalized, encourage appointment of qualified women to decision-making positions and make projections of Human resource needs bearing in mind gender equity. It also carries out periodic gender audits; identification of new business developments and initiatives; formulation of land and asset utilization policy; improved security and surveillance to cope with pirates, hence the implementation of the US dollar 24 million integrated security systems project, which has been recently awarded to an Israeli firm.

The interviewees indicated that the organization developed a competent staff to match those of their competitors; the organization provided diverse world-class challenging career opportunities by developing, recognizing and rewarding performance. Due to global financial crisis, the interviewees recommended that the organization should cut down its human resources in its branch network as a strategic response.

#### **4.5 Discussion**

The study found that the changes that have taken place in the organization due to political climate changes were low cash flows, entry of many regional competitors due to liberalization of the economy; regulation and receptive attitude of potential customers since the authority is government owned. These findings correlate with those by Ellis and Williams, (1995) that in today's global environment, change rather than stability is the order of the day. Increased trade liberalization reduces country-based trade barriers, thus increasing the opportunity for cross-border entry.

Pearce and Robinson, (2005) observed that a technological breakthrough can have a sudden and dramatic effect on a firms' environment. In line with this, the study found that systems

technology had impacted in areas like adopting Information Communication Technology such as Management Information System (MIS); Wimax and fibre for data services and cargo inspection system. The size and types of ships and the types of goods had also changed due to technological advancements.

The study found that the changes that they have experienced in their organization in regard to the strategies employed to increase the competitiveness of the company were such as differentiating the main products from those offered by competitors. This concurs with what Sheikh (2000) found that differentiation strategy is an approach under which a firm aims to develop and market unique products for different customer segments.

Cole (1997), states that organizations which want to maintain a competitive advantage have to be ready to adopt and adapt technological developments to their production and administrative procedures in order to stay ahead. This is similar to what the study found that there has been many improvement in performance owing to this technology adoption such as improvements in staff through training, registration, transaction processing, security systems and regulation of the strategic decisions. The fast vessel turn around and document processing time reduction, faster evacuation of cargo and KWATOS sealing loop holes in documentation and removal of unnecessary human intervention all leading to an increase in revenue collection. The SAP and predictive maintenance led to eradication of equipment breakdowns with a 30% saving on maintenance. The strategies that have been put in place to achieve the required performance were such as the introduction of the optical fiber cables that transfer data at a very high speed. The organization also formed alliances with other institutions to enable fast services, system and distribution system, automated cargo handling, Quality Management Systems (QMS) and quality polices. They also indicated that the organization has considered acquiring a robust IT system; the board was in the process of increasing talent and diversity of expertise in its composition.

## **5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objectives of the study. The conclusions and recommendations drawn are in quest of addressing the research question or arriving at the research objective which was to establish the strategic responses adopted by KPA towards changing external environment.

### **5.2 Summary of the Findings**

The study found that the changes that have been experienced in the organization in regard to the strategies employed to increase the competitiveness of the company were such as differentiating the main products from those offered by competitors, advance in ICT, poor performance of the railways initially led to port congestion, competition mainly from ports of Dar esalam and Djibouti and the collision and eventual sinking of Ugandan wagon ferries meant that less Ugandan cargo would go through the port of Dar esalam thus diverting cargo to Mombasa Port for transit mainly by road. The global economic changes that had made the organization launch extensive financial strategies so as to remain competitive in the market, the change management and training for both internal and external users on the new systems and equipment led to positive responses.

From the study, the changes in regulation policies were new policies formulated on gender development; there was more teamwork and cooperation among the staff and the staff attitude and understanding drastically improved. Other strategic changes were that the attitude of staff had changed and people appreciated what they do, previously there was reactive approach but there is proactive approach, the culture has also changed to

performance based with introduction of performance contract and also communication between the employees and senior management enhanced.

On the changes that have taken place in the organization due to political climate, the study found that low cash flows, entry of many regional competitors due to liberalization of the economy; regulation and receptive attitude of potential customers since the authority is a government agency. In addition, there was privatization of berths 11 to 14 and stevedoring services by appointed private firm and the construction of Dongo Kundu bypass to open up Dongo Kundu as a free trade zone.

It was also found that that systems technology had taken toll in areas like adoption Information Communication Technology such as Management Information System (MIS); Wimax and fibre for data services and cargo inspection system, quayside operations, in the receiving, storage and delivery of cargo through KWATOS and condition monitoring, infrared thermograph in predictive maintenance and that there has been improvement due to the adoption of technological advancements citing improvements in registration, transaction processing, security systems and regulation of the strategic decisions.

The study found that to counter the changes, the organization has reacted by introducing low-cost but high quality services so as to make it easy for customers to access their services and that KPA has been focusing more on the East and Central region market as a strategy to be the ports authority of choice for everyone. Further, there is modernization and expansion of the port infrastructure, embracing of innovation and technological advancement, upgrading of safety and security and to become an E-port so as to improve on efficiency and remove too many people intervening in the cargo clearance and delivery, to eradicate or minimize cargo losses.

The study also found that to cope with the technological challenges, the strategies that have

been put in place to achieve the required performance were such as the introduction of the optical fiber cables that transfers data at a very high speed. The organization also formed alliances with other institutions to enable fast services, system and distribution system and automated cargo handling. The study also found that the organization has considered acquiring a robust IT system; the board was in the process of increasing talent and diversity of expertise in its composition, engagement with relevant Ministries and Kenya Railways on the infrastructure. Procurement of modern state of the art equipment and upgrading of the SAP and currently implementing Mega ports initiative that will deal with radioactive material and E-ports.

The study found that the respondents were involved in the formulation of the strategic responses in various ways such as providing the relevant information regarding their departments, formulating the organizational strategic decisions, plans and objectives, forecasting the future of the operating environment research into the possible strategic responses towards the environmental changes among others.

On the responses that have led to fruitful results, the study found that the responses to the changing environment were strong financial strategies (operation cost reduction), innovation (process and technology) and invention (new services and technological) strategies and research and development ventures aimed at developing the relevant customer knowledge. The interviewees also indicated that recruiting the best talent has changed the strategic model, refurbishment and restructuring has increased customer confidence and change in leadership/management has been changed has shown the organization's commitment in terms of leadership and management to the customers.

The study found that strategic responses were both proactive and reactive to the changes in the company's external environment. The study also found that the organization had a better

vision and improved regulatory and commitment to develop and partner with other organizations had caused the organization to change from conservative to forward-thinking.

The study also found that the organization has adopted other strategic responses such as marketing strategies and especially promotional strategies that have resulted in success in the organization customer acquisition endeavor. It was also found that the organization has also increased their coverage and invested in modern equipment to make their services better which give the organization a competitive advantage over other authorities responsible for the port operations.

The study found that the organization developed a competent staff to match those of their competitors; the organization also enjoyed diverse world-class challenging career opportunities by developing, recognizing and rewarding performance. Due to global financial crisis, the interviewees recommended that the organization should cut down its human resources in its branch network as a strategic response to reduce salary expenses.

### **5.3 Conclusion**

The study concludes the organization has employed strategies to counter the changes experienced with regard to the changes in external environment. The strategies are such as differentiating the main services from those offered by competitors as well as global economic changes that had made the organization launch extensive financial strategies so as to remain competitive in the market. The changes in regulation policies were new policies formulated on gender development; there was more teamwork and cooperation among the staff and the staff attitude and understanding drastically improved. Other strategic changes were that the attitude of staff had changed and people appreciated what they do, previously there was reactive approach but there is proactive approach, the culture has also changed to

performance based with introduction of performance contract and also communication between the employee and senior management improved.

On the changes that have taken place in the organization due to political climate, the study concludes that low cash flows, entry of many regional competitors due to liberalization of the economy; privatization of berths, construction of Dongo Kundu bypass to open up a free trade zone, regulation and receptive attitude of potential customers since the authority is a government agency. It was also established that that systems technology had taken toll in areas like adoption of Information Communication Technology such as Management Information System (MIS); Wimax and fibre for data services and cargo inspection system, quayside operations, infrared thermography in predictive maintenance and that there has been improvement due the adoption of technological advancements citing improvements in registration, transaction processing, security systems and regulation of the strategic decisions. The study concludes that to cope with the technological challenges, the strategies that have been put in place to achieve the required performance were such as the introduction of the optical fiber cables that transfers data at a very high speed. The organization also formed alliances with other institutions to enable fast services, system and distribution system and automated cargo handling. The study also established that the organization has considered acquiring a robust Information Technology system, the board was in the process of increasing talent and diversity of expertise in its composition.

The study deduces that the respondents were involved in the formulation of the strategic responses in various ways such as providing the relevant information regarding their departments, formulating the organizational strategic decisions, plans and objectives, forecasting the future of the operating environment research into the possible strategic responses towards the environmental changes among others.

On the responses that have led to fruitful results, the study concludes that the responses to the

changing environment that have led to fruitful results were strong financial strategies (operation cost reduction), innovation (process and technology) and invention (new services and technological) strategies and research and development ventures aimed at developing the relevant customer knowledge. It was also clear that recruiting the best talent has changed the strategic model, refurbishment and restructuring has increased customer confidence and change in leadership/management has been changed and shown the organization's commitment in terms of leadership and management to the customers.

The study concludes that strategic responses were both proactive and reactive to the changes in the company's external environment. The study also concludes that the organization had a better vision and improved regulatory and commitment to develop and partner with other organizations had caused the organization to change from conservative to forward-thinking.

The study established that the organization has adopted other strategic responses such as marketing strategies and especially promotional strategies that have resulted in success in the organization customer acquisition endeavor. It was also clear that the organization has also increased their coverage and invested in modern equipment to make their services better which gives the organization a competitive advantage over other authorities responsible for the port operations.

The study concludes that the organization developed a competent staff to match those of their competitors, the organization also enjoyed diverse world-class challenging career opportunities by developing, recognizing and rewarding performance. Due to global financial crisis, the interviewees recommended that the organization should cut down its human resources in its branch network as a strategic response to cost cutting.

### **5.3 Recommendations**

From the findings and conclusions, the study recommends that although the organization has been successful in neutralizing the challenges brought about by changes in the external



environment, KPA should engage more in talent acquiring responses to ensure that there is innovations geared towards development of new services that are affordable and high quality. Besides providing its services and products at lower cost (cost advantage), KPA should deliver benefits that exceed those of changing external environment to gain sustainable competitive advantage. The study further recommends that KPA should heavily involve in regional trade by diversifying in other countries in East Africa and Africa at large in order to take advantage of economic liberations in many countries as a result of globalization. They should undertake appropriate, persuasive and sustained marketing and campaigns on products and services so as to change the negative perception about government owned agencies, increase its market share and customer preference. This would increase its customer base and compete even more other agencies in other African countries.

The study also recommends that the company should recruit workers who have the necessary knowledge and competencies in the business to minimize on the induction and training costs. The staff should also be remunerated fairly and have better work condition and terms to ward-off staff poaching by private sectors.

#### **5.4 Limitations of the Study**

Being that this was a case study on one organization the data gathered might differ from strategic responses that other organizations in private and other government agencies have adopted to match the changing external environment. This is because different organizations adopt different strategies that differentiate them from their competitors. The study however, constructed an effective research instrument that sought to elicit general and specific information on the strategic responses that organizations adopt to match the changing environment.

The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be

carried on strategic responses to changing environment. Due to limited finances the study could not be carried out on the entire KPA. The study, however carried out a study across all the departments in the organization which could enable generalization of the study findings on the strategic responses adopted by KPA towards changing external environment.

### **5.5 Recommendations for Further Research**

The study recommends that further research should be done on the other organizations in the public sector so as to get comprehensive information on how the other players in the sector have responded towards changing external environment.

More research needs to be done to determine what effect the strategic responses adopted towards changing external environment have on the performance of the company. The contribution of strategic responses to the overall performance of KPA should be explored.

### **5.6 Implication on Policy and Practice**

These findings imply that KPA is faced with various challenges brought about by the changing external environment as such the one experienced currently the organization should engage in more of the proactive strategies by coming up with new innovations in order to keep pace with the changing world. The study also implies that for a company to be competitive, it has to adopt both proactive and reactive strategies to the changes in the company's external environment. The most effective strategies are such as differentiating the main services from those offered by competitors, formation of alliances with other institutions, strong financial strategies (operation cost reduction), innovation (process and technology) invention (new services and technological) and research and development ventures.

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## **APPENDICES**

### **Appendix I: Introduction Letter**

September 2010

The Human Resources Manager

Kenya Ports Authority

P.O Box 95009 - 80104

#### **Mombasa**

**Dear Sir/Madam,**

#### **RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT**

I am a student at the University of Nairobi pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I would like to conduct a research project on **Strategic Responses to the Changing Environment; A Case of Kenya Ports Authority.** The focus of my research will be the Kenya Ports Authority and this will involve use of interview guides administered to members of the management team.

I kindly seek your authority to conduct the research at Kenya Ports Authority through interview guides and use of relevant documents. I have enclosed an introductory letter from the University. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

**Keziah Muchelule**

## **Appendix II: Interview Guide**

### **STRATEGIC RESPONSES BY KENYA PORTS AUTHORITY TO CHANGING EXTERNAL ENVIRONMENT**

#### **Part A: General information**

1. Name of department.
2. What is your designation in the department?
3. What is your total work experience in years?
4. What is your length of time in the organization?

#### **PART B: ENVIRONMENTAL CHANGES**

5. List the external changes that have had major impact on your operations from the economic environment.
6. Have there been any changes in regulation policies that have affected your operations?  
Briefly outline.
7. Indicate any changes that have taken place in your organization due to political climate?
8. Briefly indicate the areas in which technology has taken toll?
9. Has there been any improvement in performance owing to this technology adoption?  
Briefly outline

#### **PART C: STRATEGIC RESPONSES**

10. Indicate the strategies that were adopted to respond to the changes? Briefly explain.

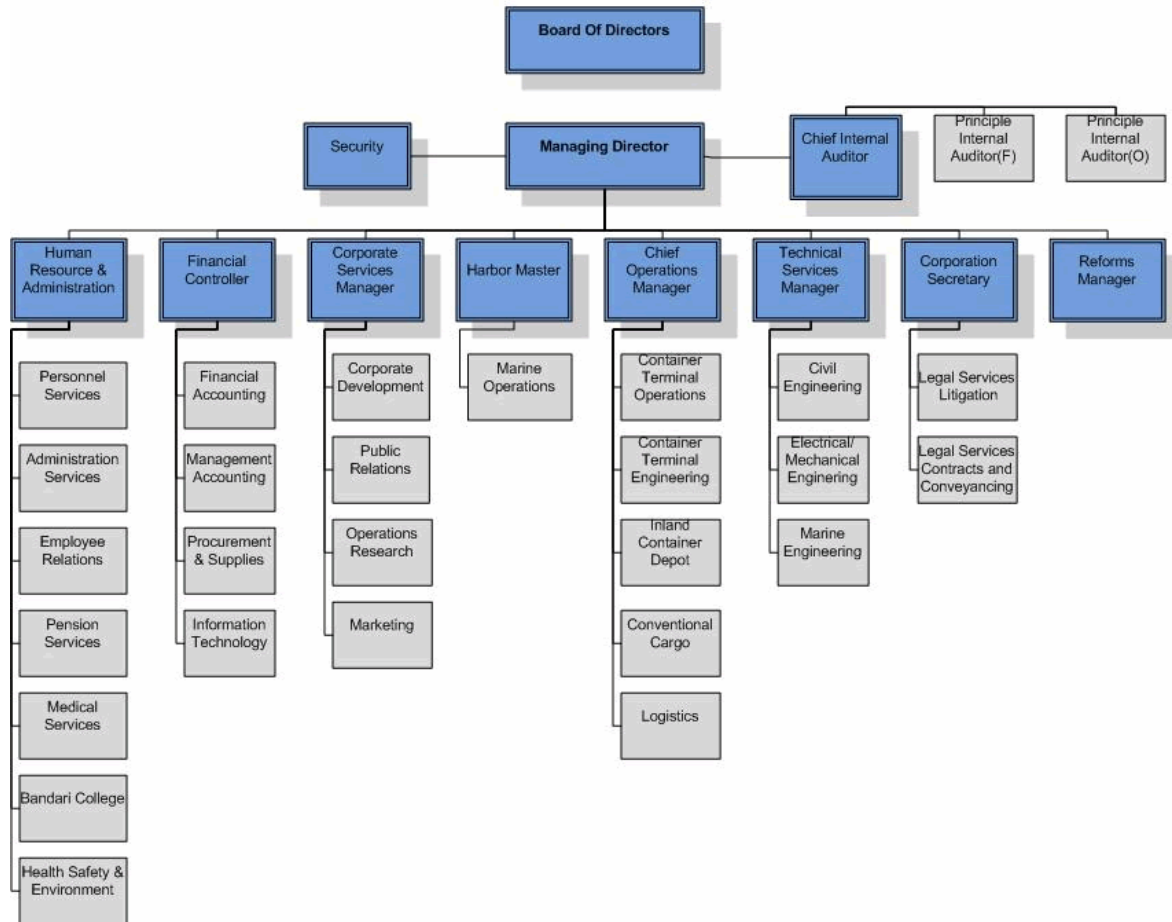


11. To respond to the above technological changes, what strategies have been put in place to achieve the appropriate changes?
12. Are you involved in the formulation of any of the response strategies highlighted in any of the above questions? How?
13. Which responses led to fruitful results? Indicate briefly why?
14. Do you consider the various response strategies adopted by KPA to be proactive or reactive to the changes in the corporation's external environment?
15. What are the other strategic responses that KPA has adapted to the challenges posed by the external environment?

**THANK YOU!!**

**Appendix III: KPA organizational structure**

**KENYA PORTS AUTHORITY ORGANISATIONAL STRUCTURE**



Source: [www.kpa.co.ke](http://www.kpa.co.ke)