

**STRATEGIC RESPONSES TO CHANGES IN MACRO  
ENVIRONMENT IN THE KENYA PREMIER LEAGUE.**

**BY**

**NJAKAI AGNES WANJIRU**

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## DECLARATION

I declare that this research project is my original work and any of its contents has never been submitted to any other institution for the award of Masters, Degree, Diploma or Certificate.

Signature.....

Date.....

**NJAKAI AGNES WANJIRU**

**REG. NUMBER: D61/63211/2011**

## SUPERVISOR'S APPROVAL

Signature.....

Date.....

**DR. JAMES GATHUNGU,**

**DEPARTMENT OF BUSINESS ADMINISTRATION,**

**SCHOOL OF BUSINESS,**

**UNIVERSITY OF NAIROBI.**

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## **DEDICATION**

I dedicate this project to my grandmother, Gladys Muringo, for her undying love and care.

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## **ABBREVIATIONS/ACRONYMS**

BPR	-	Business Process Re-engineering
CAF	-	Confederation of African Football
CECAFA	-	Council for East and Central Africa Football Associations
FIFA	-	Fédération Internationale de Football Association
FKF	-	Football Kenya Federation
KEFOCA	-	Kenya Football Coaches Association
KEFORA	-	Kenya Football Referees Association
KP L	-	Kenyan Premier League
MYSA	-	Mathare Youth Sports Association
SSMB	-	Sports Stadia Management Board
TQM	-	Total Quality Management



## ABSTRACT

This study sought to establish how Kenya Premier League football clubs responds to changes in the external environment which is political, economic, social, technological, legal and ecological factors. Factors that led to choice of some strategies and not others were also established. The study was anchored on Game Theory which assesses strategic interactions in which the outcome of one's choices depends on the choices of the others. The study adopted an exploratory research design since not much is researched on KPL management at the Kenyan scholarly level. Qualitative data was collected through interviews which were administered face to face by the interviewer to the purposively sampled respondents. The targeted respondents were secretaries, CEO's and chairmen of seven clubs in the Kenya Premier League. Data collected from the seven club officials was analyzed using content analysis by putting it into context and presenting it in prose form. The study found that the league is affected by all macro environmental factors except ecological changes. Economic changes were top of list in affecting the clubs negatively in operations followed by political changes. Further, the study established that a club sponsorship structure greatly affects the response strategy adopted to changes in the external environment. During the course of this study, limitation was experienced in getting the key respondents for the interview due to the high intensity of football matches around the time of research, making the club secretaries and chairmen extremely busy. Additional studies in the Kenya Premier League and the sports industry in general, on its responses to internal environment would be viable in future. The researcher recommends a fully planned, organized and controlled strategic layout for Kenya Premier League. This will be perfectly achieved once the clubs abide to the recently introduced Sports Act, signed into Law in January 2013. Further, the community clubs should be managed independently as a legal entity which will leave them off their tribal kins who manipulate the club's management hindering their growth. Also, KPL clubs should initiate more organizations to nurture young talents for continuity purposes and better coaching of players. What is coming up now is that the government has finally appreciated that sports is a business, which when professionally managed, the society will benefit more from this recreational game.

**Keywords:** Strategic Responses, Macro environment, Kenya Premier League, Game theory.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

All organizations depend on the environment for their inputs as well as outputs. The environment is constantly changing making it necessary for organizations to constantly align and re-align various activities in order to survive in this turbulent environment. Organizations need to formulate and implement strategies that will enable them to plan and act on future eventualities (Ansoff, 1987). Strategy formulation therefore guides the actions and decisions made by an organization and helps them achieve long term survival and prosperity (Mwaniki, 2010).

Organizational change is a strategic imperative. This means there are radical shifts required to cope with the many and unpredictable changes in the social, economic political and technological environment. Bateman and Zeithamol (1993) explained that each organization function is a closer more immediate task in the environment. The task environment consists of the specific organizations with which the organization directly interacts. External environment consists of social factors, political impacts, ecological considerations, technological uplifts, economic factors and cultural changes. Organizations rarely have influence on the turbulence experienced in these factors. They therefore need to come up with strategies that will enable them to survive in the event of turbulence in the environment.

Sports organizations world over and increasingly in Kenya are attracting major commercial interests. With the commercialization of sports, it is expected that purely corporate business concepts and philosophies are bound to find their way in sports management (Nyende, 2007). One of these concepts is how to counter the turbulent environment organizations are faced with.

There is need for organizations to align themselves to the changes in the external environment. This requires undertaking strategic responses that will help them to counter the environmental turbulence hence remain relevant in the industry. Various strategies can be undertaken in the effort of aligning and re aligning the organizations activities to such turbulence (Huczynski and Buchanam, 2007).

### **1.1.1 Strategic Responses**

Organizations may adopt either planned or emergent approaches. The planned approaches are predominant in that organizations formulate pre-planned methods in prediction of the changes likely to occur in the environment. These approaches enable the organization to predict their position given certain changes in the environment. Emergent approaches view environmental turbulence as a continuous, open ended and unpredictable process for aligning and realigning the organization to the turbulent environment. Benchmarking is one of the response strategies. It's defined as an organization's assessment of the performances and practices of other organizations and competitors in an effort to analyze and compare its own performance (Huczynski and Buchanan, 2007). Benchmarking is essential for organizations to raise their standards.

Total quality management is seen as a continuous process of improvement for individuals, groups of people and the whole organization (Kanji and Asher, 1996). This approach was inspired by the Japanese and was used to improve organizational performance and effectiveness. TQM views an organization as a collection of processes. It maintains that organizations must continuously improve these processes by incorporating the knowledge and experience of workers. This simple objective of TQM is 'do the right things, right the first time, every time.'

TQM is a management system that involves all employees in continual improvement. It uses strategy, data, effective communications and involvement of all level employees to integrate a disciplined culture in an organization.

Performance contracting gives an organization a competitive edge since it's a binding commitment. Performance contracting includes a variety of incentive based mechanisms for controlling organizations. They control the outcome rather than the process (Quinn, 1996). The parties involved are committed to certain courses that yield positive results in the organization. It involves negotiating the targets based on the strategic plans of the organization. Signing the contracts indicates commitment by the parties to implement the strategic plan. A performance contract refers to a formal and legally enforceable agreement between an employer and employees defining the performance expectations to be delivered by the employees as well as the responsibilities of the two parties in achieving the desired results (Pearce and Robinson, 2002).

### **1.1.2 Macro Environment**

Political constraints are placed on firms through trade decisions, antitrust laws, tax programs, minimum wage legislation, polluting and pricing policies all aimed at protecting the employees, customers, general public and the environment. Pearce and Robinson (2002) further explain that these laws are mostly restrictive and they tend to reduce the potential profit of firms. Political instability may be viewed as a threat to business whereas stability may be viewed as an opportunity for growth and excellence. The economic environment is concerned with the nature and direction in which the firm operates. It's characterized by factors that affect supply, demand, growth, competition and profitability within the industry.

Bateman and Ziethamol (1993) noted that the economic environment dramatically affects companies' ability to function effectively and influences their strategic choices. They state that interest and inflation rates affect the availability and cost of capital. Unemployment rates affect labour availability. The social culture, according to Bartol and Martin (1991), is the element of environment that includes attitudes, values, norms and beliefs. These in turn affects how people act and behave.

Ansoff and Mc Donnell (1990) described technology as a driving force which frequently determines the strategic future of a firm. They say failure to recognize in time impending technology substitution can result in a major loss of market share or cause a firm to leave an industry in which it enjoyed a profitable existence. Technology therefore can serve as a major and powerful tool through which they can gain and maintain competitive pre-eminence. Pearce and Robinson (1997) explain that the key to beneficial forecasting of technological advancement lies in accurately predicting future technological capabilities and their probable impacts.

Environmental factors include the weather and climate change. With major climate changes occurring due to global warming and with greater environmental awareness, this external factor is becoming a significant issue for firms to consider. The growing desire to protect the environment is having an impact on many industries and the general move towards more environmental friendly products and processes is affecting demand patterns and creating business opportunities.

### **1.1.3 Sports Industry in Kenya**

Sports in Kenya are paralleled with Kenyan culture and as old as the archeological trivia of the trace of the origin of mankind. Some of the traditional games and sports prevalent in Kenya since antiquity include but not limited to, wrestling, racing exercises, stick fights, hunting (using spears and arrows), board games, bull fights, and dances (Wanderi, 2006). Most modern sports in Kenya owe credit to the British colonialisation. Professional teams in form of clubs were formed by colonial British settlers and Asian contractors as early as 1922 before the establishment of formal schools (Njororai, 2009). Sports were introduced in schools in 1925. The syllabus for teaching sport through physical training in schools was produced in 1935.

Football and athletics respectively were the first sports to be professionally organized. This is as stipulated in a journal by Wamukoya, E. and Hardman, K. (1992). Globally, Kenya is mainly known for her dominance in middle-distance and long-distance races. Football has been adjudged the most popular sport in Kenya with 74 percent of respondents in a poll done by Nyaga (2011) saying that football is their favorite sport. The sports industry in Kenya has recently experienced growth and development. Sports have become a target by the politicians to bring communities together especially football. Corporates have also immersed their presence through sponsorships by paying millions of shillings to sporting events (Nyende, 2007).

### **1.1.4 Kenya Premier League**

The Kenyan Premier League Ltd (KPL) is a private company incorporated in October 2003 under the Companies Act of Kenya. KPL is fully owned and managed by the sixteen Premier League clubs.

KPL is affiliated to the Football Kenya Federation (FKF), which is also a KPL shareholder and voting member of the KPL Board of Directors. The Football Kenya Federation is the governing body of football in Kenya. It was founded in 2011 and was recognized by FIFA, CAF and CECAFA in 2012. Non-voting members include the Kenya Football Coaches Association (KEFOCA) and Kenya Football Referees Association (KEFORA). (Retrieved from <http://www.kpl.co.ke/>)

There are sixteen clubs in the KPL which maybe conveniently grouped as either corporate, community, private and military sponsored. According to Football Kenya, community teams are those not owned by any corporate organization or other legal entity. Corporate clubs are those that are either incorporated as limited companies or have an identified corporate sponsor. KPL mission is ‘to build professionalism on and off the field in the Kenyan Premier League and its participating clubs, coaches, players and referees and ensure they always act together for the good of our sport and nation’.

## **1.2 Research Problem**

Radical shifts are required in order to cope with the many and unpredictable changes in the wider social, economic, political and technological environment. According to Huczynski and Buchanan (2007), organizational change is a strategic imperative. Organizations may adopt either planned or emergent approaches. The planned approaches are predominant in that organizations formulate pre-planned methods in prediction of the changes likely to occur in the environment. Emergent approaches view environmental turbulence as a continuous, open ended and unpredictable process for aligning and realigning the organization to the turbulent environment.

Sports have emerged as one key frontier to meet both economic and social needs. This corporate and government interest in sports has necessitated strategic responses in the KPL. Political changes in the country have particularly affected the football clubs, with tribalistic politics in and outside the clubs posing a major threat. Due to economic turbulence, the corporate sponsored clubs faces a major shift of finances leading to a halt in the sponsorship whenever inflation arises.

Several studies (Mwaniki, 2010; Nganga 2004; Kangoro, 1998; and Kombo, 1997) have been carried out in regards to strategy and the changing environmental conditions in Kenya. These studies have not touched on the sports industry and specifically what KPL undertakes to deal with the changing macro environment. Kamau (2006) and Omondi (2010) conducted a study on strategic planning at the Kenya Amateur Athletics Associations and strategic planning at KPL consecutively. Academic studies within the Kenyan Football scene have tended to concentrate on corporate governance or the arena of Marketing (Gichangi, 2004; Riungu, 2006). None of these studies looked at the responses KPL has in regards to macro-environment changes. This study therefore sought to bridge the knowledge gap that existed with regards to the strategic responses in the Kenyan football .What are the strategic responses adopted by KPL to the various macro environment changes it faces and what influences the choices made?

### **1.3 Research Objectives**

The objectives of this study were:

- i. To determine the strategic responses KPL has adopted to cope with changes in the macro environmental factors affecting the sports industry.



- ii. To establish the factors influencing the response strategies adopted by KPL to cope with the environmental challenges.

## **1.4 Value of Study**

The findings of this study have contributed to existing academic literature in the field of Strategic Management. The findings act as a guideline and serve as reference material for future scholars besides suggesting areas for further research. The study provides a platform for further research in the area of strategic responses especially on macro environmental changes. Future researchers can use this study as a reference point if one is researching on strategic responses and related fields.

The management of KPL football clubs will benefit from this study by providing insights on how the organization can respond to turbulence in environmental conditions. If what the clubs are employing is not effective, these findings will suggest workable strategic responses. To the government and policy makers, the study may form the basis for policy framework that underpins good strategic responses in Kenyan Football. This will assist the government review players recognition and provision of the necessary amenities for Kenyan football to thrive.

To players and fans, this study will bring to them awareness of the environment that they play in and how to respond to its changes. Kenyan social scene regards football highly and the fan base is a great participator in the Football industry. Besides providing funds to the clubs through live matches, cohesion is established among the different communities through the tournaments. Players will be urged to nurture young talent for continuity purposes and Kenyan football sustainability.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents literature reviews and authorities on strategic responses and macro environment factors. The study seeks to explore the Game Theory as the foundation. The strategic analysis and insight of game theory is crucial to surviving in the modern economy. Simply, game theory is the study of interaction. Formulating a business strategy requires not only knowledge of your own company's strengths and weaknesses, but the intentions, strengths, and weaknesses of competitors, allies, regulators, and customers.

### **2.2 Theoretical Foundation**

Theoretical approach suggested an answer to a question based on research. The study findings were based on two existing theories, game theory and strategic control theory. According to Campbell et al (2002), the rationale for incorporating the review of the literature in the research is to substantiate the findings. However, most scholars have agreed that there is no major theoretical frameworks of research since different fields undergo various trends of theoretical influence.

According to Quinn (1996) strategic control involves the monitoring and evaluation of plans, activities and results with a view toward future actions .The clear intent of strategic control is the triggering of appropriate changes in strategy be it either tactical adjustments or strategic re-orientations (Lorange,1998). Whether running a traditional business or looking to formulate a powerful new business strategy, both an understanding and appreciation of strategic control theory are essential (Gichangi, 2004).

### **2.2.1 Game Theory**

The game theory assesses strategic interactions in which the outcome of one's choices depends upon the choices of others. The essence of game theory are two or more players who have a range of actions or similar freedom to a set of choices, and also have certain information. Each player has a set of preferences for the diverse possible outcomes, and the results of the interaction depend on all the players decisions (Mintzberg, 1998). Game theory assumes that one has opponents who are adjusting their strategies according to what they believe everybody else is doing. The exact level of sophistication of the opponents should be part of one's strategy.

To analyze such a game, one puts oneself in the other player's shoes, recognizing that the other opponent, being clever, is doing the same. When this consideration of the other players move continues indefinitely, the result is an infinite regress (Howe, 1986). Game theory provides a set of tools and components that may be used to develop logically consistent models of rational human behavior. These models allow researchers to discount explanations of behavior where people act against their own objectives, neglect opportunities, or ignore strategic behaviour of other parties (Campbell et al, 2002).

Most of game theory is not meant to be purely normative, describing the ideal choices people should make, as an equilibrium strategy is only ideal if other players believe that players will act in certain ways that would require the theory to be descriptive. Howe (1986) suggests that game theory is analytic, analysis of the formal implications of various levels of mutual rationality in strategic situations. Mintzberg (1998) argues for a practical approach to game theory which he refers to as asymmetrically normative.

Here game theory tells players what they should do normatively if other players behave in typical ways (descriptive). Although sound descriptive theory on which to base normative-descriptive advice is lacking, three behaviour principles can provide guidance on player's behaviour towards convergence.

First, players initially try cooperative strategies that make convergence better if all use them than under equilibrium strategies. Second, players do not assume with confidence the rationality of others. And finally, players do not look very far forward or backward (Lorange, 1998). Game theory can be used to analyze a wide range of strategic interaction environments including oligopolies, sports and politics. Elements of a game are; players, actions, information, strategies, outcomes, payoffs and equilibrium. When evaluating a situation in which game theory is applicable, the following framework is useful; define the problem, identify the critical factors, build a model such as bi-matrix game or an extensive form game, develop intuition by using the model then formulate a strategy (Drucker, 1986).

### **2.2.2 Strategic Control Theory**

Strategic control involves the monitoring and evaluation of plans, activities and results with a view toward future actions (Quinn, 1996). The clear intent of strategic control is the triggering of appropriate changes in strategy be it either tactical adjustments or strategic re-orientations (Lorange, 1998). Strategic surveillance is broad-based monitoring of the environment whereby the organization interprets, analyzes and responds to strategic issues (Daft and Weick, 1984). Since the process of strategy planning and implementation normally tends to narrow the scope of attention. Strategic surveillance helps identify trends and developments emerging from areas not previously identified as important (Preble, 1992).

Premise control concerns the underlying strategic assumptions made in earlier planning efforts regarding internal and external factors (Lampel and Shamsie, 2000). During strategy formulation, the executive identify critical assumptions underlying their strategy. Once executives identify these assumptions, an effective organization design and implementing monitoring systems is done to ascertain their continued validity. The strength of premise control is its feed forward nature, since its able to identify potential problems while they are still minor and before they affect an organization performance (Preble, 1992).

According to Schreyogg and Steinmann (1987), strategic control component requires monitoring strategy implementation performance, usually through milestones, critical success factors, budgets and thresholds and takes the form of classic feedback control. Its purpose is to aid managers in making a determination based on strategy implementation, whether to alter the basic strategic direction or not.

### **2.3 Concept of Strategy**

Strategy as a concept has been studied in depth by many scholars. Campbell et al (2002) defined strategy as a vehicle through which business can review past performance and determine future actions geared towards achieving and sustaining superior performance. They stated that it's undertaken in phases; strategy development, strategy evaluation, strategic change and implementation and strategy learning. There is no single universally accepted definition of strategy. Indeed, different authors and managers use the term in various ways (French, 2009). Learned et al (1965) view strategy as the pattern of objectives, purposes or goals and the major policies and plans for achieving these goals, stated in such a way to define what business the company is in and the kind of company it is to be.

The need for strategy in a firm is to give the organization a competitive edge through configuration of its resources and capabilities to match the environment. Porter (1980) describes strategy as setting yourself apart from the competition. This involves a unique way of the organization with the market place as well as having a unique proposition to the consumer. He envisions three generic strategies that may be utilized by organizations; low cost, differentiation and niche strategies (Thompson et al, 2007).

Strategy is the direction an organization chooses to take in the future, to fulfill its obligations to its stakeholders (Johnson and Scholes, 2002) and it occupies a central position in the determination of firm's current and future intentions. Strategic management is therefore a vital tool in organizations today as it helps managers in making strategic decisions that affect the long term objectives of the organization. Rowe et al (1994) state that strategic management is the decision process that aligns the organizations' internal capabilities with the opportunities and threats it faces in its environment.

## **2.4 Macro-environment and its Challenges**

All organizations are dependent on their environments for their inputs and outputs. Bateman and Zeithmal (1993) stated that all organizations are affected by the general components of the macro environment. They explained that each organization functions in a closer, more immediate task environment. The task environment comprises of the specific organizations with which the organization directly interacts. A company's macro environment includes all relevant factors and influences outside the company's boundaries (Thompsons et al, 2007).

These are factors important enough to have a bearing on the decisions a company ultimately makes about its direction, objectives, strategy and business model. External environment consists of social factors, political impacts, ecological considerations, technological uplifts, economic factors and cultural changes. Organizations rarely have influence on the turbulence experienced in these factors. They therefore need to come up with strategies that will enable them to survive in the event of turbulence in the environment. According to Bartol and Martin (1991), an organization is likely to be more successful if it operates as an open system that continually interacts with and receives feedback from the external environment.

The organization and the environment in which it operates in are not closed systems because they influence each other. This means the organization draws its inputs such as human, financial and informational resources but to mention a few from the environment and distributes its products and services back to the environment. The direction and stability of political factors are a major consideration for organizations in formulating business strategies (Pearce and Robinson, 1991). Political constraints are placed on firms through trade decisions, antitrust laws, tax programs, minimum wage legislation, polluting and pricing policies all aimed at protecting the employees, customers, general public and the environment.

Pearce and Robinson further explain that these laws are mostly restrictive and they tend to reduce the potential profit of firms. Other political actions are designed to benefit and protect firms. Political instability may be viewed as a threat to business whereas stability may be viewed as an opportunity for growth and excellence. The economic environment is concerned with the nature and direction in which the firm operates. It's characterized by factors that affect supply, demand, growth, competition and profitability within the industry.

Bateman and Ziethaml (1993) noted that the economic environment dramatically affects companies' ability to function effectively and influences their strategic choices. They state that interest and inflation rates affect the availability and cost of capital. Unemployment rates affect labor availability. McCathey et al (1996) added that economic factors also interact with behavioral forces in influencing demand and consequently, the state of the economy. Further explanations state that the negative effects of poor general economic conditions may influence not only the demand for products but also other major business activities.

The social-cultural environment is concerned with the society's attitudes and cultural values. When an organization conducts its business it will need to do so in a way that respects and bears in mind the fact that the social cultural environment is characterized by different people and therefore it has to conduct its business in a way that respects and accommodates this environment. Failure to do so can result in bad publicity, losses and even the folding up of business due to public pressure. The social culture, according to Bartol and Martin (1991) is the element of environment that includes attitudes, values, norms and beliefs. These in turn affects how people act and behave.

Campbell et al (2002) pointed out that culture can affect consumer tastes and preferences, attitudes to work, attitudes to education and training, attitudes to corruption and ethics, attitudes to credit as well as attitudes to the social role of business in society. Technology is a driving force which frequently determines the strategic future of a firm. According to Ansoff and Mc Donnell (1990), failure to recognize in time impending technology substitution can result in a major loss of market share or cause a firm to leave an industry in which it enjoyed a profitable existence.



Technology can serve as a major and powerful tool through which can gain and maintain competitive pre-eminence. Environmental factors include the weather and climate change. With major climate changes occurring due to global warming and with greater environmental awareness, this external factor is becoming a significant issue for firms to consider. The growing desire to protect the environment is having an impact on many industries and the general move towards more environmental friendly products and processes is affecting demand patterns and creating business opportunities.

## **2.5 Strategic Responses to Environmental Turbulence**

The greater the amount of change in environmental factors such as governmental regulations and technology and the greater the number of the environmental factors that must be considered, the higher the level of environmental turbulence (Mintzberg et al,1998). Organizations have a need to formulate and implement strategies that will counter the highly turbulent environment that they operate in. According to Drucker (2007), for an organization to succeed in an industry, it must select a mode of strategic behavior which matches the level of strategic turbulence and develop a resource capability which complements the chosen mode.

Mintzberg et al (1998) proposed that firms differ in terms of their structure and that theory should move away from the ‘one best way’ approach towards a contingency approach, in that, structure should reflect the firm’s situation and strategies. An organizational structure to include its leadership and culture are some of the factors that affect how the firm responds to external changes. By aligning and re-aligning various internal activities, chances of survival in the industry are there (Drucker, 2007).

### **2.5.1 Leadership and Culture Change**

Organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs of organization members and their behaviors (Mullins, 2007). The concept of culture is particularly important when attempting to manage organization-wide change. Practitioners are coming to realize that despite the best laid plans, organizational change must include not only changing structures and processes, but also changing the corporate culture as well.

Organizational change efforts are rumored to fail the vast majority of the time. Usually, this failure is credited to lack of understanding about the strong role of culture and the role it plays in organizations. That's one of the reasons why many strategic planners now place as much emphasis on identifying strategic values as they do mission and vision. Ansoff and McDonnell (1990) characterize organizational leadership as general management capability which they define as the propensity and ability of the general management to engage in behavior which will optimize attainment of the firms near and long term objectives.

### **2.5.2 Benchmarking**

Benchmarking is defined as an organizations assessment of the performance and practices of other organizations and competitors in an effort to analyze and compare its own performance. According to Drucker (2007), benchmarking can be described in three distinct types namely internal, competitive and comparative benchmarking. Internal benchmarking is whereby an organization undertakes comparison between functions, departments or a similar organization as a means of improving performance by removal of errors.

Competitive benchmarking is a cross-comparison within one industry sector aimed at establishing best practice through identification of gaps within your own and competitors' performance. It can be done on product, functions, department or the organization at large. Comparative benchmarking is the comparison across all business sectors aimed at establishing best practices in all areas of operation (Kanji & Asher, 1996).

### **2.5.3 Strategic Alliances**

Alliances are one of the response strategies that would greatly put an organization at a competitive edge. A strategic alliance is an agreement between two or more individuals or entities stating that the involved parties will act in a certain way in order to achieve a common goal. Strategic alliance usually makes sense when the parties involved have complementary strengths. These alliances may be used to reduce competition in the business or even to support both companies either in monetary or product wise.

A strategic alliance has been variously defined as a particular mode of inter-organizational relationship in which the partners make substantial investments in developing a long term collaborative effort and common orientation (Mattson,1995); organizational arrangements and operating policies through which separate organizations share administrative authority and form social links through more open ended contractual agreements as opposed to very specific arm's length contracts (Go and Hedge,1994).

#### **2.5.4 Information Technology**

Information technology is the world mover today. Systems and hardware keeps evolving after every few months, new information technologies with enhanced connective capabilities can trigger the transformation of industry structure and change the sources of competitive advantage. Such technological changes may trigger strategic responses that seek to capture advantages of technical leadership (Robbins & Coulter, 2005). Those who are among the first to respond obtain competitive benefits of volume and experience that may not accrue to those who follow.

Information technology has radically changed the way organization members communicate. It has significantly improved manager's ability to monitor individual or team performance, it has allowed employees to have more complete information and make faster decisions. According to Robins and Coutler, IT has made it possible for people in organizations to be fully accessible any time, regardless of where they are.

#### **2.5.5 Total Quality Management**

Total Quality Management (TQM) is a set of management practices throughout the organization, geared to ensure the organization consistently meets or exceeds customer requirement. TQM places strong focus on process measurement and controls as means of continuous improvement. Kanji and Asher (1996) describes TQM as a continuous process of improvement for individuals, group of people and the whole organization. This approach was inspired by the Japanese and was used to improve organization performance and effectiveness. Mullins (2007) defines TQM as a way of life for an organization as a whole, committed to total customer satisfaction through a continuous process of improvement and the contribution and involvement of people.

TQM is a management philosophy that seeks to integrate all organizational functions to focus on meeting consumer needs and organizational objectives. It maintains that organizations must strive to continuously improve these processes by incorporating the knowledge and experiences of workers, based on the premise that the quality of products and processes is the responsibility of everyone involved with the creation or consumption of the products or services which are offered by an organization.

### **2.5.6 Organizational Structure**

Organizational structure is the grouping of the firm's logistic and managerial activities, which is stipulated by the growing size and complexity of internal operations and the growing turbulence of the firms environment .Today and tomorrow organization structure reflects an external focus, flexible interactions, interdependency and a bottom-up approach (Pearce and Robinson, 2003).Business process re-engineering, BPR, is the one way in which organizations become more efficient and modernize. BPR transforms an organization in ways that directly affects performance. BPR is the fundamental re-thinking of business process to achieve dramatic improvements in critical, contemporary measures of performance such as cost quality, service and speed (Mullins, 2007).

BPR is a management approach aiming at improvements by means of elevating efficiency and effectiveness of the processes that exist within and across organizations. At a firm level, existing research has observed that effective relationship between strategy and structure is a necessary precondition to the successful achievement of business strategies (Bateman and Zeithamol, 1993).A match between strategy and structure has been found to reduce uncertainty within firm and increase effectiveness in strategic management.

### **2.5.7 Performance Contracts**

The use of performance contracts has been acclaimed as an effective and promising means of improving the performance of public enterprises as well as government departments. A performance contract is a formal and legally enforceable agreement between an employer and employees defining the performance expectations to be delivered by employees and the time in which they are to be delivered (Thompson et al, 2007). Performance contracts are a binding document ensuring the participation of performers. They include a variety of incentive-based mechanisms for controlling public agencies—controlling the outcome rather than the process (Robbins & Coulter, 2005).

Essentially, in government institutions, a performance contract is an agreement between a government and a public agency which establishes general goals for the agency, sets targets for measuring performance and provides incentives for achieving these targets. According to Thompson et al, (2007) A large number of governments and international organizations are currently implementing policies using this method to improve the performance of public enterprises in their countries. Performance Contracts represent a state-of-the-art tool for improving public sector performances and are considered an essential tool for enhancing good governance and accountability for results in the public sector (Pearce and Robinson, 2003).

### **2.6. Related Studies and Research Gaps**

Not much has been done in regard to strategic management responses to macro environment changes. Among the great Chinese wisdoms, Sun Tzu's principles which he advocated, are principles of situation appraisal, strategy implementation, and strategic control through an empirical study (Wu et al, 2004) .

In a survey done by Laczniaak and Lusch (1987), Fortune 500 vice-presidents of marketing and planning reveals their views of the business environment along with their expected changes in corporate and marketing strategy. These perspectives can serve as a catalyst to other executives for thinking about future business environments as well as possible corporate responses to the shape of the future.

Kariuki (2012) did a survey on strategic responses of public primary schools in Westlands District Nairobi County to changes in the external environment and concluded that schools, just like corporate organizations face economic, social, political, legal and technological challenges and have to re-act by setting up benchmarking strategies, marketing strategies and even going digital. Omondi (2010) did a study in the KPL on strategic planning practices adopted by the firm. His findings indicate that the firm carries out an external and internal environment analysis, sets objectives, implements and executes the plan and does controlling of the process. Mwaniki, (2010) gathered benchmarking, TQM, marketing strategies among the responses Kenya Electricity Generating Company to the changes in their macro-environment.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents research methodology adopted in the study. Specifically, the chapter covers research design, data collection, population, sampling design and analysis technique.

### **3.2 Research Design**

This study was carried out by use of cross-sectional survey. Use of survey increased the researcher's familiarity with macro environmental factors that affects all the sixteen clubs in the League and how they respond to such changes at one point in time. The exploratory design was undertaken since not much was known by the researcher on the environment that KPL operates in. Some facts regarding strategic responses were known, but more information was needed in regard to sports industry for subsequent theory building and hypotheses testing.

By using this design, the researcher was able to increase understanding of the Kenyan Premier League. However definite conclusions were not drawn due to its lack of statistical strength, but it formed a basis to determine which macro environmental factors KPL face and why they choose their particular response strategy. Use of survey proved very advantageous in directing subsequent research approaches. Due to greater understanding of the subject and better conclusions made, this study will hone subsequent research questions. This research design due to its exploratory nature, will assist the KPL flag their dead ends early, saving on time and money. It proved to be an effective design in aid of strategic planning due to its ability to point dead ends early.



### **3.3 Population**

There are sixteen football clubs in the KPL (Appendix 1). They are divided into four groups based on their sponsorship; community based, corporate based, privately sponsored and military owned. Community based clubs in the KPL were found to be three, seven corporate based clubs, five private owned and one military based club. This population is scattered countrywide, with more of the officials in Nairobi. The population data was provided by KPL through their newsletters and websites and personal visit to their offices. The club officials are the chairman, CEO, secretaries and accountants. These formed the population from which the researcher's questions were to be answered.

The population was male gender only and were all aged above twenty-five years. All the individuals in the target population were twenty six club officials. Majority of the population were working for the KPL on voluntary basis and were having a full time job elsewhere. The common characteristic with the target population was that they all had a soft spot for football either as spectators or as former players.

### **3.4 Sample Design**

Despite the fact that the population is small and a census was feasible, the clubs elements are found to be quite similar and hence census was unnecessary. Some of the KPL clubs are far geographically, thus a purposive non random sampling technique was applied. The sampling was based on the clubs sponsorship to ensure under each category, two club secretaries were interviewed. Under the military category, there is only one club thus only one official was interviewed.

A total of seven club officials were interviewed with one being the chairman, four being the CEO's, and two of them were the organizing secretary. The sampling was purposively done since the researcher had a prior knowledge of the research questions. Snowballing sampling was applied in instances where the researcher selected a respondent whom the snowballer thought would not give conclusive information, was out of the country or would be too rigid to provide the club's sensitive information. This sampling technique yielded economic advantages of travelling to reach all clubs, gave greater accuracy to results since the interview was administered to two of the best clubs in terms of performance under each sponsorship category and gave greater speed in data collection.

### **3.5 Data Collection**

Data was collected through primary and secondary sources. Interviews were administered via face to face, using an interview guide to the club officials of the sampled clubs (Appendix II). This helped get an in-depth understanding of how clubs are managed and how they respond to various external factors that occur. The researcher was able to adapt the questions as necessary, clarify doubts and ensure that the responses are properly understood by repeating or rephrasing the questions. The researcher also picked nonverbal cues from the respondent. Secondary data was widely sourced from online journals and unpublished research projects and dissertations within and outside the country.

The researcher located more of sports data and less information on the KPL in these journals. Books in sports managements were widely sourced to get its applicability in the Kenya's Premier League. Newsletters were available on Kenyan football and formed a major source of secondary data.

The Kenyan media to include the weekly football newspapers and football segments in the major daily newspapers equipped the researcher with football basics. The researcher took personal visits to the KPL matches as they happened within the research period to build more on sports knowledge. Social media proved to be a source of real time football information as well. However, majority of these secondary sources could not provide credible information thus not referenced as much in this research work.

### **3.6 Data Analysis**

Data obtained from the interviews was analyzed using content analysis. This approach was suitable in objectively and systematically measuring the semantic content of the responses received. The researcher reviewed the contents collected from the interviews, put them into context, compiled the data and presented it in a prose form. The researcher used conceptual analysis where the concept was chosen and the number of its occurrences.

The implicit terms were clearly defined at the beginning of the counting exercise to limit subjectivity. The interview responses were coded into manageable content categories; - political, economic, social, technological, ecological and legal. Selective reduction was applied by breaking down the contents of the interview responses into meaningful and pertinent units of information then analyzing and interpreting the information.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter presents the findings, discussions and interpretation on the macro environmental factors that affect KPL and the strategic responses adopted by KPL clubs to changing macro environment conditions. The chapter also presents why the League opts for one response strategy over the other.

### **4.2 Demographic Information**

All the respondents from the seven clubs were male, with their ages between 25years and 40years. They all had at least a degree level of education and had served in their respective clubs for not less than five years. The interview achieved 100% response rate, since all sampled interviewees were interviewed. The KPL 16 clubs were found to be in four distinct categories based on their financial support;- community clubs, corporate clubs, private owned and military based club. These formed the distinct elements in analysis.

With the four distinct elements, the macro environmental factors were the content which analysis was based on. The club category was realized to determine the kind of response that a club selected when faced with any external turbulence. The responses were coded based on the concepts occurrences and data was compiled. The concepts were the six macro environmental factors-political, economic, social, technological, ecological and legal. Depending on whether the club is affected by the external factors, data analysis was formed. The next step involved analyzing the response chosen and what factor determines the choice.

**Table 4.1 The clubs categories based on their ownership**

COMMUNITY BASED FOOTBALL CLUBS	CORPORATE BASED FOOTBALL CLUBS	PRIVATE OWNED FOOTBALL CLUBS	MILITARY BASED FOOTBALL CLUB
Gor Mahia	Bandari F.C	Mathare united	Ulinzi Stars
Thika United	Tusker F.C	Sofapaka F.C	
AFC	Chemelil Sugar	Kakamega Homeboyz	
	Karuturi Sports	Nairobi city stars	
	Sony Sugar	Muhoroni Youth	
	KCB		
	Western Stima		

Source: Research Data (2013)

Table 4.1 depicts how the KPL clubs are categorized according to their sponsorship. The first two in each category were sampled purposively based on officials availability and performance at the current KPL log. Gor Mahia F.C and Thika United were selected under the community clubs, their two clubs secretaries were interviewed. Under corporate based clubs, Bandari F.C and Tusker F.C we sampled, with their CEO's forming part of the respondents. Mathare United club accountant and Ulinzi Stars CEO were interviewed as well.

### **4.3 Results**

External environment consists of social factors, political impacts, ecological considerations, technological uplifts, economic factors and cultural changes. KPL has no influence on the turbulence experienced in these factors. They therefore need to come up with strategies that will enable them to survive in the event of turbulence in the environment.

The KPL and the environment in which it operates in are not closed systems because they influence each other. This means the League draws its inputs such as human, financial and informational resources but to mention a few from the environment and distributes its products and services back to the environment. An organization is likely to be more successful if it operates as an open system that continually interacts with and receives feedback from the external environment.

#### **4.3.1 Political Changes**

The respondents from the community and the military based clubs fully concurred that politics affect the club performance. With the community based clubs leaning more on the support of a particular tribe, the political tribal leaders tend to cause a wave to the club management thus these clubs tend to be affected by elections and leadership under new government. Corporate based and private clubs management evidently remains unchanged even with the change of government. The respondents confirmed that with these club categories, the government has purely no role in the strategies laid down by the club officials. Particularly the community based clubs, the researcher was able to identify that most club officials, though working on voluntary basis, use the platform as a stepping stone to political arena.

The corporate sponsored clubs have a dedicated line of staff, who are also employees to the sponsoring organization and therefore appointments are done rather than electing their leaders as it is in the community based clubs. With appointments, a country's politics are hard to find their way into the clubs management and more so, on the strategies set to achieve the objectives. The study established that all clubs in the KPL are not affected by other political actions designed to benefit and protect firms such as patent laws, government subsidies and product research grants.

The study found that community based clubs decisions are at a great length influenced by the club officials who are alienated to politics, making it a hindrance when responding to any political change. These clubs indicated that their budgets presents a plan during the political changes and minimizes the effects. Most club official in these community based clubs use the clubs as a platform to achieve their political goals, then leave.

This has greatly influenced how clubs responds strategically. However, corporate based clubs are not directly influenced by politics since theirs are corporate managed. Privately owned clubs were found to be non-partisan as well and political changes did not affect them directly. All the respondents suggested that firm structures would enhance adoption to political changes. Corporate sponsored club officials were quick to point that their five years strategic plans for the clubs helps the clubs remain firm at all times.

#### **4.3.2 Economic Changes**

Recently the economic situation in the country has been harsh to organizations and the sports clubs in the KPL has consequently been adversely affected though not directly. The study found that these clubs depend on sponsorships and well-wishers for their finances. These finances cater for their budgets which involve transport and accommodation, wages for the players and coaches and other match expenses. Respondents stated that with high VAT in the country, appreciating dollar, less foreign exchange with increasing population, their sponsors more so for the corporate sponsored clubs are likely to lower the grants, leaving the clubs to manage with less funds. This leads to loosing competent players through poaching to other local and international clubs since they are offered better pay.

The study also established that the fluctuating economic environment does not affect the fan base. Gate collections, merchandise selling and the match viewership remains constant if not increasing even in the economic hard times. This is mostly in community based clubs whose support is not economic based rather social based. All the respondents pointed out that during economic downtimes, their budgets are greatly affected and they have to lower their spending. However, private owned clubs pointed out that they avoided lowering their players standards by chipping in from their personal finances and maybe refunding themselves when clubs are up financially. This was easily achieved in privates than in corporate category.

The reason is, in the latter; the amount allocated to them by the parent organization is what they have to go with, since they cannot acquire sponsorship elsewhere. The study also concluded that with community based clubs, well-wishers will always be there even when the economic situation is deteriorating since these are the government officials, football fan die-hards and tribal-leaders who will want to gain popularity by giving out funds. Military clubs remain unchanged in their spending with the government being their main sponsor. However, the respondents agreed that getting sponsorship is difficult during times of low foreign exchanges, appreciating dollar rates and high taxes on value added.

#### **4.3.3 Social-cultural changes**

Football in Kenya is a social game and it's highly influenced by the societal perceptions. The study found that among the community based clubs, those with the support of the communities which are known for splendid lifestyles seems to have a greater fan base, more funds from gate collections and merchandise selling and consequently their players have high morale from the motivation.



They therefore win more matches and maintain top of the league. The study further found that the locals are becoming more and more appreciative of the Kenyan sports and thus the cultural change is really affecting the KPL clubs positively. On the negative, the corporate sponsored clubs tend to be under intense fire from the locals who feel the urge to own the club in terms of the club name and players. They claim since the club is based in their region, it should be made regional which is making it a community based club. This greatly affects the club performance since the club is corporate sponsored and cannot operate otherwise.

The study found that with some communities being more passionate to the sport than others they tend to cause chaos during matches which brings a wrong impression to the club management in general. This applies to the community based clubs and brings a tainted cultural value to the concerned communities. The military owned club tend to be least affected by the societal changes since theirs is government sponsored and particularly with the disciplined forces, thus higher level of discipline is observed.

The cultural belief of Kenyans and their lifestyles is a factor that KPL relies on for the matches to go on well. All the clubs agreed that Kenyans are now experiencing a paradigm shift in that football is no longer for the goons. By acquiring recognizable sponsors, improving the football fans merchandise, renovating and flood-lighting the stadiums and also having particular leaders reward the players after a win, locals are really getting to recognize the local league. By joining the bandwagon, the society is offering moral support to the players and the league officials which is more needed in scoring goals. The study observed that community based clubs have it easy in gaining fans since their communities values and beliefs are in football. It was observed that the communities which do not have a community clubs were the less concerned in football matters and believed in athletics and other sports.

Such communities were found to be a challenge in making them value football. Corporate clubs in the KPL also are challenged in getting a fan base since the community believes they do not own the club and the particular sponsor is the owner. Private owned clubs, according to the respondents, tend to choose their clientele based on the club's origin. For example, slum dwellers, the youths of particular part of the city, students and others. Corporate clubs have to elaborate to their local community that being a corporate club, they have to source for players anywhere as long as the clubs performance is achieved in terms of wins.

#### **4.3.4 Technological Changes**

The ICT environment is changing very frequently all over the world. In the KPL, the technological changes have had a positive as well as a negative impact to the clubs performance. With the internet, communication has become faster than five years ago and the organization is able to communicate its strategic plans and course of action via email, mobile phones and social media. Fans are able to interact and uplift player's morale via the internet. Live matches by Supersport have made it possible for clubs to attain international recognition.

Competent players and coaches have been identified through the live matches by international sports bodies leading to better contracts and this benefit the nurturing club as well. The study found that with the televised live matches, games tend to be fairly refereed and fans became more enthusiastic. However, this tends to reduce gate collections and fan attendance since they can watch at the comfort of their homes. The study also pointed out that better pitches are in the making due to technological changes with having an artificial turf being one of the leagues achieved objective.

Renovation to include floodlights at Nyayo stadium and recently Kasarani Sports Center, teams can now play at night, saving on time. Respondents were all in agreement to point out that use of social media leads to propagandas and lies perpetration at the expense of the clubs and its players. Delayed wages, sacked coaches, wrangles within the management are some of the details that will be let out and spread to unconcerned parties through the social media platforms. Hate speech and political messages are spread to instigate chaos to the fans and general public through the internet, which is a let down to the society.

The respondents agreed they have to respond to the changing world and by the fact that the world has turned into a global village, KPL has to find a way to adopt the changes. All the interviewees pointed out that the media-social media, print, audio and visual-are all beyond the leagues control especially when broadcasting on hooliganism, negative comments on the match referee performance, player's health and the leagues management. Information is relayed fast over the internet and this makes it hard to control what the general public views. The league responds by disciplining their players, counseling them as well as giving penalties to faults so that the league can remain undaunted as much as possible.

This is mostly implemented in the privately owned clubs since the owners have a near-full control of the policies. The study found that KPL is striving to acquire international standards by broadcasting live matches by Supersport, laying the artificial turfs at City stadium to mention but a few. However the major factor is the cost of implementing technological changes since club financing in the KPL has not gone independent, they all rely on sponsors.

#### **4.3.5 Legal Changes**

The study was carried out during the time when the government of Kenya signed Sports Bill which will affect the sports management in the country. Football clubs will be required to fill returns thus pay taxes, have a management committee inclusive of the Board Of Directors and the secretariat and basically have a strategic way of managing football. This will be from the FKF, down to the KPL and all other lower division clubs. All the respondents agreed that the Sports Bill was long overdue since it will impact the clubs positively.

However, community based clubs will have a challenge implementing it since from the research these clubs tend not to have a strategic plan or any other management plan. Corporate and private sponsored clubs will only need to streamline their current committee to fit the bill requirement. It was pointed out that sports sector has been locally neglected legally. The introduction of sports bill was a welcome especially to the corporate based clubs who were already having the football management team by qualification unlike the community based ones who elected their officials depending on their popularity.

Corporate respondents showed that they do have strategic plans in addition to annual budgets. All the clubs agreed that filing returns will allow accountability and increased profitability in the clubs. The study realized that most of the club officials are on voluntary basis and this causes lack of planning in management. The study found that all the clubs irrespective of their sponsorship will have to abide by the legal document. Intense education on the Sports Act by the government will assist the League understand their legal rights and position.

## 4.4 Discussions

The KPL clubs are all gearing their activities towards attaining a competitive edge be it community, corporate, military or privately owned clubs. They all identify to the game theory where the outcome of ones choices depends on the choice of others. This is done when hiring competent coaches, firing of incompetent ones, signing in performing players and attracting a bigger fan base. Each club was found to fight for better players even when it demands more cost to the club. With the recorded live matches, clubs were found to replay their rival's recent game, point out their weakness and maximize on that in their next match. The more a club is able to gather appealing fanbase, the more would be the sponsors thus more finances.

The clubs activities and results are evaluated but monitoring particularly of the community clubs is not formally done due to lack of a strategic plan to control on. However private clubs and in particular Bandari FC has a fully done strategic plan and monitoring is done after the plan period. This depicts a sparingly use of the strategic control theory. The community based clubs depicted more free style type of management and aimed more on popularity than gaining financially. These clubs will need to introduce a strategic plan for them to relate to strategic control theory.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents a summary of the findings from the study, the conclusions and the recommendations made by the researcher based on the findings as well as suggestions for further study. The objectives of the study were to investigate the responses applied by KPL clubs to changes in macro environment factors and the factors that influence those responses.

### **5.2 Summary of Findings**

From the study, all the respondents revealed that KPL was affected by macro environmental factors in one way or another. The study looked into the strategies that have been adopted to cope with changes in the macro environmental factors. From the findings, if the clubs could be left to run independent of their community backings, political influence would directly not affect club management. Also respondents particularly from the community based clubs insisted on the clubs shunning electing of their leaders and embrace the appointing culture.

The study found that private owned clubs and corporate sponsored clubs have used their respective sponsoring way to prevent the club from the political shenanigans in the country. These two club categories have their officials appointed by the club owners and some were found to be under a salary thus more responsibility is put in managing the clubs. Economic changes in the environment were found to affect the running of clubs due to sponsorships. However, if KPL could independently run their clubs, the dollar fluctuations effects would decrease.

Also the fact that clubs stay under a certain financial umbrella is also beneficial in that the grants have to flow under the contracts signed, whether there is an economic downtime or not. The community based clubs were found to be more supported by their fans due to their respective community backings. Legally, all the clubs are affected whenever a bill is passed irrespective of the backing. All players are well informed of their rights before contracting with their various teams.

Technology is embraced by all the Leagues club albeit at a lower speed, particularly in renovating pitches, communication and broadcasting. The study concluded that the league is not affected by any ecological changes that happen in the environment, with the Kenyan ecology being adverse in some parts like the northern region but not where the matches happen. The clubs sponsorship category is the major factor when responding to macro environment changes, the study revealed. The clubs with a more independent way of management, particularly private and corporate categories were found to be flexible in adapting to change. Club sponsorship also affected how the economic hardships are going to be dealt with.

The private owned clubs were found to be reluctant to look for sponsorship during economic downtimes. Legally, all clubs irrespective of their management style were willing to abide by the Sports Act. Further the research revealed that all the Leagues clubs are moving towards achieving an organized management structure, free of the sponsoring umbrellas. The cost of implementing technological changes was found to be a hindrance in clubs achieving their goals. Most clubs were found to spend a large share of their finances in wage bill and in particular to the players and coaches. The societal beliefs of the game in Kenya was found to influence how clubs perform in their matches. Those fans that are passionate in the game will motivate their players more thus better performance is achieved in such clubs.

### **5.3 Conclusions**

The purpose of the study was to investigate the responses by KPL to the changing macro environment factors in Kenya. The study concludes that a club's operating environment is affected by changes in macro environment factors. Politics affects the community clubs in a negative way, while the other categories are not directly affected by changes in the political arena. Military club has so far been able to maintain its operations during political handover, being in the government.

All clubs are found to be affected economically since they all depend on sponsors and well-wishers. All the respondents pointed out that with a strategically planned club, profitability will increase and a reduction in corruption will be attained. The Sports Bill established a fund known as the National Sports Fund. All the proceeds of any sports lottery and investments are to be paid to this fund. The fund is meant to provide financial support for sport persons and sports organizations and shall be managed by a Board of Trustees.

This will further shield KPL from harsh economic times. Discipline in sports management has been critical with sports disputes being dragged to already burdened courts of law. It is hoped by the researcher that since the Sports Bill has been passed into law, there will be incredible change to the sports scenario in the country. With the unveiling of the Sports Kenya's interim management committee in May 2013, the road to implementation of the Sports Act just began. This committee is to help the government dissolve sports departments and Sports Stadium Management Board (SSMB) which are departments of the government and assist this ministry to set up the framework of sports Kenya. Sports officials will have to undergo public vetting for them to hold office as is required by our constitution.



## **5.4 Limitations of the Study**

Time to conduct the interviews was a limiting factor since the project was done while executing other employee duties. Lack of relevant secondary materials in the University Library was another limiting factor since most of the studies done at the post and undergraduate levels do not involve KPL. There was constraint of availability of the key respondents that is the club owners and chairmen particularly of the private owned clubs due to other engagements, including attending matches outside Nairobi. However, great effort was put to tap the respondents during their official hours and not when busy organizing matches. This led to extension of the time needed to collect data.

## **5.5 Recommendations**

The researcher recommends the Sports Act 2013, which will do a long way in aligning the clubs management and also making the players and coaches aware of their legal rights. By the fact that all clubs will abide by this documents, the dream of having the clubs managed by professionals will be realized. This will root out hooliganism and funds misappropriation in the League. Clubs will likely make profits and invest their funds as well as attend to their budgetary needs.

The researcher recommends KPL to provide a young talent football center where young people could realize their talent from a tender age and ensure the talent is locally nurtured to maturity. This will in turn earn the clubs royalties if such players are signed by international football clubs. The researcher applauds MYSA, (Mathare Youth Sports Association), which is one of the world's leading sports for development organization.

This ensures continuity of the football since beyond a certain age, players need to be replaced by younger ones. Community service is one way of social responsibility. Corporates that sponsor the League's clubs do so as a Corporate Social Responsibility but the clubs themselves can give back to the society by organizing the players do the community work. By mentoring young minds through counseling and role models, players can have more impact to the communities that support them, gaining popularity as well. This increases fan base, viewership and consequently, gate collections and merchandise selling during their matches.

## **5.6 Implications for Policy and Practice**

The researcher proposes the KPL clubs be made an independent legal entity through Sports Policies. This will leave the community based clubs off their tribal kins who manipulate the clubs management hindering growth. Private owned clubs needs to detach from their owners and be managed independently. Corporate sponsored clubs would do better if they could source for more sponsors which can be achieved by running independently. By formulating such Sports Policies, the structural change will be effectively made and lead to the football club's management operating as corporate organizations.

The Government of Kenya would assist much if they could offer grants or incentives to all the clubs. Political leaders should stop supporting the clubs with their tribal backing only and instead look at each club's performance and offer financial assistance, irrespective of its community backing or ownership. This will improve player's morale and instill a patriotism feel in the football clubs. After all, it is the country that takes much glory whenever a football match is won.

## **5.7 Suggestions for Further Research**

The researcher would recommend further studies to be done in the Kenyan Sports industry since the sports industry will need to be monitored on the progress of becoming fully-managed corporations. This study was carried out a time when the Sports Act 2013 was on its implementation stage and continuity studies should be carried out in future to check on the progress.

This study was done through purposive sampling of the clubs based on their sponsorship category. A case study and in particular in the community based clubs would be highly commendable to explore further on how such clubs can be streamlined. The researcher would also suggest a study on how rugby and athletics in Kenya responds strategically to the external and internal environments. During the course of this study, it was discovered that the internal environment within the clubs is a major management challenge and this can also be explored further.

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## **Appendix I: KPL Clubs**

1. A.F.C.Leopards
2. Bandari
3. .Chemelil Sugar
4. Gor Mahia
5. KakamegaHomeboyz
6. Karuturi Sports
7. KCB
8. Mathare United
9. Muhoroni Youth
10. Nairobi City Stars
11. Sofapaka
12. Sony Sugar
13. Thika United
14. Tusker
15. Ulinzi Stars
16. Western Stima

**Source:** Kenya Premier League (2013)

## Appendix II: Interview Guide

### PART I: GENERAL DEMOGRAPHICS.

1. Your name.....
2. Football Club.....
3. Position in the club.....
4. Number of years as a club official.....
5. Your level of education.....

### PART II: MAIN QUESTIONS.

In regard to the questions below, kindly give responses referring to the last 5 years.

1. Are there any political changes affecting your club?.....

If yes, state which ones and how they affect the club.....

.....

What is the club doing /has done to cope with such changes?.....

.....

Why have you adopted these mechanisms and not others? Are there any constraints of the factors affecting these choices?.....

.....

- 2 Are there any economic changes affecting your club?.....

If yes, state which ones and how they affect the club.....

.....

What is the club doing /has done to cope with such changes?.....

.....

Why have you adopted these mechanisms and not others? Are there any constraints of the factors affecting these choices?

.....



3 Are there any social-cultural changes affecting your club?.....

If yes, state which ones and how they affect the club.....

.....

What is the club doing /has done to cope with such changes?.....

.....

Why have you adopted these mechanisms and not others? Are there any constraints of the factors affecting these choices?.....

4. Are there any technological changes affecting your club?.....

If yes, state which ones and how they affect the club.....

.....

What is the club doing /has done to cope with such changes?.....

.....

Why have you adopted these mechanisms and not others? Are there any constraints of the factors affecting these choices?.....

5 Are there any ecological changes affecting your club?.....

.....

If yes, state which ones and how they affect the club.....

.....

What is the club doing /has done to cope with such changes? .....

.....

Why have you adopted these mechanisms and not others? Are there any constraints of the factors affecting these choices? .....

.....

6 Are there any legal changes affecting your club? .....

.....

If yes, state which ones and how they affect the club.....

.....

What is the club doing /has done to cope with such changes?.....

.....

Why have you adopted these mechanisms and not others? Are there any constraints of the factors affecting these choices?.....

.....

THANK YOU FOR YOUR TIME.

### Appendix III: Introduction Letter



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAMME**

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

P.O. Box 30197  
Nairobi, Kenya

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DATE 4<sup>th</sup> Sept. 2013

**TO WHOM IT MAY CONCERN**

The bearer of this letter ..... AGNES NJAKAI .....

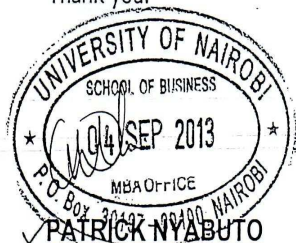
Registration No. .... DG1/G3211/2011 .....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.



**PATRICK NYABUTO**  
**MBA ADMINISTRATOR**  
**SCHOOL OF BUSINESS**