RESPONSE STRATEGIES ADOPTED BY AGROCHEMICAL COMPANIES TO THE CHALLENGES OF AGROCHEMICAL DISTRIBUTION IN KENYA

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Organizational environments undergo catastrophic upheavals which lead to changes that are so sudden and extensive that they alter the trajectories of entire industries, this overwhelms the adaptive capacities of resilient organizations and seasoned managers. This study sought to establish the strategic responses to environmental changes by Agrochemical companies distributing products in Kenya. To do this, the study was anchored on organisation theories namely, open systems, contingency theory and resource dependency theory and was guided by two objectives: to determine the challenges faced by major agrochemical companies in distributing products in Kenya and; to establish the response strategies adopted by the companies to the above challenges. The study adopted a census survey design where a population of 54 companies registered with Agrochemical association of Kenya were targeted. Only 36 questionnaires were returned giving a response rate of 67.9 %. Primary data was collected using a structured questionnaire. The gathered data was analyzed using both quantitative and qualitative techniques by application of descriptive statistics. Where mean scores and frequencies were tabulated. The study found out that the main challenge facing agrochemical companies were stakeholders environmental pressure groups, regulatory changes and competition defined by the number of companies and products competing in the market which were high. The study further found out that other challenges were technological changes in the industry, counterfeit or illegal products being sold in country. As a response a to the above challenges the study found out that companies are launching green products, employing strategies like competitive advantage in term of operation in containing costs and innovations / and changing systems to align to market benchmarks. Those with global portfolio are taking advantage of globalization to leverage of their location and position in the industry. The study concludes that agrochemical companies should rethink their business strategy to align them to market realities driven by stakeholders and environmental pressure groups and that regulation are in place to protect the stakeholders but this should not be used as an entry barrier. Agrochemical companies should endeavour to lobby the Government in terms of regulatory framework and seek support in lobbying other stakeholders. Agrochemical companies and other stakeholders should take charge of the industry to weed out malpractices such counterfeit this call for concerted efforts for each agrochemical company to take responsibility of own product distribution. The above results agree with organisation theories used in the study. However, during the study some limitations were experienced like the use of closed questions limited respondents on information giving, the type of questions were strategic in nature and this could have affected sincerity of the respondents and finally the study was only limited to organisations who are member of agrochemical association of Kenya. Moreover, the study reveals suggestions for further studies to find out the response strategies adopted local companies vs foreign companies and how environmental issues affect cooperate strategy and environmental fit of the portfolio. Further work need to be done to evaluate the impact of environmental pressure groups and regulators on organisation strategy in agrochemical industry and compared to other industries.